Better Health, Brighter Future

Takeda Quarterly Financial Report

For the Quarter Ended December 31, 2024

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Financial Highlights

Selected Financial Results

Takeda uses certain non-IFRS measures to supplement the analysis of results of operations under International Financial Reporting Standards ("IFRS"). Refer to "Financial Appendix" for the definition and reconciliations of non-IFRS Measures.

Results of Operation

	Nine-month Period Ended December 31,		AER*		CER*
(JPY millions)	2023	2024	Amount of Change	% Change	% Change
Revenue	3,212,893	3,528,152	315,259	9.8 %	4.5 %
Operating profit	224,144	417,518	193,374	86.3 %	76.0 %
Profit before tax	100,313	282,383	182,070	181.5 %	162.4 %
Net profit for the period	147,191	211,241	64,050	43.5 %	32.0 %
Net profit for the period attributable to owners of the Company	147,085	211,083	63,998	43.5 %	32.0 %
Basic earnings per share (JPY)	94.10	133.71	39.61	42.1 %	30.7 %

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

Core Results

Results of Core Operations

	Nine-month Period Ended December 31,		AER*		CER*
(JPY billions)	2023	2024	Amount of Change	% Change	% Change
Core revenue	3,212.9	3,528.2	315.3	9.8 %	4.5 %
Core operating profit	865.6	1,006.3	140.7	16.3 %	10.1 %
Core net profit for the period	643.7	699.1	55.4	8.6 %	1.9 %
Core net profit for the period attributable to owners of the Company	643.6	698.9	55.3	8.6 %	1.9 %
Core EPS (JPY)	412	443	31	7.5 %	0.9 %

* Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS) and Constant Exchange Rate is presented in “CER” (which is a non-IFRS measure). Refer to “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix for the definition.

Leverage

	As of	
(JPY billions)	March 31, 2024	December 31, 2024
Adjusted Net debt	(4,091.3)	(4,026.4)
Adjusted EBITDA	1,319.9	1,471.0
Adjusted Net debt/Adjusted EBITDA ratio	3.1 x	2.7 x

Consolidated Cash Flows

	Nine-month Period Ended December 31,		Change versus the same period of the previous fiscal year	
(JPY millions)	2023	2024	JPY	%
Cash flows from (used in) operating activities	437,756	835,023	397,267	90.8 %
Cash flows from (used in) investing activities	(402,378)	(347,379)	54,999	13.7 %
Cash flows from (used in) financing activities	(296,193)	(449,633)	(153,441)	(51.8) %

Adjusted Free Cash Flow

	Nine-month Period Ended December 31,		Change versus the same period of the previous fiscal year	
(JPY billions)	2023	2024	JPY	%
Adjusted Free Cash Flow	36.3	568.3	532.0	1,466.3 %

Consolidated Financial Position

(JPY millions)	As of March 31, 2024	As of December 31, 2024	Change versus the previous fiscal year-end JPY	Change versus the previous fiscal year-end %
Non-current Assets	12,550,212	12,352,556	(197,656)	(1.6)%
Current Assets	2,558,580	2,754,287	195,707	7.6 %
Total Assets	**15,108,792**	**15,106,844**	**(1,949)**	**(0.0)%**
Non-current Liabilities	5,521,684	5,589,689	68,004	1.2 %
Current Liabilities	2,313,103	2,097,964	(215,139)	(9.3)%
Total Liabilities	**7,834,788**	**7,687,653**	**(147,135)**	**(1.9)%**
Equity	**7,274,005**	**7,419,191**	**145,186**	**2.0 %**
Total liabilities and equity	**15,108,792**	**15,106,844**	**(1,949)**	**(0.0)%**

Forecast and Management Guidance

*Forecast**

(JPY billions)	Previous Forecast (October 31, 2024)	Revised Forecast (January 30, 2025)	Change vs. Previous Forecast	
Revenue	4,480.0	4,590.0	110.0	2.5 %
Gross Profit	2,925.0	3,005.0	80.0	2.7 %
Operating profit	265.0	344.0	79.0	29.8 %
Profit before tax	93.0	162.0	69.0	74.2 %
Net profit for the year (attributable to owners of the Company)	68.0	118.0	50.0	73.5 %
EPS (JPY)	43.03	74.68	31.65	73.5 %
Non-IFRS Measures				
Core Revenue	4,480.0	4,590.0	110.0	2.5 %
Core Operating Profit	1,050.0	1,150.0	100.0	9.5 %
Core EPS (JPY)	456	507	50	11.0 %
Dividends per share (JPY)	196	196	—	—

*Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Outlook for the Fiscal Year Ending March 31, 2025" for details.

Management Guidance

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

CER % Change *

	Previous Management Guidance (October 31, 2024)	Revised Management Guidance (January 30, 2025)
Core Revenue	Flat to slightly increasing	Low-single-digit % increase
Core Operating Profit	Mid-single-digit % decline	Low-single-digit % increase
Core EPS	Approx 10% decline	Flat to slightly declining

*Refer to "Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations" in the Financial Appendix for the definition" in the Financial Appendix for the definition.

Revenue by Region

		JPY (millions) Nine-month Period Ended December 31, Japan	United States	Europe and Canada	Asia (excluding Japan)	Latin America	Russia/CIS	Other	Total
	2023	342,647	1,685,498	721,538	188,779	138,375	45,360	90,696	3,212,893
	2024	324,719	1,841,417	795,558	209,197	191,226	61,940	104,097	3,528,152
Change versus the previous year	JPY	(17,929)	155,919	74,020	20,418	52,851	16,579	13,401	315,259
	%	(5.2)%	9.3 %	10.3 %	10.8 %	38.2 %	36.6 %	14.8 %	9.8 %

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

Recent Developments

Pipeline and R&D Activities

Research and development expenses for the nine-month period ended December 31, 2024 were JPY 514.2 billion. Takeda does not report disaggregated R&D expenses, including by therapeutic area or clinical trial stage, as our R&D budget is determined on a company-wide basis and specific expenditures may be subject to re-allocation depending on development results and priorities.

Takeda's R&D engine is focused on translating science into highly innovative, life-transforming medicines that make a critical difference to patients. Takeda supports dedicated R&D efforts across three areas: Innovative Biopharma, Plasma-Derived Therapies (PDT) and Vaccines. The R&D engine for Innovative Biopharma is the largest component of our R&D investment and has produced exciting new molecular entities ("NMEs") that represent potential best-in-class and/or first-in-class medicines in areas of high unmet medical need, both in rare and more prevalent conditions, across our core therapeutic areas (Gastrointestinal and inflammation, neuroscience, and oncology). Takeda is committed to rare diseases, and many of the life-transforming medicines we are pursuing will treat rare diseases in our core therapeutic areas as well as in PDT. We are working to harness the potential of cell and gene therapies by investing in new capabilities and next-generation platforms internally and through a network of partnerships. We are embracing data and digital technologies to improve the quality of innovation and accelerate execution.

Takeda's pipeline is positioned to support both the near-term and long-term sustained growth of the company. Once first approval of a product is achieved, Takeda R&D is equipped to support geographic expansions of such approval and approvals in additional indications, as well as post-marketing commitment and potential additional formulation work. Takeda's R&D team works closely with the commercial functions to maximize the value of marketed products and reflect commercial insights in its R&D strategies and portfolio.

Major progress on R&D events since April 2024 are listed as follows:

R&D pipeline

Gastrointestinal and Inflammation

In Gastrointestinal and Inflammation, Takeda focuses on delivering innovative, life-changing therapeutics for patients with gastrointestinal diseases (including those of the liver) as well as immune-mediated inflammatory diseases. Takeda is maximizing the potential of our inflammatory bowel disease (IBD) franchise around ENTYVIO, including the introduction of a subcutaneous formulation and running real-world evidence generation studies that demonstrate ENTYVIO's place as a backbone therapy in the IBD treatment paradigm and further our understanding of how to improve outcomes for patients. Zasocitinib (TAK-279) is a next generation oral tyrosine kinase 2 (TYK2) inhibitor with potential to treat multiple immune-mediated inflammatory diseases. Fazirsiran (TAK-999) is a potential first-in-class RNAi treatment for alpha-1 antitrypsin-deficiency associated liver disease in late-stage development. Furthermore, Takeda is progressing a pipeline built through in-house discovery, partnerships and business development, which explores opportunities in inflammatory diseases (specifically in gastric, dermatological and rheumatic disorders, along with select rare hematological disorders (ADZYNMA, mezagitamab (TAK-079)), liver diseases, and neurogastric disorders.

ENTYVIO / Generic name: vedolizumab

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

ADZYNMA / Generic name: apadamtase alfa/cinaxadamtase alfa (recombinant)

– In August 2024, Takeda announced that the European Commission (EC) approved ADZYNMA for the treatment of ADAMTS13 deficiency in children and adult patients with congenital thrombotic thrombocytopenic purpura (cTTP). This approval includes confirmation of orphan medicinal product designation and follows a positive opinion from the Committee for Medicinal Products for Human Use (CHMP), as announced in May 2024. The EC approval was supported by the totality of evidence provided by the interim analysis of efficacy, pharmacokinetic, safety and tolerability data from the first randomized, controlled open-label, crossover Phase 3 trial in cTTP, as well as safety and efficacy data from the continuation trial. Data from the Phase 3 trial were published in *The New England Journal of Medicine* in May 2024.

Development code: TAK-079 / Generic name: mezagitamab

– In June 2024, Takeda presented positive results from its Phase 2b, randomized, double-blind, placebo-controlled study (TAK-079-1004 trial) evaluating the safety, tolerability and efficacy of mezagitamab in patients with persistent or chronic primary immune thrombocytopenia (ITP) at the oral Late-Breakthrough Session of the 32nd Congress of the International Society on Thrombosis and Haemostasis (ISTH). The TAK-079-1004 trial evaluated three different doses of subcutaneous mezagitamab (100mg, 300mg and 600mg) versus placebo, given once weekly for eight weeks in patients with chronic or persistent primary ITP, followed by >8 weeks of safety follow-up. The primary endpoint is the percentage of patients with at least one Grade 3 or higher treatment emergent adverse events (TEAEs), serious adverse events (SAEs), and adverse events (AEs) leading to mezagitamab discontinuation. Secondary endpoints included platelet response, complete platelet response, clinically meaningful platelet response, and hemostatic platelet response. The Phase 2b trial results demonstrated that mezagitamab treatment improved platelet response compared to placebo, across all three dose levels of mezagitamab tested. Patients treated with mezagitamab showed rapid and sustained increases in platelet counts (above the 50,000/μL therapeutic threshold), that persisted eight weeks after the last dose through to Week 16, illustrating the rapid and post-therapy effects of mezagitamab on platelet response. In this study, mezagitamab had a favorable safety/tolerability profile in patients with ITP, with no new safety signals and a safety profile consistent with prior studies of mezagitamab. Takeda plans to initiate a global Phase 3 trial of mezagitamab in patients with ITP in the second half of FY2024. Mezagitamab previously received Orphan Drug Designation for the treatment of ITP from the U.S. Food and Drug Administration (FDA) and the program received Fast Track Designation.

Development code: TAK-625 / Generic name: maralixibat

– In June 2024, Takeda announced that it submitted a New Drug Application (NDA) to the Japanese Ministry of Health, Labour and Welfare (MHLW) for maralixibat for the treatment of Alagille Syndrome (ALGS) and Progressive Familial Intrahepatic Cholestasis (PFIC). The application is based on the results of Phase III clinical trials (TAK-625-3001 and TAK-625-3002) conducted in Japan for the treatment of ALGS and PFIC, as well as multiple clinical trials conducted outside of Japan.

Neuroscience

In Neuroscience, Takeda is focusing its R&D investments on potentially transformative treatments for neurological and neuromuscular diseases of high unmet need and building its pipeline through a combination of in-house expertise and partnerships. By harnessing advances in disease biology understanding, translational tools, and innovative modalities, Takeda is primarily focusing on rare neurology, in particular, on potential investigative therapies for sleep-wake disorders such as narcolepsy and idiopathic hypersomnia with a franchise of orexin-2 receptor agonists (e.g., oveporexton (TAK-861), danavorexton (TAK-925), TAK-360). Additionally, Takeda makes targeted investments to investigate well-defined segments of neuromuscular diseases, neurodegenerative diseases and movement disorders.

Development Code: TAK-861 / Generic name: oveporexton

– In June 2024, Takeda presented positive results from its Phase 2b trial of oveporexton in Narcolepsy Type 1 (NT1) at SLEEP 2024, the 38th annual meeting of the American Academy of Sleep Medicine and the Sleep Research Society. The randomized, double-blind, placebo-controlled, multiple dose trial, TAK-861-2001, in 112 patients with NT1 demonstrated statistically significant and clinically meaningful improvements across primary and secondary endpoints, with efficacy sustained over 8 weeks of treatment. The primary endpoint demonstrated statistically significant and clinically meaningful increased sleep latency on the Maintenance of Wakefulness Test (MWT) versus placebo across all doses (LS mean difference versus placebo all $p \leq 0.001$). Consistent results were achieved in the key secondary endpoints including the Epworth Sleepiness Scale (ESS) and Weekly Cataplexy Rate (WCR), demonstrating significantly improved subjective measures of sleepiness and cataplexy (sudden loss of muscle tone) frequency versus placebo. The majority of the participants who completed the trial enrolled in the long-term extension (LTE) study with some patients reaching one year of treatment. The dataset showed that oveporexton was generally safe and well tolerated during the study, with no

treatment-related serious treatment-emergent adverse events (TEAEs) or discontinuations due to TEAEs. No cases of hepatotoxicity or visual disturbances were reported in the Phase 2b trial or in the ongoing LTE study. The most common TEAEs were insomnia, urinary urgency and frequency, and salivary hypersecretion. Most TEAEs were mild to moderate in severity, and most started within 1-2 days of treatment and were transient. The Phase 2b data also supported the recent Breakthrough Therapy designation for oveporexton for the treatment of excessive daytime sleepiness (EDS) in NT1 from the U.S. Food and Drug Administration (FDA).

Development code: TAK-935 / Generic name: soticlestat

- In June 2024, Takeda announced topline data for soticlestat from its SKYLINE and SKYWAY studies. SKYLINE (TAK-935-3001) was a multicenter, randomized, double-blind Phase 3 study that evaluated soticlestat plus standard of care versus placebo plus standard of care in patients with refractory Dravet syndrome (DS). Soticlestat narrowly missed the primary endpoint of reduction from baseline in convulsive seizure frequency as compared to placebo (p-value = 0.06). Among the six key secondary endpoints, soticlestat showed clinically meaningful and nominally significant results in the responder rate, measures of caregiver and clinician global impression of improvement, and seizure intensity and duration scales over the 16-week treatment period (all p-values ≤ 0.008). SKYWAY (TAK-935-3002) was a multicenter, randomized, double-blind Phase 3 study that evaluated soticlestat plus standard of care versus placebo plus standard of care in patients with refractory Lennox-Gastaut syndrome (LGS). Soticlestat missed the novel primary endpoint of reduction from baseline in Major Motor Drop (MMD) seizure frequency as compared to placebo. In SKYLINE and SKYWAY, some pre-specified subgroups of patients also showed nominally significant treatment effects on the primary and secondary efficacy endpoints of caregiver and clinician global impression of improvement, and seizure intensity and duration scales over the 16-week treatment period. Soticlestat was generally well tolerated in both SKYLINE and SKYWAY studies and demonstrated a safety profile consistent with the findings of previous studies.
- In January 2025, Takeda announced the decision to discontinue its soticlestat development program. This decision follows the June 2024 announcement that the soticlestat Phase 3 SKYLINE study in DS and SKYWAY study in LGS missed their primary endpoints. Subsequently, Takeda discontinued the soticlestat LGS development program and engaged with the U.S. Food and Drug Administration (FDA) around the totality of evidence for soticlestat treatment for DS. The FDA informed Takeda that the current clinical data package would not be capable of demonstrating substantial evidence of effectiveness to support a New Drug Application (NDA) for soticlestat in DS. Data from SKYLINE and SKYWAY studies are publicly available on ClinicalTrials.gov.

Oncology

In oncology, we are committed to ensuring that patients globally can benefit from and access our portfolio of medicines, while also progressing a pipeline of potential treatments for the future. Our research and development efforts are focused on three disease areas and four modalities. We are advancing medicines for thoracic, gastrointestinal and hematologic cancers. Within hematologic cancers, we are growing a portfolio of medicines for myeloid cancers, including rusfertide (TAK-121) and elritercept (TAK-226). Our core modalities include antibody drug conjugates (ADCs), complex biologics, small molecules and gamma delta T cell therapies. We complement our internal expertise and global footprint with a robust network of collaborators. We aspire to cure cancer, with inspiration from patients and innovation from everywhere.

Note: From Q4 FY2024, rusfertide is part of the Oncology portfolio

ADCETRIS / Generic name: brentuximab vedotin

- In June 2024, Takeda and Pfizer announced that the German Hodgkin Study Group (GHSG) will present positive results from the Phase 3 HD21 trial evaluating ADCETRIS in combination with chemotherapy as a late-breaking oral presentation at the 60th American Society of Clinical Oncology (ASCO) Annual Meeting and at the 29th European Hematology Association (EHA) Annual Meeting. The four-year analysis presented by the GHSG showed superior progression-free survival (PFS) and improved tolerability compared to a current standard of care regimen used in Europe in this setting. The HD21 study is a Phase 3, randomized, multi-country, prospective, open-label study, designed to evaluate ADCETRIS in combination with etoposide, cyclophosphamide, doxorubicin, dacarbazine and dexamethasone (BrECADD) in comparison to a standard of care treatment – escalated doses of bleomycin, etoposide, doxorubicin, cyclophosphamide, vincristine, procarbazine, prednisone (eBEACOPP) – in patients with newly diagnosed Stage IIb/III/IV classical Hodgkin lymphoma. The ASCO presentation provides details of a four-year PFS analysis of the HD21 study conducted by GHSG. After 48 months, BrECADD showed superior efficacy to BEACOPP (94.3% PFS for BrECADD and 90.9% PFS for eBEACOPP; hazard ratio "HR": 0.66 [95% CI:88.7-93.1]; p<0.035). As previously reported in the three-year analysis, treatment with BrECADD was also associated with a significant reduction in the incidence of treatment-related morbidity (TRMB) compared with BEACOPP (n=738; 42% vs 59%; p<0.001), as well as clinically meaningful reductions in adverse events

(AEs). The safety profile of ADCETRIS in patients receiving BrECADD remained consistent with other approved ADCETRIS combination regimens, and no new safety signals were identified.

FRUZAQLA / Generic name: fruquintinib

- In June 2024, Takeda announced that the European Commission approved FRUZAQLA as a monotherapy indicated for the treatment of adult patients with metastatic colorectal cancer (mCRC) who have been previously treated with available standard therapies, including fluoropyrimidine-, oxaliplatin-, and irinotecan-based chemotherapies, anti-VEGF agents, and anti-EGFR agents, and who have progressed on or are intolerant to treatment with either trifluridine-tipiracil or regorafenib. The approval is based on results from the Phase 3 global FRESCO-2 trial.
- In September 2024, Takeda announced that it received approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) to manufacture and market FRUZAQLA Capsules 1mg/5mg, a selective oral inhibitor of vascular endothelial growth factor receptor (VEGFR) -1, -2 and -3, for the treatment of advanced or recurrent colorectal cancer (CRC) that is neither curable nor resectable and that has progressed after chemotherapy. The approval is based primarily on the results of the global Phase 3 FRESCO-2 trial.

NINLARO / Generic name: ixazomib

- In August 2024, Takeda announced that it received manufacturing and marketing approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) for NINLARO Capsule 0.5 mg as an additional dosage form. The new formulation will provide patients with a novel treatment option (1.5 mg dose (3 x 0.5 mg capsules)) for maintenance therapy in cases of multiple myeloma with a lower dose formulation of NINLARO, allowing for more appropriate dosage adjustments in line with the patient's condition by enabling smaller dose adjustments than were previously possible. The approval is based primarily on the results of the global Phase 3 TOURMALINE-MM3 and TOURMALINE-MM4 clinical trials.

CABOMETYX / Generic name: cabozantinib

- In September 2024, Takeda announced detailed final overall survival (OS) results from CONTACT-02, a Phase 3 study led by Exelixis, evaluating cabozantinib in combination with atezolizumab, an immune checkpoint inhibitor, compared with a second novel hormonal therapy (NHT) in patients with metastatic castration-resistant prostate cancer (mCRPC) and measurable extra-pelvic soft tissue disease who have progressed on one prior NHT. These data were presented at the 2024 European Society for Medical Oncology Congress (ESMO 2024). The dual primary endpoints for CONTACT-02 were progression-free survival (PFS) and OS. At a median follow-up of 24.0 months, the final analysis of OS showed a numerical but not statistically significant improvement favoring cabozantinib in combination with atezolizumab (hazard ratio: 0.89; 95% confidence interval: 0.72-1.10; p=0.296). An improvement in OS was observed in multiple subgroups, notably in patients with bone or liver metastases.

VECTIBIX / Generic name: panitumumab

- In November 2024, Takeda announced that it submitted an application in Japan seeking approval of a partial change to the manufacturing and marketing authorization for VECTIBIX for an additional indication of combination therapy with LUMAKRAS (sotorasib), a KRAS G12C inhibitor, for the treatment of unresectable, advanced or recurrent KRAS G12C mutation-positive colorectal cancer. The application is based on the results of the CodeBreaK 300 trial, a Phase 3, international, multicenter, randomized, open-label, active-controlled trial evaluating the efficacy and safety of combination therapy with VECTIBIX and two dosages of LUMAKRAS (240 mg or 960 mg) in previously treated patients with KRAS G12C mutation-positive metastatic colorectal cancer.

Other Rare Diseases programs

Takeda's R&D engine is focused on areas of high unmet medical need, both in rare and more prevalent conditions, across three core therapeutic areas (gastrointestinal and inflammation, neuroscience, and oncology). In other Rare Diseases programs, Takeda focuses on several areas of high unmet medical need, on top of marketed products such as TAKHZYRO in hereditary angioedema. In rare hematology, Takeda focuses on addressing today's needs in the treatment of bleeding disorders, including through ADVATE and ADYNOVATE/ADYNOVI. In addition, Takeda aims to redefine the management of post-transplant cytomegalovirus (CMV) infection/disease with LIVTENCITY. Takeda commits to fulfilling our vision to deliver life-transforming medicines to patients with rare diseases. Takeda will continue to explore late-stage business development that may leverage our rare diseases capabilities as well as bolster our commitment and leadership in rare diseases.

LIVTENCITY / Generic name: maribavir

– In June 2024, Takeda announced that LIVTENCITY 200mg tablets has been approved by the Japanese Ministry of Health, Labour and Welfare (MHLW) for post-transplant cytomegalovirus (CMV) infection/disease that is refractory to existing anti-CMV therapies. The approval is primarily based on the results of the Phase 3 SOLSTICE trial conducted outside of Japan, which evaluated the safety and efficacy of LIVTENCITY versus alternative antiviral treatments for patients with CMV infection/disease refractory to prior therapies who underwent hematopoietic stem cell transplant (HSCT) or solid organ transplant (SOT), and the Japanese Phase 3 open-label study in patients with CMV infection, including those with refractory CMV infection who underwent HSCT or SOT.

Plasma-Derived Therapies (PDT)

Takeda has created a dedicated PDT business unit with a focus on managing the business end-to-end, from plasma donation to manufacturing, R&D, and commercialization. In PDT, we aspire to develop life-saving plasma-derived therapies, which are essential for patients with a variety of rare and complex chronic diseases. The dedicated R&D organization within PDT is charged with maximizing the value of existing therapies, identifying new targeted therapies, and optimizing efficiencies across the PDT value chain, from plasma donation to product manufacturing. Near-term, our priority is focused on delivering value from our broad immunoglobulin portfolio (HYQVIA, CUVITRU, GAMMAGARD LIQUID and GAMMAGARD S/D) through the pursuit of new indications, geographic expansions, and enhanced patient experience through integrated healthcare technologies. In our hematology and specialty care portfolio, our priority is pursuing new indication and formulation development opportunities for PROTHROMPLEX (4F-PCC), FEIBA and CEPROTIN. Additionally, we are developing next generation immunoglobulin products with 20% fSCIg (TAK-881) and liquid low IgA IG (TAK-880) and are pursuing other early-stage opportunities (e.g. hypersialylated Immunoglobulin (hsIgG)) that would add to our diversified commercial portfolio of more than 20 therapeutic products distributed worldwide.

HYQVIA / Generic name: Immunoglobulin (IG) Infusion 10% (Human) w/ Recombinant Human Hyaluronidase for subcutaneous administration (Development code: TAK-771)

– In June 2024, Takeda announced data from the Phase 3 ADVANCE-CIDP 3 clinical trial, a long-term extension study evaluating the safety and efficacy of HYQVIA in patients chronic inflammatory demyelinating polyneuropathy (CIDP). Results showed favorable long-term safety and tolerability of HYQVIA, and a low relapse rate, supporting its use as maintenance treatment for CIDP. These findings will be presented in a poster session at the Peripheral Nerve Society (PNS) Annual Meeting. The ADVANCE-CIDP 3 clinical trial is the longest extension study ever performed within context of a clinical trial in CIDP to date. The study, which enrolled 85 patients from the ADVANCE-CIDP 1 clinical trial, evaluated the safety/tolerability and immunogenicity of HYQVIA as the primary outcome measure. The median duration of HYQVIA treatment was 33 months (0 to 77 months) with a cumulative overall follow-up time of 220 patient years. The findings were consistent with the known safety and tolerability profile of HYQVIA and no new safety concerns were observed.

– In August 2024, Takeda announced that it submitted an application to the Japanese Ministry of Health, Labour and Welfare (MHLW) for manufacturing and marketing approval of immunoglobulin (IG) infusion 10% (human) w/ recombinant human hyaluronidase for subcutaneous administration (TAK-771) for the expected indications of slowing of progression of motor weakness in CIDP (including multifocal motor neuropathy (MMN)). The application is based on a Phase 3 study in Japanese patients with CIDP and MMN as well as two Phase 3 studies in patients with CIDP conducted outside of Japan.

– In December 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved the use of HYQVIA in patients with agammaglobulinemia or hypogammaglobulinemia, disorders characterized by absent or very low levels of antibodies and an increased risk of serious recurring infection caused by primary immunodeficiency (PID) or secondary immunodeficiency (SID). The approval is based on data from two pivotal Phase 3, open-label, non-controlled studies evaluating the efficacy, safety, tolerability and pharmacokinetics in Japanese subjects with PID (TAK-771-3004, TAK-771-3005). Data from two Phase 3 clinical trials conducted in patients with PID in North America (160603, 160902) was also included in the submission.

Vaccines

In Vaccines, Takeda is applying innovation to tackle some of the world's most challenging infectious diseases such as dengue (QDENGA (TAK-003)), and COVID-19 (NUVAXOVID). To support the expansion of our pipeline and the development of our programs, we have entered into partnerships with government organizations in Japan, and leading global institutions. Such partnerships have been essential in building the critical capabilities that will be necessary to deliver on our programs and realize their full potential.

NUVAXOVID Intramuscular Injection / Generic name: Recombinant coronavirus (SARS-CoV-2) vaccine

- In September 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) granted manufacturing and marketing approval for the recombinant coronavirus (SARS-CoV-2) vaccine NUVAXOVID Intramuscular Injection 1 mL for the prevention of infectious disease caused by SARS-CoV-2 for which a New Drug Application was submitted in April 2024. It is a monovalent vaccine for the Omicron JN.1 variant. Unlike the special temporary vaccination program in response to the emergency to prevent the spread during the pandemic, NUVAXOVID Intramuscular Injection 1 mL is a one vial formulation containing two 0.5mL doses that is suitable for distribution and use when it is not expected that a large number of people will be vaccinated in one day. The approval was based on clinical and quality data related to change of antigen strain, as well as non-clinical data in which NUVAXOVID demonstrated induction of neutralizing antibodies against the JN.1 variant and its subvariants including KP.2 and KP.3.

Building a sustainable research platform / Enhancing R&D collaboration

In addition to our concentrated efforts to increase our in-house R&D capabilities, external partnerships with third-party partners are a key component of our strategy for enhancing our R&D pipeline. Our strategy to expand and diversify our external partnerships allows us to take part in research of a wide variety of new products and increases the chances that we will be able to take part in a major research-related breakthrough.

- In April 2024, Takeda and Japanese Foundation for Cancer Research (JFCR) announced that the signing of a partnership agreement with the goal to advance research and development in the field of oncology. Under the terms of this agreement, Takeda and JFCR will engage in mutual exchange utilizing each other's strengths for the purpose of advancing global early clinical trials and facilitating translational research based on this agreement. This will include necessary information exchanging and consultation regarding ongoing drug development. The partnership seeks to expedite the development of groundbreaking anti-cancer therapies and facilitate swift delivery to cancer patients and their families.
- In April 2024, Takeda, Astellas Pharma Inc. (Astellas), and Sumitomo Mitsui Banking Corporation announced that three companies signed a master agreement to establish a joint venture company. The new company will be dedicated to the incubation of early drug discovery programs originating from Japan and toward the creation of innovative therapeutics. In addition to establishing the joint venture company, Takeda and Astellas will provide support to the joint venture company leveraging their expertise gained from global drug discovery research and development, aiming to accelerate open innovation in early-stage drug discovery, and toward the creation of start-up companies for the benefit of society. The joint venture company, once established, plans to begin incubation activities by collaboratively working with academia, pharmaceutical companies, and start-up companies across Japan to enable access to potentially transformative early drug discovery programs.
- In May 2024, Takeda and AC Immune SA (AC Immune) announced an exclusive, worldwide option and license agreement for AC Immune's active immunotherapies targeting toxic forms of amyloid beta (Abeta), including ACI-24.060 for the treatment of Alzheimer's disease. ACI-24.060 is an anti-Abeta active immunotherapy candidate designed to induce a robust antibody response against the toxic forms of Abeta believed to drive plaque formation and Alzheimer's disease progression. By inducing plaque clearance and efficiently inhibiting plaque formation in the brain, ACI-24.060 has the potential to delay or slow Alzheimer's disease progression. ACI-24.060 is being investigated in the ongoing ABATE randomized, double-blind, placebo-controlled Phase 1b/2 trial to assess the safety, tolerability, immunogenicity and pharmacodynamic effects of the investigational immunotherapy in subjects with prodromal Alzheimer's disease and in adults with Down syndrome. AC Immune will be responsible for completing the ABATE trial. Following option exercise, Takeda would conduct and fund all further clinical development and be responsible for all global regulatory activities as well as worldwide commercialization.
- In June 2024, Takeda announced the signing of an option agreement with Ascentage Pharma to enter into an exclusive license agreement for olverembatinib, an oral, potentially best-in-class, third-generation BCR-ABL tyrosine kinase inhibitor (TKI), which is currently in development for chronic myeloid leukemia (CML) and other hematological cancers. If exercised, the option would allow Takeda to license global rights to develop and commercialize olverembatinib in all territories outside of mainland China, Hong Kong, Macau, Taiwan and Russia. As part of the agreement, Ascentage Pharma will continue to be solely responsible for all clinical development of olverembatinib prior to potential exercise of the option to license. Olverembatinib is currently approved and marketed in China for the treatment of adult patients with TKI-resistant chronic-phase CML (CP-CML) or accelerated-phase CML (AP-CML) harboring the T315I mutation and in adult patients with CP-CML resistant to and/or intolerant of first- and second-generation TKIs.

- In December 2024, Takeda announced that it entered into an exclusive licensing agreement with Keros Therapeutics, Inc. to further develop, manufacture and commercialize elritercept worldwide outside of mainland China, Hong Kong and Macau. Elritercept is a late-stage investigational activin inhibitor designed to treat anemia associated with certain hematologic cancers, including myelodysplastic syndromes (MDS) and myelofibrosis (MF). Elritercept targets activin A and B proteins, which are believed to play a crucial role in anemia-associated diseases. Elritercept is currently in two ongoing Phase 2 clinical trials; one in patients with very low-, low- or intermediate-risk MDS and one in patients with MF. The Phase 3 RENEW trial evaluating elritercept in adult patients with transfusion-dependent anemia with very low-, low- or intermediate-risk MDS will begin enrollment soon. Takeda plans to evaluate elritercept in these cancers across patient segments and lines of therapy. The U.S. Food and Drug Administration (FDA) has granted Fast Track designation for the development of elritercept for very low-, low- and intermediate-risk MDS.
- In December 2024, Takeda and the Tohoku University Drug Discovery Strategy Promotion Organization entered into a strategic alliance, with a goal of building and leveraging an innovative clinical trial network. The alliance aims to simultaneously improve the efficiency of clinical development and patient access to medical care over a three-year period, from October 2024 to September 2027. Tohoku University Hospital will build and integrate the data infrastructure, develop digital tools for various analyses, and utilize the regional medical network and the medical-related data accumulated there for clinical development. This will be aimed at expediting the identification and registration of patients who are suitable for participating in Takeda-led clinical trials, and the provision of opportunities for patients who are suitable for participating in Takeda-led clinical trials.

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

Consolidated Financial Results

Billion JPY or percentage

	FY2023 Q3	FY2024 Q3	AER		CER
			Amount of Change	% Change	% Change
Revenue	3,212.9	3,528.2	315.3	9.8 %	4.5 %
Cost of sales	(1,044.2)	(1,198.1)	(154.0)	14.7 %	9.5 %
Selling, general and administrative expenses	(768.6)	(808.9)	(40.3)	5.2 %	0.3 %
Research and development expenses	(534.1)	(514.2)	19.8	(3.7)%	(8.6)%
Amortization and impairment losses on intangible assets associated with products	(507.0)	(440.2)	66.8	(13.2)%	(17.9)%
Other operating income	10.8	16.2	5.5	50.7 %	43.5 %
Other operating expenses	(145.7)	(165.4)	(19.8)	13.6 %	8.4 %
Operating profit	224.1	417.5	193.4	86.3 %	76.0 %
Finance income and (expenses), net	(126.6)	(131.9)	(5.4)	4.2 %	1.4 %
Share of profit (loss) of investments accounted for using the equity method	2.7	(3.2)	(5.9)	—	—
Profit before tax	100.3	282.4	182.1	181.5 %	162.4 %
Income tax (expenses) benefit	46.9	(71.1)	(118.0)	—	—
Net profit for the period	147.2	211.2	64.0	43.5 %	32.0 %
Net profit for the period attributable to owners of the Company	147.1	211.1	64.0	43.5 %	32.0 %

In this section, when comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in "AER" (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in "CER". For additional information on CER change, see "Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations" in the Financial Appendix.

Revenue

Revenue for the nine-month period ended December 31, 2024 was JPY 3,528.2 billion (JPY +315.3 billion and +9.8% AER, +4.5% CER). The increase is attributable to favorable foreign exchange rates and growth from business momentum of Plasma-Derived Therapies ("PDT"), Gastroenterology ("GI"), Oncology, Rare Diseases and Vaccines. Among our six key business areas, the increase of these business areas was offset in part by a decrease in Neuroscience. The decrease in Neuroscience, which was partially mitigated by favorable foreign exchange rates, was largely attributable to continued generic erosion of sales of VYVANSE (for attention deficit hyperactivity disorder ("ADHD")) in the U.S., which began following loss of exclusivity in August 2023. In addition, revenue outside of our six key business areas decreased mainly due to the decline in sales of AZILVA (for hypertension), which were JPY 8.8 billion (JPY -20.3 billion and -69.8% AER, -69.8% CER) following the entry of generic competitors in Japan beginning in June 2023.

Revenue by Geographic Region

The following shows revenue by geographic region:

Billion JPY or percentage

Revenue:	FY2023 Q3	FY2024 Q3	AER		CER
			Amount of Change	% Change	% Change
Japan	342.6	324.7	(17.9)	(5.2)%	(5.4)%
United States	1,685.5	1,841.4	155.9	9.3 %	3.0 %
Europe and Canada	721.5	795.6	74.0	10.3 %	3.6 %
Asia (excluding Japan)	188.8	209.2	20.4	10.8 %	5.8 %
Latin America	138.4	191.2	52.9	38.2 %	36.4 %
Russia/CIS	45.4	61.9	16.6	36.6 %	34.6 %
Other*1	90.7	104.1	13.4	14.8 %	9.0 %
Total	3,212.9	3,528.2	315.3	9.8 %	4.5 %

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

Revenue by Business Area

The following shows revenue by business area:

Billion JPY or percentage

Revenue:	FY2023 Q3	FY2024 Q3	AER		CER
			Amount of Change	% Change	% Change
GI	936.1	1,039.3	103.2	11.0 %	5.6 %
Rare Diseases	524.4	579.0	54.7	10.4 %	4.9 %
PDT	674.5	784.2	109.7	16.3 %	9.8 %
Oncology	346.3	428.4	82.1	23.7 %	18.7 %
Vaccines	29.5	49.9	20.4	69.1 %	64.9 %
Neuroscience	474.9	456.5	(18.4)	(3.9)%	(9.0)%
Other	227.4	190.9	(36.5)	(16.1)%	(18.5)%
Total	3,212.9	3,528.2	315.3	9.8 %	4.5 %

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

GI

In GI, revenue was JPY 1,039.3 billion (JPY +103.2 billion and +11.0% AER, +5.6% CER).

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease (“CD”)) were JPY 699.0 billion (JPY +79.7 billion and +12.9% AER, +6.6% CER). Sales in the U.S. were JPY 476.0 billion (JPY +44.2 billion and +10.2% AER). The increase was due to favorable foreign exchange rates, maintaining strong demand in the first line biologic inflammatory bowel disease (“IBD”) population and continued patient gains after the launch of the subcutaneous formulation. Sales in Europe and Canada were JPY 169.8 billion (JPY +26.7 billion and +18.7% AER). The increase was primarily due to continued patient gains by an increased use of the subcutaneous formulation and favorable foreign exchange rates.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 113.3 billion (JPY +23.3 billion and +25.9% AER, +20.0% CER). The increase was primarily due to increased demand in the U.S., expansion activities (pediatric indication label expansion), and favorable exchange rates.

Rare Diseases

In Rare Diseases, revenue was JPY 579.0 billion (JPY +54.7 billion and +10.4% AER, +4.9% CER).

Sales of TAKHZYRO (for hereditary angioedema) were JPY 168.0 billion (JPY +31.6 billion and +23.2% AER, +16.4% CER). The increase was primarily due to higher demand in the U.S., Europe and Canada supported by strong patient persistency and prophylactic market growth, as well as favorable foreign exchange rates.

Sales of enzyme replacement therapy ELAPRASE (for Hunter syndrome) were JPY 77.1 billion (JPY +7.2 billion and +10.2% AER, +5.2% CER). The increase was primarily due to strong demand in the Growth and Emerging Markets and Europe, and favorable foreign exchange rates.

Sales of LIVTENCITY (for post-transplant cytomegalovirus ("CMV") infection/disease) were JPY 24.5 billion (JPY +10.5 billion and +75.5% AER, +66.3% CER). The increase was primarily attributable to continued U.S. performance reflecting strong market penetration, complemented by continued geographical expansion in Europe and the Growth and Emerging Markets.

Sales of enzyme replacement therapy REPLAGAL (for Fabry disease) were JPY 60.2 billion (JPY +5.2 billion and +9.4% AER, +4.6% CER). The increase was due to favorable foreign exchange rates, and increased demand in the Growth and Emerging Markets.

PDT

In PDT, revenue was JPY 784.2 billion (JPY +109.7 billion and +16.3% AER, +9.8% CER).

Aggregate sales of immunoglobulin products were JPY 576.0 billion (JPY +90.3 billion and +18.6% AER, +11.9% CER). Sales of each of our three global immunoglobulin brands experienced double digit percentage sales growth, due to continued strong demand globally and growing supply, as well as favorable foreign exchange rates. Those include GAMMAGARD LIQUID/KIOVIG (for the treatment of primary immunodeficiency ("PID") and multifocal motor neuropathy ("MMN")), and subcutaneous immunoglobulin therapies (CUVITRU and HYQVIA), sales of which are growing at a fast pace due to their benefit to patients and convenience in administration compared to intravenous therapies.

Aggregate sales of albumin products including HUMAN ALBUMIN and FLEXBUMIN (both primarily used for hypovolemia and hypoalbuminemia) were JPY 101.3 billion (JPY +7.0 billion and +7.4% AER, +2.2% CER). The increase was primarily driven by favorable foreign exchange rates.

Oncology

In Oncology, revenue was JPY 428.4 billion (JPY +82.1 billion and +23.7% AER, +18.7% CER).

Sales of FRUZAQLA (for colorectal cancer) were JPY 36.1 billion (JPY +33.8 billion and +1,512.9% AER, +1,420.8% CER). The increase was due to a new launch in the U.S. in November 2023, followed by several other countries, as it addressed a need for new treatment options in metastatic colorectal cancer.

Sales of ADCETRIS (for malignant lymphomas) were JPY 99.6 billion (JPY +15.4 billion and +18.2% AER, +13.5% CER). The increase was led by strong demand in the Growth and Emerging Markets, Europe and Canada, primarily driven by increased use in the first line Hodgkin lymphoma, as well as favorable foreign exchange rates.

Sales of LEUPLIN/ENANTONE (for endometriosis, uterine fibroids, premenopausal breast cancer, prostate cancer, and other certain indications) were JPY 89.2 billion (JPY +9.5 billion and +11.9% AER, +8.5% CER). The increase was primarily due to the sales increase in the U.S. the Growth and Emerging Markets, as well as favorable foreign exchange rates.

Sales of ICLUSIG (for leukemia) were JPY 54.8 billion (JPY +13.3 billion and +32.2% AER, +24.9% CER). The increase was due to the U.S. label expansion for newly diagnosed Philadelphia chromosome-positive acute lymphoblastic leukemia (Ph+ ALL) in combination with chemotherapy in March 2024, as well as favorable foreign exchange rates.

Vaccines

In Vaccines, revenue was JPY 49.9 billion (JPY +20.4 billion and +69.1% AER, +64.9% CER).

Sales of QDENGA (for prevention of dengue) were JPY 30.0 billion (JPY +24.2 billion and +418.5% AER, +397.4% CER). The increase was due to the expansion of QDENGA availability in endemic countries, with the vaccine now available in over 25 countries including non-endemic countries.

Sales of other vaccine products in aggregate decreased primarily due to the termination of the distribution contract of SPIKEVAX, a COVID-19 vaccine in Japan in March 2024. The decrease was partially mitigated by the sales increase of NUVAXOVID, a COVID-19 vaccine for the Omicron JN.1 variant, approved in Japan in September 2024.

Neuroscience

In Neuroscience, revenue was JPY 456.5 billion (JPY -18.4 billion and -3.9% AER, -9.0% CER).

Sales of VYVANSE/ELVANSE (for ADHD) were JPY 287.6 billion (JPY -25.3 billion and -8.1% AER, -13.5% CER). The decrease was due to the multiple generic entrants in the U.S. starting from August 2023, with the growth of the adult market in Europe and favorable foreign exchange rates partially offsetting the negative impacts.

Sales of TRINTELLIX (for major depressive disorder ("MDD")) were JPY 98.1 billion (JPY +17.9 billion, and +22.3% AER, +16.3% CER). The increase was primarily due to the sales increase in the U.S.

Sales of ADDERALL XR (for ADHD) were JPY 23.9 billion (JPY -11.3 billion and -32.2% AER, -35.7% CER). The decrease was primarily due to an increase in the availability of generic versions of the instant release formulation marketed by competitors in the U.S., which negatively impacted ADDERALL XR.

Cost of Sales

Cost of Sales was JPY 1,198.1 billion (JPY +154.0 billion and +14.7% AER, +9.5% CER). The increase was primarily due to revenue growth in our six key business areas with a change in product mix and the depreciation of the Japanese yen as compared to the nine-month period ended December 31, 2023.

Selling, General and Administrative (SG&A) Expenses

SG&A Expenses were JPY 808.9 billion (JPY +40.3 billion and +5.2% AER, +0.3% CER). The increase was mainly due to the depreciation of the Japanese yen.

Research and Development (R&D) Expenses

R&D Expenses were JPY 514.2 billion (JPY -19.8 billion and -3.7% AER, -8.6% CER). The decrease was mainly due to lower expenses attributable to termination of development programs such as modakafusp alfa (TAK-573) and EXKIVITY (for non-small cell lung cancer) partially offset by the depreciation of the Japanese yen.

Amortization and Impairment Losses on Intangible Assets Associated with Products

Amortization and Impairment Losses on Intangible Assets Associated with Products were JPY 440.2 billion (JPY -66.8 billion and -13.2% AER, -17.9% CER). Amortization Expenses increased (JPY +24.0 billion) mainly due to the depreciation of the Japanese yen. Impairment Losses decreased (JPY -90.8 billion) primarily due to higher impairment losses recorded for the nine-month period ended December 31, 2023, including JPY 74.0 billion impairment charges for ALOFISEL (for complex Crohn's perianal fistulas) and JPY 28.5 billion for EXKIVITY (for non-small cell lung cancer). Impairment Losses recorded for the nine-month period ended December 31, 2024 include a full impairment of intangible assets for soticlestat (TAK-935) amounting to JPY 21.5 billion following the results of the phase 3 studies.

Other Operating Income

Other Operating Income was JPY 16.2 billion (JPY +5.5 billion and +50.7% AER, +43.5% CER). The increase was mainly due to a JPY 6.1 billion gain recognized on completion of the sale of TACHOSIL (fibrin sealant patch), including a related manufacturing facility, during the nine-month period ended December 31, 2024.

Other Operating Expenses

Other Operating Expenses were JPY 165.4 billion (JPY +19.8 billion and +13.6% AER, +8.4% CER). The increase was primarily due to an increase in restructuring expenses (JPY +47.3 billion) mainly due to the enterprise-wide efficiency program during the nine-month period ended December 31, 2024. This increase was partially offset by higher provisions for legal proceedings related to the supply agreement litigation of AbbVie, Inc. (AbbVie) during the nine-month period ended December 31, 2023.

Operating Profit

As a result of the above factors, Operating Profit was JPY 417.5 billion (JPY +193.4 billion and +86.3% AER, +76.0% CER).

Net Finance Expenses

Net Finance Expenses were JPY 131.9 billion (JPY +5.4 billion and +4.2% AER, +1.4% CER). The increase of Net Finance Expenses was primarily due to an impairment loss of JPY 19.4 billion as a result of the classification of Teva Takeda Pharma Ltd. shares to the assets held for sale for the nine-month period ended December 31, 2024, partially offset by a decrease of net loss from Gains and Losses on Foreign Currency Exchange and Derivative Financial Assets related to Foreign Currency Exchange.

Share of Loss of Investments Accounted for Using the Equity Method

Share of Loss of Investments Accounted for Using the Equity Method was JPY 3.2 billion (JPY +5.9 billion, compared to Share of Profit of Investments Accounted for Using the Equity Method of JPY 2.7 billion for the nine-month period ended December 31, 2023).

Income Tax (Expenses) Benefit

Income Tax Expenses were JPY 71.1 billion (JPY +118.0 billion, compared to Income Tax Benefit of JPY 46.9 billion for the nine-month period ended December 31, 2023). The increase was primarily due to a tax expense reduction of JPY 63.5 billion recorded during the nine-month period ended December 31, 2023 resulting from the reversal of the income taxes payable in excess of the settlement with Irish Revenue Commissioners with respect to a tax assessment related to the treatment of an acquisition break fee Shire received from AbbVie in 2014 as well as higher pretax earnings during the nine-month period ended December 31, 2024.

Net Profit for the Period

As a result of the above factors, Net Profit for the Period was JPY 211.2 billion (JPY +64.0 billion and +43.5% AER, +32.0% CER) and Net Profit for the Period attributable to owners of the Company was JPY 211.1 billion (JPY +64.0 billion and +43.5% AER, +32.0% CER).

Results of Core Financial Measures

Definition and Explanation of Core Financial Measures and Constant Exchange Rate Change

In addition to the financial statements in accordance with IFRS, Takeda uses the concept of Core Financial Measures for measuring financial performance. These measures are not defined by International Financial Reporting Standards (IFRS). See "Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations" in the Financial Appendix for additional information.

Results of Core Operations

Billion JPY or percentage

	FY2023 Q3	FY2024 Q3	AER		CER
			Amount of Change	% change	% change
Core revenue	3,212.9	3,528.2	315.3	9.8 %	4.5 %
Core operating profit	865.6	1,006.3	140.7	16.3 %	10.1 %
Core net profit for the period	643.7	699.1	55.4	8.6 %	1.9 %
Core net profit for the period attributable to owners of the Company	643.6	698.9	55.3	8.6 %	1.9 %
Core EPS (yen)	412	443	31	7.5 %	0.9 %

Core Revenue

Core Revenue for the nine-month period ended December 31, 2024 was JPY 3,528.2 billion (JPY +315.3 billion and +9.8% AER, +4.5% CER). The increase is primarily attributable to favorable foreign exchange rates and growth from business momentum primarily led by Takeda's Growth and Launch Products* which totaled JPY 1,671.1 billion (JPY +292.3 billion and +21.2% AER, +14.6% CER), partially offset by lower sales of VYVANSE in the U.S. and AZILVA in Japan, which were impacted by generic competition following loss of exclusivities.

* Takeda's Growth and Launch Products

GI:	ENTYVIO, EOHILIA
Rare Diseases:	TAKHZYRO, LIVTENCITY, ADZYNMA
PDT:	Immunoglobulin products including GAMMAGARD LIQUID/KIOVIG, HYQVIA, and CUVITRU, Albumin products including HUMAN ALBUMIN and FLEXBUMIN
Oncology:	ALUNBRIG, FRUZAQLA
Vaccines:	QDENGA

Core Operating Profit

Core Operating Profit for the nine-month period ended December 31, 2024 was JPY 1,006.3 billion (JPY +140.7 billion and +16.3% AER, +10.1% CER). The components of Core Operating Profit are as below:

Billion JPY or percentage

	FY2023 Q3	FY2024 Q3	AER		CER
			Amount of Change	% Change	% Change
Core revenue	3,212.9	3,528.2	315.3	9.8 %	4.5 %
Core cost of sales	(1,044.2)	(1,198.3)	(154.1)	14.8 %	9.6 %
Core selling, general and administrative (SG&A) expenses	(769.1)	(809.2)	(40.2)	5.2 %	0.2 %
Core research and development (R&D) expenses	(534.1)	(514.3)	19.7	(3.7)%	(8.5)%
Core operating profit	865.6	1,006.3	140.7	16.3 %	10.1 %

During the periods presented, these items fluctuated as follows:

Core Cost of Sales

Core Cost of Sales was JPY 1,198.3 billion (JPY +154.1 billion and +14.8% AER, +9.6% CER). The increase was primarily due to revenue growth in our six key business areas with a change in product mix and the depreciation of the Japanese yen as compared to the nine-month period ended December 31, 2023.

Core Selling, General and Administrative (SG&A) Expenses
Core SG&A expenses were JPY 809.2 billion (JPY +40.2 billion and +5.2% AER, +0.2% CER). The increase was mainly due to the depreciation of the Japanese yen.

Core Research and Development (R&D) Expenses
Core R&D expenses were JPY 514.3 billion (JPY -19.7 billion and -3.7% AER, -8.5% CER). The decrease was mainly due to lower expenses attributable to termination of development programs such as modakafusp alfa (TAK-573) and EXKIVITY (for non-small cell lung cancer) partially offset by the depreciation of the Japanese yen.

Core Net Profit for the Period
Core Net Profit for the Period was JPY 699.1 billion (JPY +55.4 billion and +8.6% AER, +1.9% CER) and Core Net Profit attributable to owners of the Company was JPY 698.9 billion (JPY +55.3 billion and +8.6% AER, +1.9% CER) and are calculated from Core Operating Profit as below:

Billion JPY or percentage

	FY2023 Q3	FY2024 Q3	AER		CER
			Amount of Change	% Change	% Change
Core operating profit	865.6	1,006.3	140.7	16.3 %	10.1 %
Core finance income and (expenses), net	(107.3)	(106.2)	1.1	(1.1)%	(4.3)%
Core share of profit of investments accounted for using the equity method	4.4	1.5	(2.8)	(65.2)%	(66.7)%
Core profit before tax	762.6	901.6	139.0	18.2 %	11.7 %
Core income tax expenses	(118.9)	(202.6)	(83.6)	70.3 %	64.5 %
Core net profit for the period	643.7	699.1	55.4	8.6 %	1.9 %
Core net profit for the period attributable to owners of the Company	643.6	698.9	55.3	8.6 %	1.9 %

During the periods presented, these items fluctuated as follows:

Core Net Finance Expenses
Core Net Finance Expenses were JPY 106.2 billion (JPY -1.1 billion and -1.1% AER, -4.3% CER).

Core Share of Profit of Investments Accounted for Using the Equity Method
Core Share of Profit of Investments Accounted for Using the Equity Method was JPY 1.5 billion (JPY -2.8 billion and -65.2% AER, -66.7% CER).

Core Profit Before Tax
Core Profit Before Tax was JPY 901.6 billion (JPY +139.0 billion and +18.2% AER, +11.7% CER).

Core Income Tax Expenses
Core Income Tax Expenses were JPY 202.6 billion (JPY +83.6 billion and +70.3% AER, +64.5% CER). The increase was due to higher pretax earnings and higher core tax charges including those from the write-down of deferred tax assets recognized during the nine-month period ended December 31, 2024.

Core EPS

Core EPS was JPY 443 (JPY +31 and +7.5% AER, +0.9% CER).

Consolidated Financial Position

Billion JPY

	As of March 31, 2024	As of December 31, 2024	Change
Total Assets	15,108.8	15,106.8	(1.9)
Total Liabilities	7,834.8	7,687.7	(147.1)
Total Equity	7,274.0	7,419.2	145.2

Assets

Total Assets as of December 31, 2024 were JPY 15,106.8 billion (JPY -1.9 billion). Mainly due to amortization, Intangible Assets decreased (JPY -322.6 billion). Mainly due to the classification of Teva Takeda Pharma Ltd. (Teva Takeda Pharma) shares, Investments Accounted for Using the Equity Method decreased (JPY -77.1 billion). These decreases were partially offset by the increases of Goodwill (JPY +112.0 billion) mainly due to the effect of foreign currency translation and Assets Held for Sale (JPY +57.5 billion) primarily due to the classification of Teva Takeda Pharma shares.

Liabilities

Total Liabilities as of December 31, 2024 were JPY 7,687.7 billion (JPY -147.1 billion). Mainly due to various payments including the upfront payment to Protagonist Therapeutics, Inc., Trade and Other Payables decreased (JPY -87.3 billion). Mainly due to amortization of intangible assets and other decreases in deferred tax liabilities in the U.S., Deferred Tax Liabilities decreased (JPY -76.1 billion). Total Bonds and Loans were JPY 4,840.1 billion* (JPY -3.6 billion), which decreased primarily due to the redemption of commercial paper and unsecured senior notes partially offset by the issuance of unsecured U.S. dollar-denominated senior notes during the nine-month period ended December 31, 2024.

* The carrying amount of Bonds was JPY 4,041.7 billion and Loans was JPY 798.5 billion as of December 31, 2024. Breakdown of Bonds and Loans' carrying amount is as follows.

Bonds:

Name of Bond (Face Value if Denominated in Foreign Currency)	Issuance	Maturity	Carrying Amount (Billion JPY)
Unsecured US dollar denominated senior notes (USD 1,301 million)	June 2015	June 2025 ~ June 2045	205.2
Unsecured US dollar denominated senior notes (USD 1,500 million)	September 2016	September 2026	229.5
Unsecured Euro denominated senior notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	487.7
Unsecured US dollar denominated senior notes (USD 1,750 million)	November 2018	November 2028	272.9
Unsecured US dollar denominated senior notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,089.9
Unsecured Euro denominated senior notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	584.4
Unsecured JPY denominated senior bonds	October 2021	October 2031	249.5
Hybrid bonds (subordinated bonds)	June 2024	June 2084	457.9
Unsecured US dollar denominated senior notes (USD 3,000 million)	July 2024	July 2034 ~ July 2064	464.7
Total			4,041.7

Loans:

Name of Loan (Face Value if Denominated in Foreign Currency)	Execution	Maturity	Carrying Amount (Billion JPY)
Syndicated loans	April 2016	April 2026	100.0
Syndicated loans	April 2017	April 2027	113.5
Syndicated loans (USD 1,500 million)	April 2017	April 2027	234.8
Syndicated loans	April 2023	April 2030	100.0
Bilateral loans	March 2016 ~ April 2024	April 2025 ~ April 2031	210.0
Syndicated hybrid loans (subordinated loans)	October 2024	October 2084	40.0
Other			0.2
Total			798.5

On April 25, 2024, Takeda repaid JPY 50.0 billion in Bilateral Loans falling due and on the same day entered into new Bilateral Loans of JPY 50.0 billion maturing on April 25, 2031. Following this, on June 25, 2024, Takeda issued 60-year unsecured Hybrid Bonds with an aggregate principal amount of JPY 460.0 billion and a maturity date of June 25, 2084.

On July 5, 2024, Takeda issued USD 3,000 million in unsecured U.S. dollar-denominated senior notes with maturity dates ranging from July 5, 2034 to July 5, 2064. The proceeds of the USD bond issuance were efficiently deployed to fund a tender offer to redeem USD 1,500 million in unsecured senior notes on July 12, 2024 in advance of their original maturity in September 2026, with the balance of proceeds deployed towards the reduction of commercial paper drawings in July 2024.

On October 3, 2024, Takeda drew down a Syndicated Hybrid Loan with an aggregate principal amount of JPY 40.0 billion and a maturity date of October 3, 2084. The proceeds of the Syndicated Hybrid Loan, together with the proceeds of the Hybrid Bonds issued on June 25, 2024 were deployed towards the redemption of JPY 500.0 billion in Hybrid Bonds issued in June 2019 on October 6, 2024, in advance of their original maturity of June 6, 2079.

Equity

Total Equity as of December 31, 2024 was JPY 7,419.2 billion (JPY +145.2 billion). The increase of Other Components of Equity (JPY +192.2 billion) was mainly due to fluctuation in currency translation adjustments reflecting the depreciation of the Japanese yen. This increase was partially offset by the decrease in Retained Earnings (JPY -100.3 billion) due to the decrease of JPY 303.2 billion related to dividend payments offset by the increase of JPY 211.2 billion from Net Profit for the Period.

Consolidated Cash Flows

Billion JPY

	FY2023 Q3	FY2024 Q3	Change
Net cash from operating activities	437.8	835.0	397.3
Net cash used in investing activities	(402.4)	(347.4)	55.0
Net cash used in financing activities	(296.2)	(449.6)	(153.4)
Net increase (decrease) in cash and cash equivalents	(260.8)	38.0	298.8
Cash and cash equivalents at the beginning of the year	533.5	457.8	(75.7)
Effects of exchange rate changes on cash and cash equivalents	15.6	(1.7)	(17.3)
Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)	288.4	494.1	205.8

Net Cash from Operating Activities

Net Cash from Operating Activities was JPY 835.0 billion (JPY +397.3 billion). The increase was mainly due to favorable impacts from Changes in Assets and Liabilities primarily driven by changes in Provisions and Inventories, as well as a higher net profit for the period adjusted for non-cash items and other adjustments.

Net Cash used in Investing Activities

Net Cash used in Investing Activities was JPY 347.4 billion (JPY -55.0 billion). The decrease was mainly due to a decrease in Acquisition of Intangible Assets, which was partially offset by other investing activities including the investment in U.S. Treasury Marketable Securities (U.S. Treasuries), as well as the upfront payment to AC Immune SA and a minority equity investment in and acquisition of licensing options from Ascentage Pharma Group International.

Net Cash from Financing Activities

Net Cash used in Financing Activities was JPY 449.6 billion (JPY +153.4 billion). The increase was mainly due to the redemption of outstanding commercial papers and of bonds, including hybrid bonds, which was partially offset by an increase in proceeds from issuance of bonds primarily driven by the issuance of hybrid bonds and unsecured U.S. dollar-denominated senior notes.

Outlook for the Fiscal Year Ending March 31, 2025

The full year consolidated forecast for the fiscal year ending March 31, 2025 (FY2024) has been revised from the previous forecast (announced on October 31, 2024), as follows:

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

Billion JPY or percentage

	Previous Forecast (October 31, 2024)	Revised Forecast (January 30, 2025)	Change vs. Previous Forecast	
Revenue	4,480.0	4,590.0	110.0	2.5 %
Gross profit	2,925.0	3,005.0	80.0	2.7 %
Operating profit	265.0	344.0	79.0	29.8 %
Profit before tax	93.0	162.0	69.0	74.2 %
Net profit for the year (attributable to owners of the Company)	68.0	118.0	50.0	73.5 %
EPS (JPY)	43.03	74.68	31.65	73.5 %
Core revenue*1	4,480.0	4,590.0	110.0	2.5 %
Core operating profit*1	1,050.0	1,150.0	100.0	9.5 %
Core EPS (JPY)*1	456	507	50	11.0 %

*1 Please refer to “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix for the definition.

[Revenue]

Takeda expects FY2024 revenue to be JPY 4,590.0 billion, an increase of JPY 110.0 billion, or 2.5%, from the previous forecast. This is primarily attributable to continued slower than anticipated generic erosion of VYVANSE in the U.S. and other business momentum as well as favorable overall changes in the assumptions of foreign exchange rates.
The Core Revenue forecast has been revised in the same way as the Revenue forecast.

[Operating Profit]

Operating Profit is expected to increase by JPY 79.0 billion, or 29.8%, from the previous forecast to JPY 344.0 billion, primarily reflecting the positive impact from VYVANSE and R&D savings. This increase is partially offset by an impact from implementation of accounting process to recognize accumulated foreign currency impact of inventories*.

Core Operating Profit, which excludes impacts unrelated to the underlying trends and business performance of Takeda's core operations, is expected to be JPY 1,150.0 billion, an increase of JPY 100.0 billion, or 9.5%.

* This resulted in JPY 29.9 billion of adjustment to cost of sales recorded in the quarter ended December 31, 2024, including one-time recognition of JPY 26.1 billion for outstanding balances related to previous quarters of FY2024 and previous fiscal years.

[Net Profit for the Year (attributable to owners of the Company)]

Net Profit for the Year (attributable to owners of the Company) is expected to be JPY 118.0 billion, an increase of JPY 50.0 billion, or 73.5%, from the previous forecast. Profit Before Tax is expected to increase by JPY 69.0 billion, or 74.2%, to JPY 162.0 billion, reflecting the increase in Operating Profit. The assumption for the effective tax rate is unchanged at approximately 27%.

Reported EPS is expected to be JPY 74.68, an increase of JPY 31.65, or 73.5%, and Core EPS is expected to be JPY 507, an increase of JPY 50, or 11.0%.

Major assumptions used in preparing the FY2024 Forecast

Billion JPY or percentage

	Previous Forecast (October 31, 2024)		Revised Forecast (January 30, 2025)	
FX rates (JPY)	Full Year	H2	Full Year	Q4
USD/JPY	150	146	153	156
EUR/JPY	165	164	165	166
RUB/JPY	1.7	1.7	1.6	1.4
CNY/JPY	21.2	21.1	21.2	21.5
BRL/JPY	28.6	28.4	27.2	25.4
Cost of sales		(1,555.0)		(1,585.0)
SG&A expenses		(1,105.0)		(1,115.0)
R&D expenses		(770.0)		(740.0)
Amortization of intangible assets associated with products		(541.0)		(550.0)
Impairment of intangible assets associated with products*2		(50.0)		(50.0)
Other operating income		19.0		19.0
Other operating expenses*3		(213.0)		(225.0)
Finance income and (expenses), net		(168.0)		(178.0)
Adjusted Free Cash Flow*1		400.0 - 500.0		550.0 - 650.0
Capital expenditures (cash flow base)		(380.0 - 420.0)		(380.0 - 420.0)
Depreciation and amortization (excluding intangible assets associated with products)		(215.0)		(218.0)
Cash tax rate on Adjusted EBITDA (excluding divestitures)*1		Mid teen %		Low teen %

*2 Includes in-process R&D.

*3 In the Revised Forecast, there is no change in the JPY 140.0 billion restructuring expense, which is primarily related to the enterprise-wide efficiency program.

Management Guidance for the Fiscal Year Ending March 31, 2025 (FY2024)

Takeda uses change in Core Revenue, Core Operating Profit and Core EPS at Constant Exchange Rate (CER) basis as its Management Guidance. The full year management guidance for the fiscal year ending March 31, 2025 (FY2024) has been revised from the previous management guidance announced on October 31, 2024, as follows:

CER % Change*1

	Previous Management Guidance (October 31, 2024)	Revised Management Guidance (January 30, 2025)
Core revenue	Flat to slightly increasing	Low-single-digit % increase
Core operating profit	Mid-single-digit % decline	Low-single-digit % increase
Core EPS	Approx 10% decline	Flat to slightly declining

Forward looking statements

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

Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions, except per share data)		USD (millions)(*)
	Nine-month Period Ended December 31,		Nine-month Period Ended December 31,
	2023	2024	2024
Revenue	¥ 3,212,893	¥ 3,528,152	$ 22,419
Cost of sales	(1,044,177)	(1,198,139)	(7,614)
Selling, general and administrative expenses	(768,585)	(808,900)	(5,140)
Research and development expenses	(534,068)	(514,220)	(3,268)
Amortization and impairment losses on intangible assets associated with products	(507,003)	(440,158)	(2,797)
Other operating income	10,768	16,227	103
Other operating expenses	(145,685)	(165,444)	(1,051)
Operating profit	224,144	417,518	2,653
Finance income	46,101	27,805	177
Finance expenses	(172,663)	(159,741)	(1,015)
Share of profit (loss) of investments accounted for using the equity method	2,731	(3,199)	(20)
Profit before tax	100,313	282,383	1,794
Income tax (expenses) benefit	46,878	(71,142)	(452)
Net profit for the period	147,191	211,241	1,342
Attributable to:			
Owners of the Company	147,085	211,083	1,341
Non-controlling interests	106	158	1
Net profit for the period	147,191	211,241	1,342
Earnings per share (JPY or USD)			
Basic earnings per share	94.10	133.71	0.85
Diluted earnings per share	93.17	131.69	0.84

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 157.37 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on December 31, 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 the above or any other rate.

(2) Condensed Interim Consolidated Statements of Comprehensive Income

	JPY (millions)		USD (millions)(*)
	Nine-month Period Ended December 31,		Nine-month Period Ended December 31,
	2023	2024	2024
Net profit for the period	¥ 147,191	¥ 211,241	$ 1,342
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets measured at fair value through other comprehensive income	(1,383)	(13,115)	(83)
Remeasurement of defined benefit pension plans	(3,038)	(2,940)	(19)
	(4,421)	(16,056)	(102)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	459,803	186,025	1,182
Cash flow hedges	22,746	5,043	32
Hedging cost	301	9,147	58
Share of other comprehensive loss of investments accounted for using the equity method	(466)	(108)	(1)
	482,383	200,107	1,272
Other comprehensive income for the period, net of tax	477,963	184,051	1,170
Total comprehensive income for the period	625,154	395,293	2,512
Attributable to:			
Owners of the Company	625,030	395,116	2,511
Non-controlling interests	124	176	1
Total comprehensive income for the period	625,154	395,293	2,512

(*) Condensed interim consolidated statements of comprehensive income have been translated solely for the convenience of the reader at an exchange rate of 1USD = 157.37 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on December 31, 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 the above or any other rate.

(3) Condensed Interim Consolidated Statements of Financial Position

	JPY (millions)		USD (millions)(*)
	As of March 31, 2024	As of December 31, 2024	As of December 31, 2024
ASSETS			
Non-current assets:			
Property, plant and equipment	¥ 1,989,777	¥ 2,017,776	$ 12,822
Goodwill	5,410,067	5,522,112	35,090
Intangible assets	4,274,682	3,952,039	25,113
Investments accounted for using the equity method	89,831	12,691	81
Other financial assets	340,777	397,515	2,526
Other non-current assets	51,214	74,158	471
Deferred tax assets	393,865	376,264	2,391
Total non-current assets	12,550,212	12,352,556	78,494
Current assets:			
Inventories	1,209,869	1,246,427	7,920
Trade and other receivables	668,403	711,418	4,521
Other financial assets	15,089	32,621	207
Income taxes receivable	29,207	23,646	150
Other current assets	168,875	179,260	1,139
Cash and cash equivalents	457,800	494,126	3,140
Assets held for sale	9,337	66,790	424
Total current assets	2,558,580	2,754,287	17,502
Total assets	15,108,792	15,106,844	95,996
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities:			
Bonds and loans	4,476,501	4,704,681	29,896
Other financial liabilities	687,833	591,181	3,757
Net defined benefit liabilities	143,882	142,437	905
Income taxes payable	4,381	228	1
Provisions	14,373	26,583	169
Other non-current liabilities	80,938	86,909	552
Deferred tax liabilities	113,777	37,670	239
Total non-current liabilities	5,521,684	5,589,689	35,519
Current liabilities:			
Bonds and loans	367,251	135,467	861
Trade and other payables	547,521	460,181	2,924
Other financial liabilities	143,421	215,588	1,370
Income taxes payable	109,906	159,454	1,013
Provisions	524,420	561,399	3,567
Other current liabilities	619,174	565,875	3,596
Liabilities held for sale	1,410	—	—
Total current liabilities	2,313,103	2,097,964	13,331
Total liabilities	7,834,788	7,687,653	48,851

	JPY (millions)		USD (millions)(*)
	As of March 31, 2024	As of December 31, 2024	As of December 31, 2024
EQUITY			
Share capital	1,676,596	1,694,660	10,769
Share premium	1,747,414	1,755,999	11,158
Treasury shares	(51,259)	(24,835)	(158)
Retained earnings	1,391,203	1,290,948	8,203
Other components of equity	2,509,310	2,701,502	17,167
Equity attributable to owners of the Company	7,273,264	7,418,274	47,139
Non-controlling interests	741	917	6
Total equity	7,274,005	7,419,191	47,145
Total liabilities and equity	15,108,792	15,106,844	95,996

(*) Condensed interim consolidated statements of financial position have been translated solely for the convenience of the reader at an exchange rate of 1USD = 157.37 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on December 31, 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 the above or any other rate.

(4) Condensed Interim Consolidated Statements of Changes in Equity

Nine-month period ended December 31, 2023 (From April 1 to December 31, 2023)

	JPY (millions)					
	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2023	1,676,345	1,728,830	(100,317)	1,541,146	1,606,128	12,470
Net profit for the period				147,085		
Other comprehensive income (loss)					459,256	(1,320)
Comprehensive income (loss) for the period	—	—	—	147,085	459,256	(1,320)
Transactions with owners:						
Issuance of new shares	198	198				
Acquisition of treasury shares			(2,362)			
Disposal of treasury shares		0	0			
Dividends				(287,788)		
Changes in ownership						
Transfers from other components of equity				(3,605)		567
Share-based compensation		52,603				
Exercise of share-based awards		(51,492)	51,426			
Total transactions with owners	198	1,308	49,064	(291,393)	—	567
As of December 31, 2023	1,676,543	1,730,138	(51,253)	1,396,838	2,065,384	11,717

	Equity attributable to owners of the Company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2023	(87,352)	(23,127)	—	1,508,119	6,354,122	549	6,354,672
Net profit for the period				—	147,085	106	147,191
Other comprehensive income (loss)	22,746	301	(3,038)	477,945	477,945	18	477,963
Comprehensive income (loss) for the period	22,746	301	(3,038)	477,945	625,030	124	625,154
Transactions with owners:							
Issuance of new shares				—	395		395
Acquisition of treasury shares				—	(2,362)		(2,362)
Disposal of treasury shares				—	1		1
Dividends				—	(287,788)		(287,788)
Changes in ownership				—	—	(0)	(0)
Transfers from other components of equity			3,038	3,605	—		—
Share-based compensation				—	52,603		52,603
Exercise of share-based awards				—	(67)		(67)
Total transactions with owners	—	—	3,038	3,605	(237,218)	(0)	(237,219)
As of December 31, 2023	(64,606)	(22,826)	—	1,989,669	6,741,934	673	6,742,607

Nine-month period ended December 31, 2024 (From April 1 to December 31, 2024)

	JPY (millions)					
	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2024	1,676,596	1,747,414	(51,259)	1,391,203	2,573,407	15,729
Net profit for the period				211,083		
Other comprehensive income (loss)					185,899	(13,115)
Comprehensive income (loss) for the period	—	—	—	211,083	185,899	(13,115)
Transactions with owners:						
Issuance of new shares	18,064	18,064				
Acquisition of treasury shares			(1,924)			
Disposal of treasury shares		0	0			
Dividends				(303,179)		
Transfers from other components of equity				(8,158)		5,218
Share-based compensation		54,997				
Exercise of share-based awards		(64,476)	28,348			
Total transactions with owners	18,064	8,585	26,424	(311,338)	—	5,218
As of December 31, 2024	1,694,660	1,755,999	(24,835)	1,290,948	2,759,307	7,832

	Equity attributable to owners of the Company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2024	(63,896)	(15,930)	—	2,509,310	7,273,264	741	7,274,005
Net profit for the period				—	211,083	158	211,241
Other comprehensive income (loss)	5,043	9,147	(2,940)	184,033	184,033	18	184,051
Comprehensive income (loss) for the period	5,043	9,147	(2,940)	184,033	395,116	176	395,293
Transactions with owners:							
Issuance of new shares				—	36,128		36,128
Acquisition of treasury shares				—	(1,924)		(1,924)
Disposal of treasury shares				—	0		0
Dividends				—	(303,179)		(303,179)
Transfers from other components of equity			2,940	8,158	—		—
Share-based compensation				—	54,997		54,997
Exercise of share-based awards				—	(36,129)		(36,129)
Total transactions with owners	—	—	2,940	8,158	(250,106)	—	(250,106)
As of December 31, 2024	(58,854)	(6,783)	—	2,701,502	7,418,274	917	7,419,191

(5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)		USD (millions)(*)
	Nine-month Period Ended December 31,		Nine-month Period Ended December 31,
	2023	2024	2024
Cash flows from operating activities:			
Net profit for the period	¥ 147,191	¥ 211,241	$ 1,342
Depreciation and amortization	541,258	571,627	3,632
Impairment losses	134,281	38,227	243
Equity-settled share-based compensation	52,683	55,240	351
Loss on sales and disposal of property, plant and equipment	1,988	3,059	19
Gain on divestment of business and subsidiaries	(441)	(6,376)	(41)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	12,773	2,253	14
Finance (income) and expenses, net	126,563	131,936	838
Share of loss (profit) of investments accounted for using the equity method	(2,731)	3,199	20
Income tax expenses (benefit)	(46,878)	71,142	452
Changes in assets and liabilities:			
Increase in trade and other receivables	(58,793)	(45,105)	(287)
Increase in inventories	(128,490)	(29,981)	(191)
Increase (decrease) in trade and other payables	20,587	(17,448)	(111)
Increase (decrease) in provisions	(138,669)	39,885	253
Decrease in other financial liabilities	(10,014)	(9,596)	(61)
Other, net	(47,242)	(82,164)	(522)
Cash generated from operations	604,064	937,140	5,955
Income taxes paid	(179,298)	(120,349)	(765)
Tax refunds and interest on tax refunds received	12,990	18,231	116
Net cash from operating activities	437,756	835,023	5,306
Cash flows from investing activities:			
Interest received	8,245	13,324	85
Dividends received	531	604	4
Acquisition of property, plant and equipment	(130,884)	(152,002)	(966)
Proceeds from sales of property, plant and equipment	8,604	46	0
Acquisition of intangible assets	(285,520)	(103,115)	(655)
Acquisition of option to license	—	(31,784)	(202)
Acquisition of investments	(4,724)	(95,364)	(606)
Proceeds from sales and redemption of investments	1,089	26,678	170
Proceeds from sales of business, net of cash and cash equivalents divested	365	9,590	61
Payments for the settlement of forward exchange contracts designated as net investment hedges	—	(13,933)	(89)
Other, net	(82)	(1,423)	(9)
Net cash used in investing activities	(402,378)	(347,379)	(2,207)

	JPY (millions)		USD (millions)(*)
	Nine-month Period Ended December 31,		Nine-month Period Ended December 31,
	2023	2024	2024
Cash flows from financing activities:			
Net increase (decrease) in short-term loans and commercial papers	280,000	(317,000)	(2,014)
Proceeds from issuance of bonds and long-term loans	100,000	1,024,460	6,510
Repayments of bonds and long-term loans	(320,817)	(784,079)	(4,982)
Proceeds from the settlement of cross currency interest rate swaps related to bonds and loans	60,063	46,880	298
Acquisition of treasury shares	(2,326)	(1,882)	(12)
Interest paid	(78,685)	(78,106)	(496)
Dividends paid	(278,062)	(292,760)	(1,860)
Repayments of lease liabilities	(43,394)	(34,193)	(217)
Other, net	(12,971)	(12,953)	(82)
Net cash used in financing activities	(296,193)	(449,633)	(2,857)
Net increase (decrease) in cash and cash equivalents	(260,814)	38,010	242
Cash and cash equivalents at the beginning of the year	533,530	457,800	2,909
Effects of exchange rate changes on cash and cash equivalents	15,644	(1,685)	(11)
Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)	288,359	494,126	3,140

(*) Condensed interim consolidated statements of cash flows have been translated solely for the convenience of the reader at an exchange rate of 1USD = 157.37 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on December 31, 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 the above or any other rate.

(6) Other Information

(Significant Subsequent Events)

On January 30, 2025, Takeda resolved to engage in the acquisition of its own shares at the Board of Directors Meeting pursuant to the provision of its Articles of Incorporation in accordance with Article 459, paragraph 1 of the Companies Act of Japan.

1. Reason for acquisition of its own shares

   To enhance capital efficiency and improve shareholder returns

2. Details of acquisition

Class of shares to be acquired:	Shares of common stock
Number of shares to be acquired:	Up to 28.5 million shares (equivalent to 1.80% of the total number of shares outstanding excluding treasury shares)
Total amount of shares to be acquired:	Up to JPY 100 billion
Schedule of acquisition:	From February 17, 2025 to May 31, 2025
Method of acquisition:	Open-market repurchase through a trust bank

(Others)

Proton Pump Inhibitor ("PPI") Product Liability Claims

As of March 31, 2024, more than 6,100 product liability lawsuits related to the use of PREVACID and DEXILANT had been filed against Takeda in U.S. federal and state courts. Most of these cases were pending in U.S. federal court and were consolidated for pre-trial proceedings in a multi-district litigation in federal court in New Jersey. The plaintiffs in these cases alleged that they developed kidney injuries or, in some cases, gastric cancer as a result of taking PREVACID and/or DEXILANT, and that Takeda failed to adequately warn them of these potential risks. Similar cases were filed against other manufacturers of drugs in the same PPI class as Takeda's products, including AstraZeneca plc ("AstraZeneca"), Procter & Gamble Company ("Procter & Gamble") and Pfizer Inc. ("Pfizer"). Outside the U.S., one proposed class action is pending in Canada (Saskatchewan).

In April 2024, Takeda reached an agreement in principle to resolve the U.S. cases and established a provision for a non-material amount. In November 2024, the final written settlement agreement was executed with lead plaintiffs' counsel for the same amount. The terms of the settlement are confidential. The settlement has no material impact on Takeda's condensed interim consolidated statements of profit or loss for the nine-month period ended December 31, 2024.

Supplementary Information

1. Pipeline

I. Clinical Development Activities

- Except as otherwise noted, the following tables list the pipeline assets that we (i) are clinically developing ourselves or with partners, or (ii) hold contractual rights to potentially clinically develop and/or commercialize in the future, as of January 30, 2025 (the date of our earnings release for the quarter ended December 31, 2024), but may not be comprehensive. The assets in our pipeline are in various stages of development, and the contents of the pipeline may change as therapeutic candidates currently under development drop out and new therapeutic candidates are introduced. Whether the therapeutic candidates listed below are ever successfully released as products depends on various factors, including the results of pre-clinical and clinical trials, market conditions for various drugs and regulatory approvals.
- This table primarily shows the indications for which we are actively pursuing regulatory approval and those regulatory approvals granted during fiscal year 2024. We are also conducting additional studies of certain assets to examine their potential for use in further indications and in additional formulations.
- The listings in this table are limited to the U.S., EU and Japan and China, but we are also actively conducting development activities in other regions, including in Emerging Markets. Country/region column denotes where a pivotal clinical study is ongoing or a filing has been made with our specific intention to pursue approval in any of the U.S., EU, Japan or China. 'Global' refers to U.S., EU, Japan and China.
- Brand name and country/region indicate the brand name and country in which the specific asset has already been approved for any indication in any of the U.S., EU, Japan or China and Takeda has commercialization rights for such asset.
- Stage-ups are recognized in the table upon achievement of First Subject In, unless otherwise specified.
- Modality of our pipeline assets in the following table is classified into either of the following categories: ‘small molecule’, ‘peptide/oligonucleotide’, ‘cell and gene therapy’ or ‘biologic and other.’

Gastrointestinal and Inflammation Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
MLN0002 <vedolizumab> *ENTYVIO* (Global)	Humanized monoclonal antibody against α4β7 integrin (injection)	Biologic and other	Crohn's disease (subcutaneous formulation)	U.S.	Approved (Apr 2024)
			Pediatrics Study (intravenous formulation for ulcerative colitis, Crohn’s disease)	Global	P-III
TAK-755[1] <apadamtase alfa/ cinaxadamtase alfa> *ADZYNMA* (U.S., EU, Japan)	ADAMTS13 enzyme replacement therapy (injection)	Biologic and other	Congenital Thrombotic Thrombocytopenic Purpura	EU China	Approved (Aug 2024) P-III
			Immune Thrombotic Thrombocytopenic Purpura	U.S. EU	P-II (b) P-II (b)
TAK-625[2] <maralixibat>	IBAT inhibitor (oral)	Small molecule	Alagille syndrome	Japan	Filed (Jun 2024)
			Progressive Familial Intrahepatic Cholestasis	Japan	Filed (Jun 2024)
TAK-999[3] <fazirsiran>	GalNAc based RNA interference (RNAi) (injection)	Peptide/oligo-nucleotide	Alpha-1 antitrypsin-deficiency associated liver disease	U.S. EU	P-III P-III
TAK-279 <zasocitinib>	TYK2 inhibitor (oral)	Small molecule	Psoriasis	Global	P-III
			Psoriatic Arthritis	-	P-II (b)
			Crohn’s disease	-	P-II (b)
			Ulcerative colitis	-	P-II (b)

TAK-227/ZED1227[4]	Transglutaminase 2 inhibitor (oral)	Small molecule	Celiac disease	-	P-II (b)
TAK-062 <zamaglutenase>	Glutenase (oral)	Biologic and other	Celiac disease	-	P-II
TAK-101[5]	Tolerizing Immune Modifying nanoParticle (TIMP) (injection)	Biologic and other	Celiac disease	-	P-II
TAK-079 <mezagitamab>	Anti-CD38 monoclonal antibody (injection)	Biologic and other	Immune thrombocytopenia	-	P-II
			Immunoglobulin A nephropathy	-	P-I
TAK-004	Peptide agonist (injection)	Peptide/oligo-nucleotide	Nausea and Vomiting	-	P-I

1. Partnership with KM Biologics.
2. Partnership with Mirum Pharmaceuticals.
3. Partnership with Arrowhead Pharmaceuticals
4. Partnership with Zedira and Dr. Falk Pharma. Dr. Falk Pharma leads development.
5. Partnership with COUR Pharmaceuticals.

Additions since FY2024 Q2: TAK-004 for nausea and vomiting (P-I)

Removals since FY2024 Q2:

MLN0002 for Graft-versus-Host Disease prophylaxis in patients undergoing allogeneic HSCT (EU, Japan, P-III trial enrollment closed early)

Cx601 for Pediatric indication for refractory complex perianal fistulas in patients with Crohn’s disease (EU, Japan, P-III discontinued)

Neuroscience Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-861 <oveporexton>	Orexin 2R agonist (oral)	Small molecule	Narcolepsy type 1	Global	P-III
TAK-341/MEDI1341[1]	Alpha-synuclein antibody (injection)	Biologic and other	Multiple System Atrophy (MSA)	-	P-II
TAK-594/DNL593[2]	Brain-penetrant progranulin fusion protein (injection)	Biologic and other	Frontotemporal dementia	-	P-II
TAK-925 <danavorexton>	Orexin 2R agonist (injection)	Small molecule	Narcolepsy	-	P-I
TAK-360	Orexin 2R agonist (oral)	Small molecule	Narcolepsy type 2 / Idiopathic hypersomnia	-	P-I

1. Partnership with Alexion, a subsidiary of AstraZeneca.
2. Partnership with Denali Therapeutics. Denali leads development.

Additions since FY2024 Q2: None

Removals since FY2024 Q2:

TAK-935 for Dravet syndrome (global P-III, discontinued)

TAK-653 for inadequate response to treatment in major depressive disorder (P-II, agreement amended with Neurocrine, Takeda re-acquired Japan rights)

Oncology Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-113[1] <fruquintinib> *FRUZAQLA* (U.S., EU, Japan)	VEGFR inhibitor (oral)	Small molecule	Previously treated metastatic Colorectal Cancer (mCRC)	EU	Approved (Jun 2024)
			Treatment of unresectable advanced or recurrent Colorectal Cancer (CRC) that has progressed after chemotherapy	Japan	Approved (Sep 2024)
SGN-35[2] <brentuximab vedotin> *ADCETRIS* (EU, Japan, China)	CD30 monoclonal antibody-drug conjugate (injection)	Biologic and other	Front line Hodgkin's lymphoma – BrECADD regimen (brentuximab vedotin, etoposide, cyclophosphamide, doxorubicin, dacarbazine, dexamethasone)[3]	EU	Filed (Apr 2024)
TAK-121[4] <rusfertide>	Hepcidin mimetic peptide (injection)	Peptide/oligo-nucleotide	Polycythemia vera	U.S.	P-III
TAK-226[5] <elritercept>	Activin A and B inhibitor (injection)	Biologic and other	Anemia-associated Myelodysplastic Syndrome	U.S. EU Japan	P-III[6]
			Anemia-associated Myelofibrosis	-	P-II
TAK-853[7] <mirvetuximab soravtansine-gynx>	Antibody-drug conjugate targeting folate receptor α (FRα) (injection)	Biologic and other	Platinum-sensitive ovarian cancer	Japan	P-III
			Platinum-resistant ovarian cancer	Japan	P-II
TAK-676 <dazostinag>	STING agonist (injection)	Small molecule	Solid tumors	-	P-II
TAK-186	T Cell Engager (injection)	Biologic and other	EGFR expressing solid tumors	-	P-II
TAK-280	T Cell Engager (injection)	Biologic and other	B7-H3 expressing solid tumors	-	P-I
TAK-012	Variable delta 1 (Vδ1) gamma delta (γδ) T cells (injection)	Cell and gene therapy	Relapsed/refractory Acute Myeloid Leukemia	-	P-I

1. Partnership with HUTCHMED
2. Partnership with Pfizer Inc.
3. Submission based on data from German Hodgkin Study Group HD21 trial.
4. Partnership with Protagonist Therapeutics. Protagonist leads development.
5. Partnership with Keros Therapeutics, Inc.
6. Elritercept MDS trial actively recruiting.
7. Partnership with AbbVie. Global P-III trial in platinum-sensitive ovarian cancer is led by AbbVie.

Additions since FY2024 Q2:

TAK-226 for anemia-associated myelodysplastic syndrome (U.S., EU, Japan P-III)

TAK-226 for anemia-associated myelofibrosis (P-II)

TAK-853 for Platinum-sensitive ovarian cancer (Japan, P-III)

Removals since FY2024 Q2:

Cabozantinib, for metastatic castration-resistant prostate cancer in combination with atezolizumab (Japan, P-III, discontinued)

TAK-500 for solid tumors (P-I, discontinued)

Other Rare Diseases Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-620[1] <maribavir> *LIVTENCITY* (Global)	Benzimidazole riboside inhibitor (oral)	Small molecule	Post-transplant cytomegalovirus (CMV) infection/disease that is refractory to existing anti-CMV therapies	Japan	Approved (Jun 2024)
			Treatment of children and teenage transplant recipients with CMV infection	Global	P-III
TAK-577 *VONVENDI* (U.S., Japan, China) *VEYVONDI* (EU)	von Willebrand factor [recombinant] (injection)	Biologic and other	Adult on-demand and surgery treatment of von Willebrand disease	China	Approved (Aug 2024)
			Pediatric on-demand and surgery treatment of von Willebrand disease	Global	P-III
			Pediatric prophylaxis treatment of von Willebrand disease	Global	P-III
TAK-660 *ADYNOVATE* (U.S., Japan) *ADYNOVI* (EU)	Antihemophilic factor [recombinant], PEGylated (injection)	Biologic and other	Pediatric Hemophilia A	EU	P-III
			Hemophilia A	China	P-III

1. Partnership with GSK

Additions since FY2024 Q2: TAK-577 for pediatric prophylaxis treatment of von Willebrand disease (global, P-III)

Removals since FY2024 Q2: None

Plasma-Derived Therapies Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-771[1] <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase> *HYQVIA* (U.S., EU, Japan)	Immunoglobulin (IgG) + recombinant hyaluronidase replacement therapy (subcutaneous infusion)	Biologic and other	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Approved (Dec 2024)
			Chronic inflammatory demyelinating polyradiculoneuropathy and Multifocal Motor Neuropathy	Japan	Filed (Aug 2024)
TAK-880 <10% IVIG (Low IgA)>	Immunoglobulin (10%) [human] (injection) (Low IgA)	Biologic and other	Primary Immunodeficiencies	EU U.S.	Filed (Mar 2024) Filed (Aug 2024)
TAK-330 *PROTHROMPLEX TOTAL* (EU)	Four-factor prothrombin complex concentrate [human] (injection)	Biologic and other	Coagulation Disorder, Direct Oral Anticoagulants (DOAC) reversal in surgical situations	U.S.	P-III
TAK-961 <5% IVIG> *GLOVENIN-I* (Japan)	Immunoglobulin (5%) [human] (injection)	Biologic and other	Autoimmune Encephalitis (AE)	Japan	P-III
TAK-881 <Facilitated 20% SCIG>	Immunoglobulin (20%) [human] + recombinant hyaluronidase replacement therapy (injection)	Biologic and other	Primary Immunodeficiencies	U.S. EU Japan	P-III P-III P-III

1. Partnership with Halozyme

Additions since FY2024 Q2: None
Removals since FY2024 Q2: None

Vaccines Pipeline

Development code Brand name (country/region)	Type of vaccine (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-019[1] *NUVAXOVID Intramuscular Injection* (Japan)	Recombinant coronavirus (SARS-CoV-2) vaccine (intramuscular injection)	Biologic and other	For the prevention of infectious disease caused by SARS-CoV-2 (monovalent vaccine based on Omicron JN.1 variant)	Japan	Approved (Sep 2024)
TAK-003 *QDENGA* (Global)	Tetravalent dengue vaccine (injection)	Biologic and other	For the prevention of dengue fever of any severity, due to any serotype, in individuals aged 4 and older (booster extension)	-	P-III

1. Partnership with Novavax, Inc.

Additions since FY2024 Q2: None
Removals since FY2024 Q2: None

Select Options: Other Selected Assets That Takeda Holds Contractual Rights to Potentially Clinically Develop and/or Commercialize in the Future

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
HQP1351[1] <olverembatinib>	BCR-ABL tyrosine kinase inhibitor (TKI) (oral)	Small molecule	Chronic phase-chronic myeloid leukemia	U.S. EU Japan	P-III
ACI-24.060[2]	Abeta active immunotherapy	Biologic and other	Alzheimer's disease	-	P-II

1. 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 regulatory approval.
2. 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 regulatory approval.

II. Recent Pipeline Progress in stage [Progress in stage since April 1st, 2024]

Development code <generic name>	Indications / additional formulations	Country/ Region	Progress in stage
MLN0002 <vedolizumab>	Subcutaneous formulation for Crohn's disease	U.S.	Approved (Apr 2024)
TAK-113 <fruquintinib>	Previously treated metastatic Colorectal Cancer (mCRC)	EU	Approved (Jun 2024)
TAK-620 <maribavir>	Post-transplant cytomegalovirus (CMV) infection/disease that is refractory to existing anti-CMV therapies	Japan	Approved (Jun 2024)
TAK-577 <vonicog alfa>	Adult on-demand and surgery treatment of von Willebrand disease	China	Approved (Aug 2024)
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	EU	Approved (Aug 2024)
TAK-019 <recombinant coronavirus (SARS-CoV-2) vaccine >	For the prevention of infectious disease caused by SARS-CoV-2 (monovalent vaccine based on Omicron JN.1 variant)	Japan	Approved (Sep 2024)
TAK-113 <fruquintinib>	Treatment of Unresectable Advanced or Recurrent Colorectal Cancer (CRC) that has progressed after chemotherapy	Japan	Approved (Sep 2024)
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Approved (Dec 2024)
SGN-35 <brentuximab vedotin>	Front line Hodgkin's lymphoma – BrECADD regimen (brentuximab vedotin, etoposide, cyclophosphamide, doxorubicin, dacarbazine, dexamethasone)	EU	Filed (Apr 2024)
TAK-625 <maralixibat>	Alagille syndrome	Japan	Filed (Jun 2024)
TAK-625 <maralixibat>	Progressive Familial Intrahepatic Cholestasis	Japan	Filed (Jun 2024)
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Chronic inflammatory demyelinating polyradiculoneuropathy and Multifocal Motor Neuropathy	Japan	Filed (Aug 2024)
TAK-880 <10% IVIG (Low IgA)>	Primary Immunodeficiencies	U.S.	Filed (Aug 2024)
TAK-861 <oveporexton>	Narcolepsy type 1	Global	P-III
TAK-577	Pediatric prophylaxis treatment of von Willebrand disease	Global	P-III
TAK-853 <mirvetuximab soravtansine-gynx>	Platinum-sensitive ovarian cancer	Japan	P-III
TAK-226 <elritercept>	Anemia-associated Myelodysplastic Syndrome	U.S., EU, Japan	P-III
TAK-279 <zasocitinib>	Ulcerative colitis	-	P-II (b)

TAK-186	EGFR expressing solid tumors	-	P-II
TAK-853 <mirvetuximab soravtansine-gynx>	Platinum-resistant ovarian cancer	Japan	P-II
TAK-226 <elritercept>	Anemia-associated Myelofibrosis	-	P-II
TAK-360	Narcolepsy type 2 and Idiopathic hypersomnia	-	P-I
TAK-004	Nausea and vomiting	-	P-I

III. Projects removed from pipeline [Update since April 1st, 2024]

Development code <generic name>	Indications (Region/Country, Stage)	Reason
TAK-141/JR-141 <pabinafusp alfa>	Hunter syndrome (CNS and somatic symptoms) (EU, P-III)	Takeda and JCR entered into an agreement ending the geographically-focused exclusive collaboration and license agreement to commercialize pabinafusp alfa (JR-141; TAK-141) in Hunter syndrome, following Takeda's strategic assessment of the alliance. JCR has been and remains the study sponsor for JR-141, and JCR plans to continue the Phase 3 trial for participating patients.
TAK-935 <soticlestat>	Lennox-Gastaut syndrome (Global, P-III)	Trial did not meet primary endpoint.
<ponatinib>	Pediatric indication for Philadelphia chromosome-positive Acute Lymphoblastic Leukemia (P-I)	Trial closed due to dose-limiting toxicities.
TAK-925 <danavorexton>	Postanesthesia Recovery (P-II)	Trial closed due to enrollment challenges.
Cx601 <darvadstrocel>	Pediatric indication for refractory complex perianal fistulas in patients with Crohn's disease (EU, Japan, P-III)	Product withdrawn from market in Europe.
MLN0002 <vedolizumab>	Graft-versus-Host Disease prophylaxis in patients undergoing allogenic hematopoietic stem cell transplant (intravenous formulation) (EU, Japan, P-III)	Trial enrollment closed early during COVID-19 pandemic. Regulatory filing not pursued.
<cabozantinib>	Metastatic castration-resistant prostate cancer in combination with atezolizumab (Japan, P-III)	mCRPC development discontinued based on the trial results and assessment of Takeda's development strategy.
TAK-500	Solid tumors (P-I)	Trial closed due to dose-limiting toxicities.
TAK-653	Inadequate response to treatment in major depressive disorder (P-II)	Takeda/Neurocrine agreement amended. Takeda re-acquired exclusive rights in Japan and is eligible to receive milestone payments and royalties from commercialization in other regions. Takeda will be responsible for the development costs in Japan; Neurocrine will be responsible for the development costs worldwide ex-Japan and is eligible to receive royalties for sales in Japan.
TAK-935 <soticlestat>	Dravet Syndrome (Global, P-III)	Trial did not meet primary endpoint.

IV. Research & Development collaborations/partnering

– The following tables describe research & development collaborations/partnering and externalization projects entered into by Takeda, but do not represent a comprehensive list of all Takeda R&D collaborations. All of the "subject" descriptions listed below are as of the date of execution of the relevant agreement unless otherwise noted.

– ‡ shows collaborations/partnering and ♦ shows externalization project that have been executed since April 1, 2024.

Gastrointestinal and Inflammation

Partner	Country of incorporation	Subject
Arrowhead Pharmaceuticals	U.S.	Collaboration and licensing agreement to develop fazirsiran (TAK-999; ARO-AAT), an investigational RNA interference (RNAi) therapy in development to treat alpha-1 antitrypsin-associated liver disease (AATLD). ARO-AAT is a potential first-in-class therapy designed to reduce the production of mutant alpha-1 antitrypsin protein, the cause of AATLD progression.
COUR Pharmaceuticals	U.S.	Takeda has acquired an exclusive global license to develop and commercialize the investigational medicine TIMP-GLIA (TAK-101), an immune modifying nanoparticle containing gliadin proteins.
Engitix	U.K.	Collaboration and licensing agreement to utilize Engitix's unique extracellular matrix discovery platform to identify and develop novel therapeutics for liver fibrosis and fibrostenotic inflammatory bowel disease, including Crohn's disease and ulcerative colitis.
Genevant Sciences Corporation	U.S.	Collaboration and License Agreements to leverage Genevant's hepatic stellate cell-partitioning LNP platform to deliver Takeda-designed RNAi oligonucleotides intended to halt or reverse the progression of liver fibrosis.
KM Biologics	Japan	Collaboration and license agreement for the development of therapeutic uses of rADAMTS13 (TAK-755), including but not limited to TTP.
Mirum Pharmaceuticals	U.S.	Exclusive licensing agreement for the development and commercialization of maralixibat (TAK-625) in Japan for Alagille syndrome (ALGS), progressive familial intrahepatic cholestasis (PFIC), and biliary atresia (BA).
Pfizer	U.S.	2016 exclusive licensing agreement for development and commercialization of TAK-647 worldwide. Takeda decided to discontinue further development of TAK-647 in MASH based on portfolio prioritization.
UCSD/Fortis Advisors	U.S.	Technology license for the development of oral budesonide formulation (TAK-721) for treatment of eosinophilic esophagitis.
Zedira/Dr. Falk Pharma	Germany	Collaboration and license agreement to develop and commercialize a potential first-in-class therapy TAK-227/ZED1227, a tissue transglutaminase 2 (TG2) inhibitor, designed to prevent the immune response to gluten in celiac disease. Takeda has exclusive rights in the US and other territories outside of Europe, Canada, Australia and China.

Neuroscience

Partner	Country of incorporation	Subject
AC Immune‡	Switzerland	Exclusive, worldwide option and license agreement for AC Immune's active immunotherapies targeting toxic forms of amyloid beta (Abeta), including ACI-24.060 for the treatment of Alzheimer's disease.
AcuraStem	U.S.	Exclusive worldwide license agreement to develop and commercialize AcuraStem's PIKFYVE targeted therapeutics for the treatment of Amyotrophic Lateral Sclerosis (ALS).
Anima Biotech	U.S.	Strategic collaboration to discover and develop mRNA translation modulators for genetically-defined neurological diseases.
Alexion, a subsidiary of AstraZeneca	U.K.	Agreement for the joint development and commercialization of MEDI1341/TAK-341, an alpha-synuclein antibody currently in development as a potential treatment for Multiple System Atrophy (MSA) and Parkinson's disease.
BioMarin	U.S.	Agreement for the in-license of enabling technology for the exogenous replacement of Arylsulfatase A enzyme with intrathecal (IT) administration directly into the central nervous system for the long-term treatment of patients with metachromatic leukodystrophy (MLD), a rapidly-progressive and ultimately fatal neuro-degenerative rare disease (TAK-611).
BridGene Biosciences	U.S.	Research collaboration to discover small molecule drugs for "undruggable" targets using BridGene's chemoproteomics platform.
Denali Therapeutics	U.S.	Strategic option and collaboration agreement to develop and commercialize up to three specified therapeutic product candidates for neurodegenerative diseases, incorporating Denali's transport vehicle (TV) platform for increased exposure of biotherapeutic products in the brain; options exercised on DNL593/TAK-594 and DNL919/TAK-920 in Q3 FY2021. DNL919/TAK-920 molecule was discontinued in Q2 FY2023, and exploration for ATV:TREM2 backup is ongoing.
Lundbeck	Denmark	Collaboration agreement to develop and commercialize vortioxetine.
Luxna Biotech	Japan	Exclusive worldwide license agreement for the use of Luxna's breakthrough xeno nucleic acid technology for multiple undisclosed target genes in the area of neurological diseases.
Neurocrine Biosciences	U.S.	Collaboration to develop and commercialize 7 compounds in Takeda's early-to-mid stage neuroscience pipeline, including TAK-041/NBI-1065846, TAK-653/NBI-1065845 and TAK-831/NBI-1065844 (luvadaxistat). Takeda will be entitled to certain development milestones, commercial milestones and royalties on net sales and will, at certain development events, be able opt in or out of a 50:50 profit share on all clinical programs on an asset-by-asset basis. In June 2021, Takeda decided not to cost share further TAK-831/NBI-1065844 (luvadaxistat) development; Takeda maintains its right to receive milestones and royalties regarding TAK-831/NBI-1065844 (luvadaxistat). In Nov 2023, Neurocrine announced that TAK-041/NBI-1065846 Phase 2 trial results did not meet primary and secondary endpoints, which does not support further development of the asset. In September 2024, Neurocrine announced that TAK-831/NBI-1065846 Phase 2 results did not meet primary endpoint in patients with CIAS and that they were stopping further development of the asset. In January 2025, the Takeda/Neurocrine agreement was amended for TAK-653. Takeda re-acquired exclusive rights in Japan and is eligible to receive milestone payments and royalties from commercialization in other regions. Takeda will be responsible for the development costs in Japan; Neurocrine will be responsible for the development costs worldwide ex-Japan and is eligible to receive royalties for sales in Japan.
PeptiDream	Japan	Collaborative research and exclusive license agreement to create peptide-drug conjugates (PDCs) for neuromuscular and neurodegenerative diseases.

Oncology

Partner	Country of incorporation	Subject
AbbVie	U.S.	Exclusive licensing agreement to develop and commercialize mirvetuximab soravtansine-gynx in Japan for folate receptor-alpha (FRa) positive ovarian cancer.
Adimab	U.S.	Agreement for the discovery, development and commercialization of three mAbs and three CD3 Bi-Specific antibodies for oncology indications.
Ascentage Pharma‡	China	Option agreement to enter into an exclusive license agreement for olverembatinib/HQP1351, a BCR-ABL tyrosine kinase inhibitor (TKI), currently in development for chronic myeloid leukemia (CML) and other hematological cancers. If exercised, the option would allow Takeda to license global rights to develop and commercialize olverembatinib in all territories outside of mainland China, Hong Kong, Macau, Taiwan and Russia.
Crescendo Biologics	U.K.	Collaboration and licensing agreement for the discovery, development and commercialization of Humabody®-based therapeutics for cancer indications.
Egle Therapeutics	France	Identify novel tumor-specific regulatory T cell targets and develop unique anti-suppressor-based immunotherapies.
Exelixis	U.S.	Exclusive licensing agreement to commercialize and develop novel cancer therapy cabozantinib and all potential future cabozantinib indications in Japan, including advanced renal cell carcinoma and hepatocellular carcinoma.
F-star	U.K.	Discovery collaboration and worldwide, exclusive royalty-bearing license to Takeda to research, develop, and commercialize a bispecific antibody directed towards an undisclosed immuno-oncology target using F-star's proprietary Fcab™ and mAb2 ™ platforms. Takeda will be responsible for all research, development and commercialization activities under the agreement.
GSK	U.K.	Exclusive licensing agreement to develop and commercialize novel cancer therapy niraparib for the treatment of all tumor types in Japan, and all tumor types excluding prostate cancer in South Korea and Taiwan.
Heidelberg Pharma	Germany	Antibody-Drug-Conjugate (ADC) research collaboration on 2 targets and licensing agreement (α-amanitin payload and proprietary linker).
HUTCHMED	China	Exclusive licensing agreement with HUTCHMED (China) Limited and its subsidiary HUTCHMED Limited for the further development and commercialization of fruquintinib (TAK-113) in all indications, including metastatic colorectal cancer, outside of mainland China, Hong Kong and Macau.
Keros Therapeutics‡	U.S.	Exclusive licensing agreement with Keros Therapeutics, Inc. to further develop, manufacture and commercialize elritercept (TAK-226) worldwide outside of mainland China, Hong Kong and Macau.
KSQ Therapeutics	U.S.	Strategic collaboration to research, develop and commercialize novel immune-based therapies for cancer using KSQ's CRISPRomics® technology.
Kumquat Biosciences‡	U.S.	Strategic and exclusive collaboration to develop and commercialize a novel immuno-oncology small molecule inhibitor as a mono- and/or combination-therapy.
MD Anderson Cancer Center (MDACC)	U.S.	Exclusive license and research agreement to utilize MDACC's platform and expertise, and to leverage Takeda's development, manufacturing and commercialization capabilities to bring patients cord blood-derived chimeric antigen receptor-directed natural killer (CAR-NK) cell therapies for the treatment of B cell malignancies and other cancers. Takeda made a data-driven decision to discontinue the clinical development of TAK-007 for relapsed/refractory B cell malignancies.
Memorial Sloan Kettering Cancer Center	U.S.	Strategic research collaboration and license to develop novel chimeric antigen receptor T cell (CAR-T) products for the treatment of multiple myeloma, acute myeloid leukemia and additional solid tumor indications. The collaboration is co-led by Michel Sadelain, who is currently head of the Center for Cell Engineering at Memorial Sloan Kettering. Takeda decided to terminate further development of TAK-940 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies.
Pfizer	U.S.	Agreement for the joint development of ADCETRIS, an ADC technology which targets CD30 for the treatment of HL. Approved in more than 80 countries with ongoing clinical trials for additional indications.
Protagonist Therapeutics	U.S.	Worldwide license and collaboration agreement for the development and commercialization of rusfertide (TAK-121), an investigational injectable hepcidin mimetic peptide of the natural hormone hepcidin for treatment of polycythemia vera.
Teva Pharmaceutical Industries	Israel	Agreement for worldwide license to multi-target discovery collaboration accessing Teva's Attenukine™ platform.

Plasma Derived Therapies

Partner	Country of incorporation	Subject
Halozyme	U.S.	Agreement for the in-license of Halozyme's proprietary ENHANZE™ platform technology to increase dispersion and absorption of HYQVIA.
Kamada	Israel	In-license agreement to develop and commercialize IV Alpha-1 proteinase inhibitor (GLASSIA); Exclusive supply and distribution of GLASSIA in the U.S., Canada, Australia and New Zealand; work on post market commitments ongoing.
Johnson & Johnson/Momenta Pharmaceuticals	U.S.	In-licensing agreement with Momenta Pharmaceuticals, Inc. which was acquired by Johnson & Johnson for an investigational hypersialylated immunoglobulin (hsIgG) candidate.
PreviPharma	EU	Research collaboration and option agreement to develop new targeted proteins

Vaccines

Partner	Country of incorporation	Subject
Novavax	U.S.	Partnership for the development, manufacturing and commercialization of Nuvaxovid Intramuscular Injection, Novavax's COVID 19 vaccine in Japan, which is being funded by the Government of Japan's Ministry of Health, Labour and Welfare (MHLW) and Agency for Medical Research and Development (AMED). In September 2024, Takeda announced that the MHLW granted manufacturing and marketing approval for the 2 dose NUVAXOVID Intramuscular Injection 1 mL for the prevention of infectious disease caused by the SARS-CoV-2 Omicron JN.1 variant.

Other / Multiple Therapeutic Area

Partner	Country of incorporation	Subject
Center for iPS Cell Research Application, Kyoto University (CiRA)	Japan	Collaboration agreement for clinical applications of iPS cells in Takeda strategic areas including applications in neuroscience, oncology and gastroenterology as well as discovery efforts in additional areas of compelling iPSC translational science.
Charles River Laboratories	U.S.	Collaboration on multiple integrated programs across Takeda's core therapeutic areas using Charles River Laboratories' end-to-end drug discovery and safety assessment platform to progress these programs towards candidate status.
Code Bio	U.S.	Collaboration and license agreement for Takeda and Code Bio to design and develop a targeted gene therapy leveraging Code Bio's 3DNA platform for a liver-directed rare disease program, plus conduct additional studies for central nervous system-directed rare disease programs. Takeda has the right to exercise options for an exclusive license for four programs.
Evozyne	U.S.	Research collaboration and license agreement with Takeda to research and develop proteins that could be incorporated into next-generation gene therapies for up to four rare disease targets.
GSK	U.K.	In-license agreement between GSK and University of Michigan for TAK-620 (maribavir) in the treatment of human cytomegalovirus.
Ipsen	France	Purchase agreement for the development of Obizur for the treatment of Acquired Hemophilia A including for patients with Congenital Hemophilia A with inhibitors indication in elective or emergency surgery.
Massachusetts Institute of Technology	U.S.	MIT-Takeda Program to fuel the development and application of artificial intelligence (AI) capabilities to benefit human health and drug development. Centered within the Abdul Latif Jameel Clinic for Machine Learning in Health (J-Clinic), the new program will leverage the combined expertise of both organizations, and is supported by Takeda's investment.
Schrödinger	U.S.	Agreement for the multi-target research collaboration combining Schrödinger's in silico platform-driven drug discovery capabilities with Takeda's deep therapeutic area knowledge and expertise in structural biology.

Completed Partnerships [Update since April 1st, 2024]

Partner	Country of incorporation	Subject
JCR Pharmaceuticals	Japan	In June 2024, Takeda and JCR entered into an agreement ending the geographically-focused exclusive collaboration and license agreement to commercialize pabinafusp alfa (JR-141; TAK-141) in Hunter syndrome, following Takeda's strategic assessment of the alliance. JCR has been and remains the study sponsor for JR-141, and JCR plans to continue the Phase 3 trial for participating patients.
Codexis, Inc.	U.S.	Strategic collaboration and license for the research and development of novel gene therapies for certain disease indications, including the treatment of lysosomal storage disorders and blood factor deficiencies.
Noile-Immune Biotech	Japan	Collaboration agreement for the development of next generation CAR-T cell therapy, developed by Professor Koji Tamada at Yamaguchi University. Takeda has exclusive options to obtain licensing rights for the development and commercialization of Noile-Immune Biotech's pipeline and products resulting from this partnership. Due to the success of the collaboration, Takeda licensed NIB-102 and NIB-103. In December 2023, Takeda decided to terminate the further development of TAK-102 and TAK-103 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies. Termination discussion was completed in June, 2024. Takeda and Noile-Immune Biotech will maintain the ongoing business relationship in the field of cell therapy technology licensing other than TAK-102 and TAK-103.
Bridge Medicines	U.S.	Partnership with Sanders Tri-Institutional Therapeutics Discovery Institute, Bay City Capital and Deerfield Management in the establishment of Bridge Medicines. Bridge Medicines will give financial, operational and managerial support to move projects seamlessly from a validating, proof-of-concept study to an in-human clinical trial.
U.S. Government - The Biomedical Advanced Research and Development Authority (BARDA)	U.S.	Partnership to develop TAK-426, a Zika vaccine candidate, for the U.S. with the option to use data generated for filing also in affected regions around the world. Takeda decided to discontinue further development of TAK-426 and the partnership formally ended in September 2024.
Asklepios Biopharmaceuticals	U.S.	Agreement for multiple research and development collaborations using FVIII Gene Therapy for the treatment of Hemophilia A and B.
Wave Life Sciences	Singapore	Multi-program option agreement to co-develop and co-commercialize antisense oligonucleotides for a range of neurological diseases. In October 2024, Takeda made the decision not to exercise its option to co-develop and co-commercialize WVE-003. As a result of this decision, the collaboration with Wave has completed.
Nxera (formerly Sosei Heptares)	U.K.	Collaboration and License agreement to leverage Nxera's StaR® technology and structural biology expertise with GPCRs to enable structure based drug discovery to advance novel therapeutics for gastroenterology diseases.

■ Clinical study protocol summaries

Clinical study protocol summaries are disclosed on the English-language web-site (https://clinicaltrials.takeda.com/) and clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (https://www.takeda.com/ja-jp/who-we-are/research/clinical-trial/).

We anticipate that this disclosure will assure transparency of information on Takeda's clinical trials for the benefit of healthcare professionals, their patients and other stakeholders, which we believe will contribute to the appropriate use of Takeda's products worldwide.

2. Supplementary Revenue Information

Revenue by region
Year to date

(Bn JPY)	Reported[*1] FY23Q3	Reported[*1] FY24Q3	AER[*2] Amount of Change	AER[*2] % Change	Core[*1*3] CER[*3] % Change
Total revenue	3,212.9	3,528.2	315.3	9.8 %	4.5 %
Japan	342.6	324.7	(17.9)	(5.2)%	(5.4)%
% of revenue	10.7%	9.2%	(1.5)pt		
United States	1,685.5	1,841.4	155.9	9.3 %	3.0 %
% of revenue	52.5%	52.2%	(0.3)pt		
Europe and Canada	721.5	795.6	74.0	10.3 %	3.6 %
% of revenue	22.5%	22.5%	0.1pt		
Growth and Emerging Markets[*4]	463.2	566.5	103.2	22.3 %	18.4 %
% of revenue	14.4%	16.1%	1.6pt		
Asia (excluding Japan)	188.8	209.2	20.4	10.8 %	5.8 %
% of revenue	5.9%	5.9%	0.1pt		
Latin America	138.4	191.2	52.9	38.2 %	36.4 %
% of revenue	4.3%	5.4%	1.1pt		
Russia/CIS	45.4	61.9	16.6	36.6 %	34.6 %
% of revenue	1.4%	1.8%	0.3pt		
Other[*5]	90.7	104.1	13.4	14.8 %	9.0 %
% of revenue	2.8%	3.0%	0.1pt		
Of which royalty / service income	63.1	56.5	(6.6)	(10.5)%	(14.0)%

*1 Revenue amount is classified into countries or regions based on the customer location.

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

*3 Refer to "Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations" in the Financial Appendix for the definition.

*4 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa.

*5 Other region includes Middle East, Oceania and Africa.

Quarterly

(Bn JPY)	Reported [*1]											
	FY23				FY24							
	Q1	Q2	Q3	Q4	Q1	AER[*2] % Change	Q2	AER[*2] % Change	Q3	AER[*2] % Change	Q4	AER[*2] % Change
Total revenue	1,058.6	1,043.1	1,111.2	1,050.9	1,208.0	14.1%	1,176.0	12.7%	1,144.1	3.0%		
Japan	124.8	103.7	114.1	108.7	102.9	(17.5)%	113.4	9.4 %	108.4	(5.0)%		
% of revenue	11.8%	9.9%	10.3%	10.3%	8.5%		9.6%		9.5%			
United States	554.4	550.4	580.7	510.2	636.7	14.8%	610.9	11.0%	593.9	2.3 %		
% of revenue	52.4%	52.8%	52.3%	48.6%	52.7%		51.9 %		51.9 %			
Europe and Canada	224.3	235.6	261.6	245.3	269.8	20.3%	263.2	11.7%	262.6	0.4%		
% of revenue	21.2%	22.6%	23.5%	23.3%	22.3%		22.4 %		22.9 %			
Growth and Emerging Markets [*3]	155.1	153.4	154.8	186.6	198.6	28.1%	188.5	22.9%	179.3	15.9 %		
% of revenue	14.6%	14.7%	13.9%	17.8%	16.4%		16.0 %		15.7 %			
Asia (excluding Japan)	60.8	62.4	65.5	72.4	63.9	5.1%	76.1	21.9%	69.2	5.6%		
% of revenue	5.7%	6.0%	5.9%	6.9%	5.3%		6.5 %		6.0 %			
Latin America	43.7	48.4	46.3	59.7	72.2	65.2%	60.3	24.8%	58.7	26.7%		
% of revenue	4.1%	4.6%	4.2%	5.7%	6.0%		5.1 %		5.1 %			
Russia/CIS	17.4	13.7	14.3	27.2	23.7	36.7 %	19.2	40.0 %	19.0	33.1 %		
% of revenue	1.6%	1.3%	1.3%	2.6%	2.0%		1.6 %		1.7 %			
Other [*4]	33.2	28.9	28.7	27.2	38.7	16.8%	32.9	13.9%	32.5	13.2%		
% of revenue	3.1%	2.8%	2.6%	2.6%	3.2%		2.8 %		2.8 %			
Of which royalty / service income	24.8	16.2	22.1	37.0	18.2	(26.8)%	19.4	19.8 %	18.9	(14.5)%		

*1 Revenue amount is classified into countries or regions based on the customer location.

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

*3 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa.

*4 Other region includes Middle East, Oceania and Africa.

Product Sales Analysis (vs PY Reported Actual) (Sales amount includes royalty income and service income)

- *Year to date*

	Reported													
(Bn JPY)	**FY23Q3**	**FY24Q3**	**AER[*1] % change**	**US**	**AER[*1] % change**	**Japan**	**AER[*1] % change**	**EUCAN**	**AER[*1] % change**	**GEM[*2]**	**AER[*1] % change**	**Ex-US**	**AER[*1] % change**
GI	**936.1**	**1,039.3**	**11.0 %**	**598.7**	**10.1 %**	**98.0**	**4.8 %**	**224.5**	**12.6 %**	**99.4**	**22.2 %**	**18.7**	**3.4 %**
ENTYVIO	619.3	699.0	12.9 %	476.0	10.2 %	13.4	16.6 %	169.8	18.7 %	39.7	20.9 %		
GATTEX/REVESTIVE	90.0	113.3	25.9 %	82.3	23.1 %	7.1	12.9 %	15.1	16.4 %	8.9	126.8 %		
TAKECAB/VOCINTI [*3]	90.3	99.0	9.6 %	0.7	-	76.6	2.4 %	—	-	21.7	39.5 %		
PANTOLOC/CONTROLOC[*4]	35.5	33.0	(7.0) %	1.1	(56.2) %	—	-	23.1	(1.4) %	8.8	(7.7) %		
DEXILANT	36.1	29.0	(19.6) %	6.3	(42.3) %	—	-	8.5	(24.5) %	14.3	2.2 %		
LIALDA/MEZAVANT[*5]	21.7	21.4	(1.4) %	2.6	(25.9) %							18.7	3.4 %
RESOLOR/MOTEGRITY	15.6	17.0	9.2 %	15.5	10.0 %	—	-	1.5	1.7 %	—	-		
EOHILIA	—	3.9	-	3.9	-	—	-	—	-	—	-		
Others	27.6	23.5	(14.6) %	10.1	(27.3) %	0.9	(2.0) %	6.5	(9.6) %	6.0	8.9 %		
Rare Diseases	**524.4**	**579.0**	**10.4 %**	**267.3**	**8.8 %**	**30.1**	**2.9 %**	**159.2**	**10.6 %**	**122.4**	**16.0 %**		
TAKHZYRO	136.4	168.0	23.2 %	114.3	19.8 %	2.6	13.0 %	39.4	29.2 %	11.7	42.6 %		
ADVATE	93.9	86.9	(7.5) %	41.4	(9.0) %	2.2	(21.3) %	13.1	(5.0) %	30.2	(5.2) %		
ADYNOVATE/ADYNOVI	51.2	50.3	(1.7) %	17.4	(10.2) %	10.6	(2.9) %	14.1	0.1 %	8.2	20.4 %		
ELAPRASE	70.0	77.1	10.2 %	21.9	5.9 %	0.1	(85.7) %	25.3	7.3 %	29.9	18.9 %		
REPLAGAL	55.1	60.2	9.4 %	—	-	6.5	(3.1) %	31.1	1.2 %	22.7	28.4 %		
VPRIV	39.0	41.3	5.9 %	16.5	0.5 %	1.0	(1.3) %	13.5	6.8 %	10.3	15.3 %		
FIRAZYR	17.2	14.1	(18.1) %	8.2	(24.7) %	1.5	(3.1) %	2.0	(12.0) %	2.4	(4.1) %		
LIVTENCITY	13.9	24.5	75.5 %	15.9	49.6 %	0.6	-	6.9	118.8 %	1.1	470.6 %		
VONVENDI	12.0	15.5	28.5 %	9.9	24.6 %	0.7	19.9 %	4.8	39.1 %	0.0	1.4 %		
RECOMBINATE	9.0	8.5	(5.0) %	8.0	(5.4) %	—	-	0.5	(2.9) %	0.1	80.4 %		
ADZYNMA	0.0	4.8	13,368.7 %	3.5	9,705.3 %	0.9	-	0.4	-	—	-		
Others	26.6	27.8	4.6 %	10.3	0.3 %	3.5	21.6 %	8.1	(12.5) %	5.9	41.8 %		
PDT	**674.5**	**784.2**	**16.3 %**	**492.9**	**15.5 %**	**0.4**	**(36.1)%**	**14.8**	**8.1 %**	**31.4**	**52.6 %**	**244.7**	**15.0 %**
Immunoglobulin	485.7	576.0	18.6 %	422.4	16.6 %							153.6	24.3 %
Albumin	94.3	101.3	7.4 %	23.4	32.6 %							77.9	1.6 %
FEIBA	28.9	32.9	13.7 %	9.1	(4.0) %	0.4	(36.1) %	6.9	(9.3) %	16.6	46.3 %		
HEMOFIL/IMMUNATE/IMMUNINE	14.5	21.4	46.9 %	2.0	(20.8) %	—	-	5.3	54.6 %	14.0	63.8 %		
CINRYZE	13.4	12.8	(4.9) %	9.4	(6.8) %	—	-	2.6	(2.9) %	0.8	14.7 %		
Others[*6]	37.6	39.9	6.0 %	26.6	6.2 %							13.3	5.4 %

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

*2 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa

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

*4 Generic name: pantoprazole

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

*6 Others in PDT include GLASSIA and ARALAST.

(Bn JPY)	Reported													
	FY23Q3	FY24Q3	AER*1 % change	US	AER*1 % change	Japan	AER*1 % change	EUCAN	AER*1 % change	GEM*2	AER*1 % change	Ex-US	AER*1 % change
Oncology	**346.3**	**428.4**	**23.7 %**	**154.1**	**45.8 %**	**75.4**	**(0.2)%**	**90.7**	**18.7 %**	**102.0**	**22.9 %**	**6.2**	**10.8 %**
ADCETRIS	84.2	99.6	18.2 %			8.9	(13.0)%	40.0	26.7 %	50.8	19.5 %		
LEUPLIN/ENANTONE	79.7	89.2	11.9 %	15.2	50.9 %	21.7	0.9 %	30.3	4.7 %	22.0	14.9 %		
NINLARO	66.7	71.4	7.0 %	39.9	(1.7)%	4.9	(4.4)%	9.1	5.7 %	17.5	41.0 %		
ICLUSIG *3	41.5	54.8	32.2 %	48.6	35.5 %							6.2	10.8 %
ALUNBRIG	21.1	27.5	30.3 %	9.2	25.1 %	2.0	6.0 %	7.6	23.8 %	8.8	51.3 %		
VECTIBIX	20.5	20.8	1.1 %	—	-	20.8	1.1 %	—	-	—	-		
ZEJULA	11.1	11.0	(0.2)%	—	-	8.8	(2.9)%	—	-	2.2	12.4 %		
FRUZAQLA	2.2	36.1	1,512.9 %	32.5	1,353.3 %	0.9	-	2.6	-	0.0	-		
CABOMETYX	6.5	6.6	2.1 %	—	-	6.6	2.1 %	—	-	—	-		
Others	12.7	11.3	(10.7)%	8.8	(9.1)%	0.7	8.5 %	1.2	(1.5)%	0.6	(45.5)%		
Neuroscience	**474.9**	**456.5**	**(3.9)%**	**308.4**	**(9.7)%**	**40.3**	**13.7 %**	**88.0**	**10.5 %**	**19.8**	**7.4 %**		
VYVANSE/ELVANSE	312.9	287.6	(8.1)%	193.2	(14.8)%	2.2	46.2 %	73.5	9.5 %	18.6	5.8 %		
TRINTELLIX	80.2	98.1	22.3 %	88.3	22.6 %	9.8	19.8 %	—	-	—	-		
ADDERALL XR	35.2	23.9	(32.2)%	22.3	(32.9)%	—	-	1.6	(20.0)%	—	-		
INTUNIV	25.4	30.7	21.0 %	0.3	(62.9)%	20.3	21.8 %	9.0	27.2 %	1.1	46.0 %		
Others	21.1	16.2	(23.5)%	4.3	(50.0)%	7.9	(12.2)%	3.9	11.9 %	0.1	(9.4)%		
Vaccines	**29.5**	**49.9**	**69.1 %**	**—**	**-**	**19.9**	**(16.1)%**	**3.6**	**132.5 %**	**26.4**	**522.7 %**		
QDENGA	5.8	30.0	418.5 %	—	-	—	-	3.6	132.5 %	26.4	522.7 %		
Others	23.7	19.9	(16.1)%	—	-	19.9	(16.1)%	—	-	—	-		
Others	**227.4**	**190.9**	**(16.1)%**										
AZILVA*4	29.1	8.8	(69.8)%	—	-	8.8	(69.8)%	—	-	—	-		
FOSRENOL*3	11.1	5.9	(46.7)%	0.7	(41.0)%							5.2	(47.4)%

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

*2 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa

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

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

- Quarterly

■ Q3

(Bn JPY)	Reported													
	FY23Q3 QTD	FY24Q3 QTD	AER[*1] % change	US	AER[*1] % change	Japan	AER[*1] % change	EUCAN	AER[*1] % change	GEM[*2]	AER[*1] % change	Ex-US	AER[*1] % change
GI	**339.2**	**344.1**	**1.4 %**	**193.1**	**(3.1)%**	**34.8**	**5.8 %**	**75.6**	**5.0 %**	**33.9**	**19.7 %**	**6.7**	**0.5 %**
ENTYVIO	227.6	225.8	(0.8)%	149.4	(7.0)%	4.8	19.5 %	57.4	12.2 %	14.1	20.7 %		
GATTEX/REVESTIVE	31.1	40.1	28.8 %	29.0	29.5 %	2.5	9.1 %	5.2	7.4 %	3.4	113.6 %		
TAKECAB/VOCINTI [*3]	31.5	34.7	10.0 %	0.4	-	27.1	3.4 %	—	-	7.2	36.1 %		
PANTOLOC/CONTROLOC[*4]	12.6	10.5	(16.9)%	0.3	(70.2)%	—	-	7.7	(8.6)%	2.5	(23.5)%		
DEXILANT	13.0	9.2	(28.9)%	1.9	(51.6)%	—	-	2.7	(37.8)%	4.6	(1.2)%		
LIALDA/MEZAVANT[*5]	8.2	8.0	(3.1)%	1.3	(18.4)%							6.7	0.5 %
RESOLOR/MOTEGRITY	5.5	5.7	4.8 %	5.2	4.6 %	—	-	0.5	6.3 %	—	-		
EOHILIA	—	1.7	-	1.7	-	—	-	—	-	—	-		
Others	9.7	8.5	(12.7)%	4.0	(16.0)%	0.3	1.4 %	2.1	(26.1)%	2.1	13.8 %		
Rare Diseases	**183.4**	**190.4**	**3.8 %**	**90.5**	**6.9 %**	**10.6**	**4.9 %**	**52.2**	**0.8 %**	**37.1**	**0.5 %**		
TAKHZYRO	49.3	57.0	15.5 %	38.8	14.6 %	0.9	1.7 %	12.8	12.9 %	4.5	38.1 %		
ADVATE	31.2	28.1	(9.8)%	13.7	(3.1)%	0.7	(21.2)%	3.8	(19.0)%	9.9	(13.5)%		
ADYNOVATE/ADYNOVI	17.8	15.9	(10.7)%	5.4	(18.3)%	3.6	(9.3)%	4.4	(10.3)%	2.5	7.3 %		
ELAPRASE	24.3	24.0	(1.2)%	7.8	5.4 %	0.1	16.9 %	8.4	(1.6)%	7.7	(6.9)%		
REPLAGAL	18.9	18.9	0.4 %	—	-	2.2	(2.3)%	10.2	(7.1)%	6.6	15.9 %		
VPRIV	14.6	14.3	(2.3)%	5.7	(6.8)%	0.3	4.2 %	4.7	2.4 %	3.6	(1.2)%		
FIRAZYR	5.5	4.3	(22.1)%	2.5	(17.9)%	0.5	5.0 %	0.5	(39.7)%	0.7	(31.0)%		
LIVTENCITY	5.6	9.0	59.7 %	5.5	34.7 %	0.5	-	2.6	82.8 %	0.4	167.9 %		
VONVENDI	4.6	5.1	10.1 %	3.2	2.8 %	0.3	15.2 %	1.6	27.3 %	0.0	(19.3)%		
RECOMBINATE	3.0	3.3	11.4 %	3.0	10.4 %	—	-	0.3	26.0 %	0.0	(61.7)%		
ADZYNMA	0.0	2.3	6,466.9 %	1.5	4,224.4 %	0.4	-	0.4	-	—	-		
Others	8.6	8.2	(5.1)%	3.5	(4.1)%	1.1	8.3 %	2.5	(17.6)%	1.2	16.1 %		
PDT	**244.3**	**248.5**	**1.7 %**	**156.5**	**0.6 %**	**0.1**	**(15.9)%**	**4.0**	**(17.3)%**	**8.8**	**47.8 %**	**79.1**	**1.8 %**
Immunoglobulin	176.5	185.0	4.8 %	132.9	0.6 %							52.1	17.2 %
Albumin	35.3	30.9	(12.5)%	7.8	21.0 %							23.2	(19.9)%
FEIBA	9.1	9.2	1.4 %	3.6	6.4 %	0.1	(15.9)%	1.8	(37.9)%	3.8	38.2 %		
HEMOFIL/IMMUNATE/IMMUNINE	5.2	6.8	30.3 %	0.7	(33.1)%	—	-	1.3	32.0 %	4.8	50.7 %		
CINRYZE	5.0	4.6	(8.3)%	3.4	(13.8)%	—	-	0.9	(6.5)%	0.3	320.6 %		
Others[*6]	13.1	12.0	(8.6)%	8.1	(7.3)%							3.9	(11.4)%

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

*2 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa

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

*4 Generic name: pantoprazole

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

*6 Others in PDT include GLASSIA and ARALAST.

■ Q3

(Bn JPY)	Reported													
	FY23Q3 QTD	FY24Q3 QTD	AER*1 % change	US	AER*1 % change	Japan	AER*1 % change	EUCAN	AER*1 % change	GEM*2	AER*1 % change	Ex-US	AER*1 % change
Oncology	**121.1**	**143.4**	**18.4 %**	**52.5**	**37.9 %**	**26.7**	**3.9 %**	**28.2**	**5.4 %**	**33.7**	**18.1 %**	**2.3**	**13.4 %**
ADCETRIS	30.0	31.4	4.7 %			3.0	(14.1) %	11.8	9.4 %	16.6	5.6 %		
LEUPLIN/ENANTONE	30.9	28.7	(7.0) %	4.8	(19.2) %	7.7	3.9 %	9.1	(13.1) %	7.1	0.9 %		
NINLARO	20.4	24.0	17.7 %	13.5	12.4 %	1.7	(6.7) %	2.9	(4.3) %	6.0	65.8 %		
ICLUSIG *3	14.4	19.4	34.6 %	17.1	38.0 %							2.3	13.4 %
ALUNBRIG	7.4	9.3	25.6 %	3.3	29.4 %	0.6	1.5 %	2.4	16.1 %	3.0	37.4 %		
VECTIBIX	6.9	7.3	5.2 %	—	-	7.3	5.2 %	—	-	—	-		
ZEJULA	3.7	3.8	3.8 %	—	-	3.0	0.2 %	—	-	0.8	19.9 %		
FRUZAQLA	2.2	13.0	482.2 %	10.5	368.4 %	0.9	-	1.6	-	0.0	-		
CABOMETYX	2.3	2.2	(1.5) %	—	-	2.2	(1.5) %	—	-	—	-		
Others	2.9	4.2	44.0 %	3.4	12.2 %	0.2	8.9 %	0.4	6.2 %	0.2	-		
Neuroscience	**144.2**	**141.9**	**(1.6)%**	**96.3**	**1.8 %**	**14.4**	**11.7 %**	**27.7**	**(9.1)%**	**3.6**	**(42.6)%**		
VYVANSE/ELVANSE	86.6	84.4	(2.5) %	58.0	7.6 %	0.9	11.0 %	22.4	(13.9) %	3.1	(47.1) %		
TRINTELLIX	29.3	34.0	16.2 %	30.4	15.8 %	3.6	19.4 %	—	-	—	-		
ADDERALL XR	12.6	7.1	(43.8) %	6.4	(45.8) %	—	-	0.6	(13.2) %	—	-		
INTUNIV	9.2	10.9	18.8 %	0.1	(54.2) %	7.2	17.2 %	3.2	27.0 %	0.4	45.4 %		
Others	6.5	5.5	(14.8) %	1.3	(43.4) %	2.7	(7.6) %	1.5	23.7 %	0.0	(1.8) %		
Vaccines	**11.7**	**11.8**	**0.7 %**	**—**	**-**	**1.7**	**(78.6)%**	**1.3**	**84.4 %**	**8.8**	**179.6 %**		
QDENGA	3.8	10.1	162.5 %	—	-	—	-	1.3	84.4 %	8.8	179.6 %		
Others	7.9	1.7	(78.6) %	—	-	1.7	(78.6) %	—	-	—	-		
Others	**67.3**	**64.0**	**(4.8)%**										
AZILVA*4	5.4	2.9	(45.5) %	—	-	2.9	(45.5) %	—	-	—	-		
FOSRENOL*3	3.0	2.0	(33.5) %	0.3	(31.3) %							1.7	(33.8) %

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

*2 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa

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

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

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Product Sales Analysis (Reported AER & Core CER Change)

(Bn JPY)	FY23 Reported				FY24 Reported AER[*1] & Core CER Change[*2]												
	Q1	Q2	Q3	Q4	Q1	@AER (QTD)	@CER (QTD)	Q2	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q3	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q4	@AER (QTD)	@CER (QTD)	@CER (YTD)
GI	**293.5**	**303.3**	**339.2**	**280.2**	**348.5**	**18.7 %**	**6.0 %**	**346.7**	**14.3 %**	**9.2 %**	**7.6 %**	**344.1**	**1.4 %**	**1.9 %**	**5.6 %**				
ENTYVIO	192.0	199.7	227.6	181.6	234.4	22.1 %	7.6 %	238.9	19.6 %	13.7 %	10.7 %	225.8	(0.8) %	(0.5) %	6.6 %				
GATTEX/REVESTIVE	27.1	31.8	31.1	29.3	36.8	36.0 %	21.6 %	36.4	14.6 %	8.7 %	14.6 %	40.1	28.8 %	30.2 %	20.0 %				
TAKECAB/VOCINTI[*3]	29.8	28.9	31.5	28.2	33.2	11.2 %	8.9 %	31.1	7.6 %	7.2 %	8.0 %	34.7	10.0 %	10.6 %	8.9 %				
PANTOLOC/ CONTROLOC[*4]	11.2	11.7	12.6	11.0	10.9	(1.9) %	(13.1) %	11.6	(1.0) %	(5.6) %	(9.2) %	10.5	(16.9) %	(17.3) %	(12.1) %				
DEXILANT	12.0	11.1	13.0	9.2	11.9	(1.4) %	(13.6) %	8.0	(28.4) %	(28.6) %	(20.8) %	9.2	(28.9) %	(25.3) %	(22.4) %				
LIALDA/MEZAVANT	7.5	6.0	8.2	7.4	6.6	(10.9) %	(20.7) %	6.8	12.8 %	7.8 %	(8.0) %	8.0	(3.1) %	(2.9) %	(6.1) %				
RESOLOR/MOTEGRITY	4.7	5.4	5.5	5.3	5.5	17.7 %	3.4 %	5.8	6.3 %	0.4 %	1.8 %	5.7	4.8 %	5.3 %	3.0 %				
EOHILIA	—	—	—	0.2	0.9	-	-	1.3	-	-	-	1.7	-	-	-				
Others	9.3	8.6	9.7	8.0	8.2	(11.4) %	(20.4) %	6.8	(20.4) %	(23.9) %	(22.1) %	8.5	(12.7) %	(13.1) %	(18.9) %				
Rare Diseases	**170.8**	**170.1**	**183.4**	**164.1**	**199.5**	**16.8 %**	**4.4 %**	**189.2**	**11.2 %**	**6.2 %**	**5.3 %**	**190.4**	**3.8 %**	**4.0 %**	**4.9 %**				
TAKHZYRO	41.3	45.8	49.3	42.2	56.0	35.6 %	19.8 %	55.0	20.2 %	13.9 %	16.7 %	57.0	15.5 %	16.0 %	16.4 %				
ADVATE	33.8	28.9	31.2	29.0	31.9	(5.8) %	(15.8) %	26.9	(6.9) %	(11.3) %	(13.7) %	28.1	(9.8) %	(10.1) %	(12.5) %				
ADYNOVATE/ADYNOVI	17.4	16.1	17.8	15.1	17.6	1.5 %	(7.5) %	16.9	4.5 %	0.9 %	(3.4) %	15.9	(10.7) %	(10.5) %	(5.9) %				
ELAPRASE	22.8	22.8	24.3	21.6	28.0	22.4 %	10.2 %	25.1	10.2 %	5.8 %	8.0 %	24.0	(1.2) %	(0.1) %	5.2 %				
REPLAGAL	18.0	18.2	18.9	18.5	21.4	19.1 %	8.0 %	19.9	9.2 %	5.8 %	6.9 %	18.9	0.4 %	0.3 %	4.6 %				
VPRIV	11.9	12.4	14.6	12.3	13.7	14.9 %	2.3 %	13.3	7.0 %	1.7 %	2.0 %	14.3	(2.3) %	(2.5) %	0.3 %				
FIRAZYR	5.5	6.2	5.5	4.0	5.0	(8.7) %	(18.3) %	4.8	(22.9) %	(25.7) %	(22.2) %	4.3	(22.1) %	(21.1) %	(21.9) %				
LIVTENCITY	4.1	4.3	5.6	5.1	7.6	88.2 %	65.9 %	7.9	84.3 %	74.9 %	70.5 %	9.0	59.7 %	60.0 %	66.3 %				
VONVENDI	3.8	3.7	4.6	4.2	5.3	41.2 %	24.6 %	5.1	38.5 %	31.9 %	28.2 %	5.1	10.1 %	9.8 %	21.2 %				
RECOMBINATE	3.0	3.0	3.0	3.1	2.7	(10.6) %	(21.3) %	2.5	(15.6) %	(19.7) %	(20.6) %	3.3	11.4 %	11.4 %	(10.0) %				
ADZYNMA	—	—	0.0	0.4	1.1	-	-	1.4	-	-	-	2.3	6,466.9 %	6,458.6 %	12,943.8 %				
Others	9.2	8.7	8.6	8.6	9.2	(0.8) %	(10.2) %	10.5	19.9 %	13.7 %	1.4 %	8.2	(5.1) %	(5.0) %	(0.7) %				
PDT	**209.2**	**221.0**	**244.3**	**229.2**	**271.4**	**29.7 %**	**14.7 %**	**264.2**	**19.6 %**	**14.0 %**	**14.3 %**	**248.5**	**1.7 %**	**1.9 %**	**9.8 %**				
Immunoglobulin	145.6	163.6	176.5	158.9	201.5	38.4 %	21.9 %	189.6	15.9 %	10.6 %	15.9 %	185.0	4.8 %	5.0 %	11.9 %				
Albumin	30.8	28.2	35.3	39.7	29.4	(4.5) %	(14.2) %	40.9	45.4 %	38.5 %	11.0 %	30.9	(12.5) %	(12.6) %	2.2 %				
FEIBA	11.9	8.0	9.1	11.6	13.9	17.7 %	4.5 %	9.7	21.9 %	17.2 %	9.6 %	9.2	1.4 %	1.7 %	7.1 %				
HEMOFIL/IMMUNATE/ IMMUNINE	4.2	5.1	5.2	5.0	8.7	106.6 %	82.5 %	5.8	14.4 %	8.8 %	42.2 %	6.8	30.3 %	32.4 %	38.7 %				
CINRYZE	4.5	3.9	5.0	3.7	4.3	(4.6) %	(15.9) %	3.9	(1.0) %	(6.5) %	(11.5) %	4.6	(8.3) %	(8.2) %	(10.2) %				
Others[*5]	12.3	12.2	13.1	10.3	13.6	10.8 %	(1.6) %	14.3	16.8 %	11.1 %	4.8 %	12.0	(8.6) %	(8.6) %	0.1 %				

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

*2 Refer to "Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations" in the Financial Appendix for the definition.

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

*4 Generic name: pantoprazole

*5 Others in PDT include GLASSIA and ARALAST.

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(Bn JPY)	FY23 Reported				FY24 Reported AER[*1] & Core CER Change[*2]												
	Q1	Q2	Q3	Q4	Q1	@AER (QTD)	@CER (QTD)	Q2	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q3	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q4	@AER (QTD)	@CER (QTD)	@CER (YTD)
Oncology	**110.5**	**114.7**	**121.1**	**116.1**	**142.1**	**28.6 %**	**17.2 %**	**142.9**	**24.6 %**	**20.2 %**	**18.7 %**	**143.4**	**18.4 %**	**18.8 %**	**18.7 %**				
ADCETRIS	27.1	27.2	30.0	25.2	34.5	27.2 %	14.1 %	33.7	24.2 %	20.6 %	17.4 %	31.4	4.7 %	6.6 %	13.5 %				
LEUPLIN/ENANTONE	24.6	24.2	30.9	27.7	29.4	19.6 %	12.7 %	31.0	28.3 %	24.8 %	18.7 %	28.7	(7.0)%	(7.7)%	8.5 %				
NINLARO	21.0	25.3	20.4	20.6	23.9	13.6 %	1.5 %	23.5	(7.0)%	(11.5)%	(5.6)%	24.0	17.7 %	17.9 %	1.6 %				
ICLUSIG	12.6	14.4	14.4	13.2	16.8	33.3 %	17.2 %	18.6	28.8 %	22.2 %	19.9 %	19.4	34.6 %	34.3 %	24.9 %				
ALUNBRIG	6.6	7.1	7.4	7.4	9.4	41.6 %	27.4 %	8.8	24.7 %	19.8 %	23.5 %	9.3	25.6 %	25.4 %	24.2 %				
VECTIBIX	6.8	6.8	6.9	5.9	6.6	(3.7)%	(3.7)%	6.9	1.8 %	1.8 %	(1.0)%	7.3	5.2 %	5.2 %	1.1 %				
ZEJULA	3.8	3.6	3.7	3.1	3.7	(1.0)%	(2.5)%	3.5	(3.4)%	(3.6)%	(3.1)%	3.8	3.8 %	4.3 %	(0.6)%				
FRUZAQLA	—	—	2.2	7.8	11.9	-	-	11.1	-	-	-	13.0	482.2 %	484.4 %	1,420.8 %				
CABOMETYX	2.2	2.0	2.3	1.9	2.3	3.8 %	3.8 %	2.1	4.3 %	4.3 %	4.1 %	2.2	(1.5)%	(1.5)%	2.1 %				
Others	5.7	4.1	2.9	3.3	3.6	(37.0)%	(44.1)%	3.6	(13.1)%	(17.0)%	(32.7)%	4.2	44.0 %	44.0 %	(15.1)%				
Neuroscience	**177.0**	**153.7**	**144.2**	**152.1**	**169.1**	**(4.5)%**	**(15.0)%**	**145.5**	**(5.3)%**	**(9.3)%**	**(12.3)%**	**141.9**	**(1.6)%**	**(1.2)%**	**(9.0)%**				
VYVANSE/ELVANSE	123.2	103.1	86.6	110.3	114.6	(6.9)%	(17.9)%	88.5	(14.1)%	(17.9)%	(17.9)%	84.4	(2.5)%	(2.2)%	(13.5)%				
TRINTELLIX	24.3	26.6	29.3	24.6	31.0	27.6 %	13.6 %	33.1	24.2 %	18.5 %	16.1 %	34.0	16.2 %	16.5 %	16.3 %				
ADDERALL XR	13.5	9.1	12.6	6.5	7.7	(42.8)%	(49.6)%	9.1	(0.4)%	(4.8)%	(31.5)%	7.1	(43.8)%	(43.3)%	(35.7)%				
INTUNIV	7.9	8.3	9.2	8.1	10.2	29.4 %	24.2 %	9.6	15.5 %	13.5 %	18.7 %	10.9	18.8 %	18.3 %	18.6 %				
Others	8.2	6.4	6.5	2.6	5.5	(33.2)%	(37.3)%	5.2	(19.8)%	(21.9)%	(30.6)%	5.5	(14.8)%	(15.2)%	(25.9)%				
Vaccines	**10.5**	**7.3**	**11.7**	**20.8**	**12.5**	**18.7 %**	**9.7 %**	**25.6**	**252.3 %**	**248.1 %**	**107.0 %**	**11.8**	**0.7 %**	**0.9 %**	**64.9 %**				
QDENGA	0.7	1.2	3.8	3.8	9.5	1,231.5 %	1,098.6 %	10.4	749.8 %	725.2 %	863.1 %	10.1	162.5 %	163.2 %	397.4 %				
Others	9.8	6.0	7.9	17.1	3.0	(69.4)%	(69.4)%	15.2	151.8 %	151.8 %	14.9 %	1.7	(78.6)%	(78.6)%	(16.1)%				
Others	**87.0**	**73.1**	**67.3**	**88.3**	**64.9**	**(25.3)%**	**(31.1)%**	**61.9**	**(15.3)%**	**(17.6)%**	**(24.9)%**	**64.0**	**(4.8)%**	**(3.3)%**	**(18.5)%**				
AZILVA[*3]	18.7	5.0	5.4	4.6	3.2	(82.6)%	(82.6)%	2.6	(48.3)%	(48.3)%	(75.4)%	2.9	(45.5)%	(45.5)%	(69.8)%				
FOSRENOL	4.2	4.0	3.0	2.4	1.8	(58.0)%	(62.6)%	2.2	(44.7)%	(47.3)%	(55.1)%	2.0	(33.5)%	(34.2)%	(49.5)%				

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

*2 Refer to “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix for the definition.

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

Product Forecasts

Although Takeda expects net increase of FY2024 revenue from previous forecast announced on October 31, 2024, individual product forecasts are not updated from those announced on October 31, 2024

		Disclosed on May 9, 2024				Disclosed on October 31, 2024			
	FY23 Reported	FY24 Reported Forecasts			FY24 Forecasts at CER[*1]	FY24 Reported Forecasts			FY24 Forecasts at CER[*1]
(Bn JPY)	Annual	Annual	Amount of Change	% Change	% Change	Annual	Amount of Change	% Change	% Change
GI	**1,216.2**			**Mid-10s % growth**	**Low-10s % growth**			**Low-10s % growth**	**High-single-digit % growth**
ENTYVIO	800.9	964.0	163.1	20 %	16 %	930.0	129.1	16 %	11 %
GATTEX/REVESTIVE	119.3	133.0	13.7	12 %	8 %	139.0	19.7	17 %	11 %
TAKECAB/VOCINTI [*2]	118.5	133.0	14.5	12 %	12 %	131.0	12.5	11 %	10 %
PANTOLOC/CONTROLOC[*3]	46.5	45.0	(1.5)	(3)%	(7)%	44.0	(2.5)	(5)%	(9)%
DEXILANT	45.3	41.0	(4.3)	(9)%	(14)%	37.0	(8.3)	(18)%	(22)%
LIALDA/MEZAVANT	29.1	23.0	(6.1)	(21)%	(22)%	25.0	(4.1)	(14)%	(17)%
RESOLOR/MOTEGRITY	20.9	23.0	2.1	10 %	7 %	23.0	2.1	10 %	7 %
EOHILIA	0.2			>5,000%	>5,000%			>4,000%	>4,000%
Others	35.6			(10)% to (15)%	(10)% to (15)%			(10)% to (15)%	(10)% to (15)%
Rare Diseases	**688.4**			**Mid-single-digit % growth**	**Low-single-digit % growth**			**High-single-digit % growth**	**Low-single-digit % growth**
TAKHZYRO	178.7	205.0	26.3	15 %	10 %	211.0	32.3	18 %	13 %
ADVATE	122.9	182.0	(7.2)	(4)%	0 %	177.0	(12.2)	(6)%	(10)%
ADYNOVATE/ADYNOVI	66.3								
ELAPRASE	91.6	90.0	(1.6)	(2)%	(5)%	96.0	4.4	5 %	0 %
REPLAGAL	73.6	75.0	1.4	2 %	0 %	83.0	9.4	13 %	10 %
VPRIV	51.3	53.0	1.7	3 %	(1)%	55.0	3.7	7 %	2 %
FIRAZYR	21.2	17.0	(4.2)	(20)%	(21)%	17.0	(4.2)	(20)%	(20)%
LIVTENCITY	19.1	30.0	10.9	57 %	54 %	31.0	11.9	62 %	57 %
VONVENDI	16.2	20.0	3.8	24 %	19 %	20.0	3.8	24 %	19 %
RECOMBINATE	12.1	10.0	(2.1)	(17)%	(20)%	10.0	(2.1)	(17)%	(20)%
Others	35.6			0% to 5%	0% to (5)%			10% to 15%	0% to 10%

*1 Refer to “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix for the definition.

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

*3 Generic name: pantoprazole

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

Assumption of FX rates for FY24 Reported Forecasts (Disclosed on May 9, 2024) : 1 USD = 150 JPY, 1 Euro = 160 JPY, 1 RUB = 1.6 JPY, 1 BRL = 30.4 JPY, 1 CNY = 20.9 JPY

Assumption of FX rates for FY24 Reported Forecasts (Disclosed on October 31, 2024) : 1 USD = 150 JPY, 1 Euro = 165 JPY, 1 RUB = 1.7 JPY, 1 BRL = 28.6 JPY, 1 CNY = 21.2 JPY

(Bn JPY)	FY23 Reported Annual	Disclosed on May 9, 2024				Disclosed on October 31, 2024			
		FY24 Reported Forecasts			FY24 Forecasts at CER[*1]	FY24 Reported Forecasts			FY24 Forecasts at CER[*1]
		Annual	Amount of Change	% Change	% Change	Annual	Amount of Change	% Change	% Change
PDT	**903.7**			**Low-10s % growth**	**High-single-digit % growth**			**Mid-10s % growth**	**High-single-digit % growth**
Immunoglobulin	644.6			10% to 20%	5% to 15%			10% to 20%	5% to 15%
Albumin	134.0			Single-digit % growth	Single-digit % growth			Single-digit % growth	Single-digit % growth
FEIBA	40.5	41.0	0.5	1 %	(2)%	42.0	1.5	4 %	(2)%
HEMOFIL/IMMUNATE/ IMMUNINE	19.5	22.0	2.5	13 %	15 %	25.0	5.5	28 %	23 %
CINRYZE	17.1	15.0	(2.1)	(12)%	(12)%	15.0	(2.1)	(12)%	(11)%
Others [*2]	48.0			0% to 10%	0% to 10%			10% to 15%	0% to 10%
Oncology	**462.4**			**High-single-digit % growth**	**Mid-single-digit % growth**			**High-10s % growth**	**Mid-10s % growth**
ADCETRIS	109.4	116.0	6.6	6 %	2 %	131.0	21.6	20 %	15 %
LEUPLIN/ENANTONE	107.4	111.0	3.6	3 %	2 %	117.0	9.6	9 %	6 %
NINLARO	87.4	84.0	(3.4)	(4)%	(7)%	85.0	(2.4)	(3)%	(7)%
ICLUSIG	54.7	63.0	8.3	15 %	11 %	66.0	11.3	21 %	14 %
ALUNBRIG	28.5	40.0	11.5	40 %	37 %	37.0	8.5	30 %	28 %
VECTIBIX	26.4	28.0	1.6	6 %	6 %	27.0	0.6	2 %	2 %
ZEJULA	14.2	15.0	0.8	6 %	4 %	15.0	0.8	6 %	4 %
FRUZAQLA	10.1			>100%	>100%			>300%	>300%
CABOMETYX	8.4	9.0	0.6	8 %	8 %	9.0	0.6	8 %	8 %
Others	16.0			(10)% to (15)%	(15)% to (20)%			(20) to (30)%	(20)% to (30)%
Neuroscience	**627.0**			**Low-30s % decline**	**Mid-30s % decline**			**High-10s% decline**	**Low-20s % decline**
VYVANSE/ELVANSE	423.2	225.0	(198.2)	(47)%	(49)%	309.0	(114.2)	(27)%	(31)%
TRINTELLIX	104.8	124.0	19.2	18 %	14 %	123.0	18.2	17 %	14 %
ADDERALL XR	41.8	19.0	(22.8)	(54)%	(56)%	23.0	(18.8)	(45)%	(48)%
INTUNIV	33.6	36.0	2.4	7 %	8 %	38.0	4.4	13 %	13 %
Others	23.7			(20)% to (30)%	(20)% to (30)%			(20)% to (30)%	(20)% to (30)%
Vaccines	**50.4**			**High-single-digit % growth**	**High-single-digit % growth**			**High-10s % growth**	**High-10s % growth**
QDENGA	9.6			>200%	>200%			>250%	>250%
Others	40.8			>(30)%	>(30)%			>(40)%	>(40)%
Others	**315.7**			**>(30)%**	**>(30)%**			**>(30)%**	**>(30)%**
AZILVA[*3]	33.6	10.0	(23.6)	(70)%	(70)%	10.0	(23.6)	(70)%	(70)%
FOSRENOL	13.5	10.0	(3.5)	(26)%	(26)%	8.0	(5.5)	(41)%	(42)%

*1 Refer to “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix. for the definition.

*2 Others in PDT Immunology include GLASSIA and ARALAST.

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

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

Assumption of FX rates for FY24 Reported Forecasts (Disclosed on May 9, 2024) : 1 USD = 150 JPY, 1 Euro = 160 JPY, 1 RUB = 1.6 JPY, 1 BRL = 30.4 JPY, 1 CNY = 20.9 JPY

Assumption of FX rates for FY24 Reported Forecasts (Disclosed on October 31, 2024) : 1 USD = 150 JPY, 1 Euro = 165 JPY, 1 RUB = 1.7 JPY, 1 BRL = 28.6 JPY, 1 CNY = 21.2 JPY

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 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 may not exclude all items which investors may not consider important for such understanding. 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 = 157.37 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on December 31, 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 Q3 YTD Reported Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q3 YTD	FY2024 Q3 YTD	vs. PY			(Million USD, except EPS) FY2024 Q3 YTD Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	3,212.9	3,528.2	315.3	9.8%	4.5%	22,419
Cost of sales	(1,044.2)	(1,198.1)	(154.0)	(14.7)%	(9.5)%	(7,614)
Gross profit	2,168.7	2,330.0	161.3	7.4%	2.0%	14,806
Margin	*67.5 %*	*66.0 %*		*(1.5) pp*	*(1.6) pp*	*66.0 %*
SG&A expenses	(768.6)	(808.9)	(40.3)	(5.2)%	(0.3)%	(5,140)
R&D expenses	(534.1)	(514.2)	19.8	3.7%	8.6%	(3,268)
Amortization of intangible assets associated with products	(387.7)	(411.7)	(24.0)	(6.2)%	(0.2)%	(2,616)
Impairment losses on intangible assets associated with products*1	(119.3)	(28.5)	90.8	76.1%	76.6%	(181)
Other operating income	10.8	16.2	5.5	50.7%	43.5%	103
Other operating expenses	(145.7)	(165.4)	(19.8)	(13.6)%	(8.4)%	(1,051)
Operating profit	224.1	417.5	193.4	86.3%	76.0%	2,653
Margin	*7.0 %*	*11.8 %*		*4.9 pp*	*4.8 pp*	*11.8 %*
Finance income	46.1	27.8	(18.3)	(39.7)%	(40.9)%	177
Finance expenses	(172.7)	(159.7)	12.9	7.5%	9.9%	(1,015)
Share of profit (loss) of investments accounted for using the equity method	2.7	(3.2)	(5.9)	—	—	(20)
Profit before tax	100.3	282.4	182.1	181.5%	162.4%	1,794
Income tax (expenses) benefit	46.9	(71.1)	(118.0)	—	—	(452)
Net profit for the period	147.2	211.2	64.0	43.5%	32.0%	1,342
Non-controlling interests	(0.1)	(0.2)	(0.1)	(48.7)%	(48.5)%	(1)
Net profit attributable to owners of the Company	147.1	211.1	64.0	43.5%	32.0%	1,341
Basic EPS (JPY or USD)	94.10	133.71	39.61	42.1%	30.7%	0.85

*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 Q3 (Oct-Dec) Reported Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q3 (Oct-Dec)	FY2024 Q3 (Oct-Dec)	vs. PY			(Million USD, except EPS) FY2024 Q3 (Oct-Dec) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,111.2	1,144.1	32.9	3.0%	3.4%	7,270
Cost of sales	(379.5)	(416.9)	(37.4)	(9.9)%	(10.2)%	(2,649)
Gross profit	731.7	727.3	(4.5)	(0.6)%	(0.2)%	4,621
Margin	*65.8 %*	*63.6 %*		*(2.3) pp*	*(2.3) pp*	*63.6 %*
SG&A expenses	(267.5)	(270.6)	(3.1)	(1.1)%	(1.6)%	(1,719)
R&D expenses	(187.4)	(170.2)	17.2	9.2%	9.0%	(1,081)
Amortization of intangible assets associated with products	(133.8)	(134.2)	(0.4)	(0.3)%	(0.6)%	(853)
Impairment losses on intangible assets associated with products*1	(3.6)	(0.7)	2.8	79.0%	79.2%	(5)
Other operating income	0.9	2.4	1.5	163.3%	167.6%	15
Other operating expenses	(35.4)	(87.0)	(51.5)	(145.4)%	(144.3)%	(553)
Operating profit	104.9	66.9	(38.0)	(36.2)%	(34.3)%	425
Margin	*9.4 %*	*5.9 %*		*(3.6) pp*	*(3.4) pp*	*5.9 %*
Finance income	22.5	25.2	2.7	11.8%	10.8%	160
Finance expenses	(67.3)	(63.8)	3.5	5.3%	6.4%	(405)
Share of profit (loss) of investments accounted for using the equity method	1.1	(2.0)	(3.1)	—	—	(12)
Profit before tax	61.3	26.4	(34.9)	(56.9)%	(52.9)%	168
Income tax (expenses) benefit	44.5	(2.6)	(47.1)	—	—	(16)
Net profit for the period	105.8	23.8	(81.9)	(77.5)%	(75.4)%	151
Non-controlling interests	(0.0)	(0.0)	(0.0)	(28.6)%	(28.5)%	(0)
Net profit attributable to owners of the Company	105.7	23.8	(81.9)	(77.5)%	(75.5)%	151
Basic EPS (JPY or USD)	67.38	15.01	(52.38)	(77.7)%	(75.7)%	0.10

*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 Q3 YTD Core Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q3 YTD	FY2024 Q3 YTD	vs. PY			(Million USD, except EPS) FY2024 Q3 YTD Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	3,212.9	3,528.2	315.3	9.8%	4.5%	22,419
Cost of sales	(1,044.2)	(1,198.3)	(154.1)	(14.8)%	(9.6)%	(7,615)
Gross profit	2,168.7	2,329.8	161.1	7.4%	2.0%	14,805
Margin	*67.5 %*	*66.0 %*		*(1.5) pp*	*(1.6) pp*	*66.0 %*
SG&A expenses	(769.1)	(809.2)	(40.2)	(5.2)%	(0.2)%	(5,142)
R&D expenses	(534.1)	(514.3)	19.7	3.7%	8.5%	(3,268)
Operating profit	865.6	1,006.3	140.7	16.3%	10.1%	6,394
Margin	*26.9 %*	*28.5 %*		*1.6 pp*	*1.5 pp*	*28.5 %*
Finance income	45.6	21.4	(24.2)	(53.0)%	(54.0)%	136
Finance expenses	(152.9)	(127.6)	25.3	16.5%	19.1%	(811)
Share of profit (loss) of investments accounted for using the equity method	4.4	1.5	(2.8)	(65.2)%	(66.7)%	10
Profit before tax	762.6	901.6	139.0	18.2%	11.7%	5,729
Income tax (expenses) benefit	(118.9)	(202.6)	(83.6)	(70.3)%	(64.5)%	(1,287)
Net profit for the period	643.7	699.1	55.4	8.6%	1.9%	4,442
Non-controlling interests	(0.1)	(0.2)	(0.1)	(48.7)%	(48.5)%	(1)
Net profit attributable to owners of the Company	643.6	698.9	55.3	8.6%	1.9%	4,441
Basic EPS (JPY or USD)	412	443	31	7.5%	0.9%	2.81

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 Q3 (Oct-Dec) Core Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q3 (Oct-Dec)	FY2024 Q3 (Oct-Dec)	vs. PY			(Million USD, except EPS) FY2024 Q3 (Oct-Dec) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,111.2	1,144.1	32.9	3.0%	3.4%	7,270
Cost of sales	(379.4)	(416.9)	(37.5)	(9.9)%	(10.2)%	(2,649)
Gross profit	731.8	727.2	(4.6)	(0.6)%	(0.2)%	4,621
Margin	*65.9 %*	*63.6 %*		*(2.3) pp*	*(2.3) pp*	*63.6 %*
SG&A expenses	(267.6)	(270.7)	(3.0)	(1.1)%	(1.5)%	(1,720)
R&D expenses	(187.4)	(170.2)	17.1	9.2%	9.0%	(1,082)
Operating profit	276.8	286.4	9.6	3.5%	4.1%	1,820
Margin	*24.9 %*	*25.0 %*		*0.1 pp*	*0.2 pp*	*25.0 %*
Finance income	21.6	23.8	2.1	9.9%	12.3%	151
Finance expenses	(65.1)	(56.6)	8.5	13.0%	13.0%	(360)
Share of profit (loss) of investments accounted for using the equity method	2.1	(0.1)	(2.2)	—	—	(1)
Profit before tax	235.4	253.4	18.0	7.6%	8.6%	1,610
Income tax (expenses) benefit	0.5	(43.5)	(44.0)	—	—	(276)
Net profit for the period	235.9	209.9	(26.0)	(11.0)%	(10.2)%	1,334
Non-controlling interests	(0.0)	(0.0)	(0.0)	(28.6)%	(28.5)%	(0)
Net profit attributable to owners of the Company	235.9	209.8	(26.1)	(11.0)%	(10.2)%	1,333
Basic EPS (JPY or USD)	150	132	(18)	(12.0)%	(11.1)%	0.84

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 Q3 YTD 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	3,528.2						3,528.2
Cost of sales	(1,198.1)					(0.2)	(1,198.3)
Gross profit	2,330.0					(0.2)	2,329.8
SG&A expenses	(808.9)					(0.3)	(809.2)
R&D expenses	(514.2)					(0.1)	(514.3)
Amortization of intangible assets associated with products	(411.7)	411.7					—
Impairment losses on intangible assets associated with products*1	(28.5)		28.5				—
Other operating income	16.2				(16.2)		—
Other operating expenses	(165.4)				165.4		—
Operating profit	417.5	411.7	28.5		149.2	(0.6)	1,006.3
Margin	11.8 %						28.5 %
Finance income and (expenses), net	(131.9)			19.4		6.4	(106.2)
Share of profit (loss) of investments accounted for using the equity method	(3.2)					4.7	1.5
Profit before tax	282.4	411.7	28.5	19.4	149.2	10.5	901.6
Income tax (expenses) benefit	(71.1)	(86.2)	(8.2)	(5.9)	(36.5)	5.3	(202.6)
Non-controlling interests	(0.2)						(0.2)
Net profit attributable to owners of the Company	211.1	325.5	20.3	13.4	112.7	15.9	698.9
Basic EPS (JPY)	134						443
Number of shares (millions)	1,579						1,579

*1 Includes in-process R&D.

*2 An impairment loss of JPY 19.4 billion related to the classification of Teva Takeda Pharma Ltd. shares to the assets held for sale recorded in the nine-month period ended December 31, 2024.

FY2024 Q3 (Oct-Dec) 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	1,144.1						1,144.1
Cost of sales	(416.9)					(0.0)	(416.9)
Gross profit	727.3					(0.0)	727.2
SG&A expenses	(270.6)					(0.1)	(270.7)
R&D expenses	(170.2)					(0.0)	(170.2)
Amortization of intangible assets associated with products	(134.2)	134.2					—
Impairment losses on intangible assets associated with products*1	(0.7)		0.7				—
Other operating income	2.4				(2.4)		—
Other operating expenses	(87.0)				87.0		—
Operating profit	66.9	134.2	0.7		84.6	(0.1)	286.4
Margin	5.9 %						25.0 %
Finance income and (expenses), net	(38.6)			1.0		4.7	(32.9)
Share of profit (loss) of investments accounted for using the equity method	(2.0)					1.8	(0.1)
Profit before tax	26.4	134.2	0.7	1.0	84.6	6.4	253.4
Income tax (expenses) benefit	(2.6)	(28.1)	(0.2)	(0.3)	(21.8)	9.5	(43.5)
Non-controlling interests	(0.0)						(0.0)
Net profit attributable to owners of the Company	23.8	106.1	0.5	0.7	62.8	15.9	209.8
Basic EPS (JPY)	15						132
Number of shares (millions)	1,585						1,585

*1 Includes in-process R&D.

*2 An impairment loss of JPY 1.0 billion related to the classification of Teva Takeda Pharma Ltd. shares to the assets held for sale recorded in the quarter ended December 31, 2024.

FY2023 Q3 YTD 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	3,212.9					3,212.9
Cost of sales	(1,044.2)				(0.1)	(1,044.2)
Gross profit	2,168.7				(0.1)	2,168.7
SG&A expenses	(768.6)				(0.5)	(769.1)
R&D expenses	(534.1)				0.0	(534.1)
Amortization of intangible assets associated with products	(387.7)	387.7				—
Impairment losses on intangible assets associated with products*1	(119.3)		119.3			—
Other operating income	10.8			(10.8)		—
Other operating expenses	(145.7)			145.7		—
Operating profit	224.1	387.7	119.3	134.9	(0.5)	865.6
Margin	7.0 %					26.9 %
Finance income and (expenses), net	(126.6)				19.3	(107.3)
Share of profit (loss) of investments accounted for using the equity method	2.7				1.6	4.4
Profit before tax	100.3	387.7	119.3	134.9	20.4	762.6
Income tax (expenses) benefit	46.9	(82.5)	(26.4)	(31.8)	(25.1)	(118.9)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	147.1	305.2	92.9	103.1	(4.7)	643.6
Basic EPS (JPY)	94					412
Number of shares (millions)	1,563					1,563

*1 Includes in-process R&D.

FY2023 Q3 (Oct-Dec) 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	1,111.2					1,111.2
Cost of sales	(379.5)				0.1	(379.4)
Gross profit	731.7				0.1	731.8
SG&A expenses	(267.5)				(0.1)	(267.6)
R&D expenses	(187.4)				0.0	(187.4)
Amortization of intangible assets associated with products	(133.8)	133.8				—
Impairment losses on intangible assets associated with products*1	(3.6)		3.6			—
Other operating income	0.9			(0.9)		—
Other operating expenses	(35.4)			35.4		—
Operating profit	104.9	133.8	3.6	34.6	(0.0)	276.8
Margin	9.4 %					24.9 %
Finance income and (expenses), net	(44.8)				1.3	(43.5)
Share of profit (loss) of investments accounted for using the equity method	1.1				0.9	2.1
Profit before tax	61.3	133.8	3.6	34.6	2.2	235.4
Income tax (expenses) benefit	44.5	(28.4)	(0.8)	(15.3)	0.5	0.5
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	105.7	105.3	2.8	19.3	2.8	235.9
Basic EPS (JPY)	67					150
Number of shares (millions)	1,569					1,569

*1 Includes in-process R&D.

FY2024 Q3 YTD Adjusted Free Cash Flow

(Billion JPY)	FY2023 Q3 YTD	FY2024 Q3 YTD	vs. PY		(Million USD) FY2024 Q3 YTD Convenience USD Translation
Net profit	147.2	211.2	64.0	43.5 %	1,342
Depreciation, amortization and impairment losses	675.5	609.9	(65.7)		3,875
Decrease (increase) in trade working capital	(166.7)	(92.5)	74.2		(588)
Income taxes paid	(179.3)	(120.3)	58.9		(765)
Tax refunds and interest on tax refunds received	13.0	18.2	5.2		116
Other	(52.0)	208.6	260.5		1,325
Net cash from operating activities (Operating Cash Flow)	437.8	835.0	397.3	90.8 %	5,306
Acquisition of PP&E	(130.9)	(152.0)	(21.1)		(966)
Free Cash Flow*1	306.9	683.0	376.1	122.6 %	4,340
Adjustment for cash temporarily held by Takeda on behalf of third parties*2	9.6	(0.9)	(10.5)		(6)
Proceeds from sales of PP&E	8.6	0.0	(8.6)		0
Acquisition of intangible assets*3	(285.5)	(103.1)	182.4		(655)
Acquisition of option to license	—	(31.8)	(31.8)		(202)
Acquisition of investments*4	(4.7)	(15.2)	(10.5)		(97)
Proceeds from sales and redemption of investments	1.1	26.7	25.6		170
Proceeds from sales of business, net of cash and cash equivalents divested	0.4	9.6	9.2		61
Adjusted Free Cash Flow*1	36.3	568.3	532.0	1,466.3 %	3,611

*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 80.1 billion debt investments classified as Level 1 in the fair value hierarchy is excluded for the nine-month period ended December 31, 2024.

FY2024 Q3 YTD Adjusted Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2024 Q3 YTD
Book value of bonds and loans on consolidated statements of financial position	(4,840.1)
Cash & cash equivalents	494.1
Net Debt[*1]	(4,346.0)
Application of equity credit[*2]	250.0
FX adjustment[*3]	94.8
Cash temporarily held by Takeda on behalf of third parties[*4]	(108.7)
Level 1 debt investments[*4]	83.5
Adjusted Net Debt[*1]	(4,026.4)
Adjusted EBITDA (LTM)[*5]	1,471.0
Adjusted Net Debt/Adjusted EBITDA ratio	2.7x
Book value of bonds and loans on consolidated statements of financial position	(4,840.1)
Application of equity credit[*2]	250.0
FX adjustment[*3]	94.8
Adjusted Gross Debt	(4,495.3)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2023 Q3 YTD	FY2024 Q3 YTD	vs. PY	
Net cash from operating activities (Operating Cash Flow)	437.8	835.0	397.3	90.8 %
Acquisition of PP&E	(130.9)	(152.0)		
Proceeds from sales of PP&E	8.6	0.0		
Acquisition of intangible assets	(285.5)	(103.1)		
Acquisition of option to license	—	(31.8)		
Acquisition of investments	(4.7)	(95.4)		
Proceeds from sales and redemption of investments	1.1	26.7		
Proceeds from sales of business, net of cash and cash equivalents divested	0.4	9.6		
Payments for the settlement of forward exchange contracts designated as net investment hedges	—	(13.9)		
Net increase (decrease) in short-term loans and commercial papers	280.0	(317.0)		
Proceeds from long-term loans	100.0	90.0		
Repayment of long-term loans	(100.3)	(50.2)		
Proceeds from issuance of bonds	—	934.5		
Repayment of bonds	(220.5)	(733.8)		
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	(78.7)	(78.1)		
Dividends paid	(278.1)	(292.8)		
Others	(47.7)	(34.6)		
Net increase (decrease) in cash and cash equivalents	(260.8)	38.0	298.8	—

*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 (January 2024 - December 2024). Calculated by subtracting FY2023 Q3 YTD from FY2023 Full Year and adding FY2024 Q3 YTD.

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 Q3 YTD Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2023 Q3 YTD	FY2024 Q3 YTD	vs. PY	
Net profit	147.2	211.2	64.0	43.5 %
Income tax expenses (benefit)	(46.9)	71.1		
Depreciation and amortization	541.3	571.6		
Interest expense, net	82.0	87.8		
EBITDA	723.6	941.8	218.2	30.2 %
Impairment losses	134.3	38.2		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	116.4	135.2		
Finance expense (income), net, excluding interest expense, net	44.6	44.2		
Share of loss (profit) on investments accounted for under the equity method	(2.7)	3.2		
Other costs*1	50.5	51.8		
Adjusted EBITDA	1,066.6	1,214.4	147.8	13.9 %

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

FY2024 Q3 YTD Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2023 Full Year (Apr - Mar)	FY2023 Q3 YTD (Apr - Dec)	FY2024 Q3 YTD (Apr - Dec)	FY2024 Q3 LTM*1 (Jan - Dec)
Net profit	144.2	147.2	211.2	208.2
Income tax expenses (benefit)	(91.4)	(46.9)	71.1	26.6
Depreciation and amortization	728.0	541.3	571.6	758.4
Interest expense, net	108.2	82.0	87.8	114.0
EBITDA	889.0	723.6	941.8	1,107.3
Impairment losses	150.0	134.3	38.2	54.0
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	162.2	116.4	135.2	181.0
Finance expense (income), net, excluding interest expense, net	59.5	44.6	44.2	59.1
Share of loss (profit) on investments accounted for under the equity method	(6.5)	(2.7)	3.2	(0.5)
Other costs*2	69.9	50.5	51.8	71.2
Adjusted EBITDA	1,324.1	1,066.6	1,214.4	1,472.0
EBITDA from divested products*3	(4.2)			(1.0)
Adjusted EBITDA (LTM)	1,319.9			1,471.0

*1 LTM represents Last Twelve Months (January 2024 - December 2024). Calculated by subtracting FY2023 Q3 YTD from FY2023 Full Year and adding FY2024 Q3 YTD.

*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 Q3 YTD CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2023 Q3 YTD	FY2024 Q3 YTD	vs. PY		Revised Forecast (January 30, 2025)
Capital expenditures*1	416.4	255.1	(161.3)	(38.7)%	380.0 - 420.0
Tangible assets	130.9	152.0	21.1	16.1 %	
Intangible assets	285.5	103.1	(182.4)	(63.9)%	
Depreciation and amortization	541.3	571.6	30.4	5.6 %	768.0
Depreciation of tangible assets*2 (A)	129.8	130.7	0.9	0.7 %	
Amortization of intangible assets (B)	411.4	441.0	29.5	7.2 %	
Of which Amortization associated with products (C)	387.7	411.7	24.0	6.2 %	550.0
Of which Amortization excluding intangible assets associated with products (D)	23.8	29.3	5.5	23.4 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	153.6	160.0	6.4	4.2 %	218.0
Impairment losses	134.3	38.2	(96.1)	(71.5)%	
Impairment losses on intangible assets associated with products*3	119.3	28.5	(90.8)	(76.1)%	50.0
Amortization and impairment losses on intangible assets associated with products	507.0	440.2	(66.8)	(13.2)%	600.0

*1 Cash flow base

*2 Includes depreciation of investment properties

*3 Includes in-process R&D

FY2024 Full Year Detailed Forecast

	(BN JPY)	Previous Forecast (October 31, 2024)	Revised Forecast (January 30, 2025)	vs. Previous Forecast		Variances
REPORTED	Revenue	4,480.0	4,590.0	110.0	2.5 %	Business momentum including Vyvanse, plus FX benefit
	Cost of sales	(1,555.0)	(1,585.0)	(30.0)	(1.9)%	
	Gross Profit	2,925.0	3,005.0	80.0	2.7 %	Reflects revenue growth; Gross margin negatively impacted by implementation of accounting process to recognize accumulated FX impact of inventories
	SG&A expenses	(1,105.0)	(1,115.0)	(10.0)	(0.9)%	Mainly FX impact
	R&D expenses	(770.0)	(740.0)	30.0	3.9 %	FX headwind offset by moving post-trial access costs for TAK-611 & TAK-609 (previously anticipated as R&D expenses) to Other Operating Expenses & higher cost savings from efficiency program
	Amortization of intangible assets associated with products	(541.0)	(550.0)	(9.0)	(1.7)%	Mainly FX impact
	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)	(225.0)	(12.0)	(5.6)%	Post-trial access costs for TAK-611 & TAK-609, partially offset by higher reversal of pre-launch inventory
	Operating profit	265.0	344.0	79.0	29.8 %	
	Finance income (expenses), net	(168.0)	(178.0)	(10.0)	(6.0)%	Higher finance expenses related to the decision to divest Takeda Teva JV, and FX impact
	Profit before tax	93.0	162.0	69.0	74.2 %	
	Net profit attributable to owners of the Company	68.0	118.0	50.0	73.5 %	Reflects increase in PBT; tax rate assumption is unchanged
	Basic EPS (yen)	43	75	32	73.5 %	
	Core Revenue*2	4,480.0	4,590.0	110.0	2.5 %	Business momentum including Vyvanse, plus FX benefit
	Core Operating Profit*2	1,050.0	1,150.0	100.0	9.5 %	Business momentum including Vyvanse and lower R&D expenses, partially offset by impact of implementation of accounting process to recognize accumulated FX impact of inventories.
	Core EPS (yen)*2	456	507	50	11.0 %	
	Adjusted Free Cash Flow*2	400.0 to 500.0	550.0 to 650.0			Reflects upgrade in Core Operating profit plus proceeds expected as a part of upcoming sale of Teva JV and more favorable cash tax rate, partially offset by payment for elritercept in-licensing deal of $200M.
	CAPEX (cash flow base)	(380.0) to (420.0)	(380.0) to (420.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(215.0)	(218.0)	(3.0)	(1.4)%	Mainly FX impact
	Cash tax rate on Adjusted EBITDA (excl. divestitures)*2	Mid teen %	Low teen %			
	USD/JPY	150	153	3	1.9 %	
	EUR/JPY	165	165	—	—	

*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	4,590.0				4,590.0
Cost of sales	(1,585.0)				(3,440.0)
Gross Profit	3,005.0				
SG&A expenses	(1,115.0)				
R&D expenses	(740.0)				
Amortization of intangible assets associated with products	(550.0)	550.0			—
Impairment losses on intangible assets associated with products*1	(50.0)		50.0		—
Other operating income	19.0			(19.0)	—
Other operating expenses	(225.0)			225.0	—
Operating profit	344.0	550.0	50.0	206.0	1,150.0

*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 January 2025 to March 2025 (100 million JPY)				
	FY2023 Q3 Actual (Apr-Dec)	FY2024 Q3 Actual (Apr-Dec)	FY2024 Full Year Assumption (Apr-Mar)	FY2024 Q4 Assumption (Jan-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	143	152	153	156	1% depreciation	34.3	(6.2)	(6.3)	3.8
					1 yen depreciation	22.1	(4.0)	(4.0)	2.5
EUR	155	165	165	166	1% depreciation	11.3	(9.4)	(7.8)	(7.2)
					1 yen depreciation	6.8	(5.7)	(4.7)	(4.3)
RUB	1.6	1.6	1.6	1.4	1% depreciation	0.4	0.1	0.1	0.2
CNY	20.0	21.1	21.2	21.5		4.5	3.0	2.4	3.0
BRL	28.9	27.9	27.2	25.4		1.4	0.9	0.7	0.9

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