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FY2022 Q2 Earnings Announcement

October 27th, 2022



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AGENDA

Introduction

Christophe Weber
President & CEO



Pipeline Update

Andy Plump
President, R&D



Financials

Costa Saroukos
Chief Financial Officer



Q&A Session

Better Health for People, Brighter Future for the World



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

PATIENT

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

PEOPLE

- Create an exceptional people experience

PLANET

- Protect our planet

... AND BY UNLEASHING THE POWER OF DATA AND DIGITAL

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

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

FY2022 H1: EXECUTING STRATEGY & DELIVERING RESULTS



Delivering Topline & Core Profit Growth

- Strong first half with Core Revenue growth +5.5% at CER^{1,2}
- Core Operating Profit JPY 625.2B (+14.5% growth at CER); Reported Operating Profit growth impacted by one-time gain in FY2021 Q1 from sale of Japan diabetes portfolio
- H1 Core Operating Profit margin of 31.7% (+2.4pp vs prior year)
- Reconfirming full-year Management Guidance for CER growth; Reported Forecast upgraded to reflect FX tailwinds

FY2022 H1 RESULTS SUMMARY

| (BN YEN, except EPS) | REPORTED | | CORE ¹ | | |
|-------------------------|----------------|-----------------|-------------------|-----------------|---------------------------|
| | FY2022 H1 | ACTUAL % CHANGE | FY2022 H1 | ACTUAL % CHANGE | CER ² % CHANGE |
| REVENUE | 1,974.8 | +10.1% | 1,974.8 | +18.9% | +5.5% |
| OPERATING PROFIT | 255.0 | -26.3% | 625.2 | +28.7% | +14.5% |
| EPS | 108 | -8.1% | 288 | +34.6% | +15.8% |



Momentum from Growth & Launch Products

- Revenue driven by Growth & Launch Products³ +19% at CER, with strong growth of ENTYVIO (+17%), TAKHZYRO (+31%), Immunoglobulin (+17%)
- Continued launch momentum from EXKIVITY and LIVTENCITY
- Raising ENTYVIO peak sales estimate to USD \$7.5-9.0B (previously \$5.5-6.5B), reflecting potential for further market growth & market share expansion



Progress in our Innovative Pipeline

- QDENGA: approved in Indonesia and positive CHMP opinion for the prevention of dengue disease against all serotypes regardless of prior dengue exposure
- Positive CHMP opinion for LIVTENCITY for refractory post-transplant CMV infection and/or disease
- Entered collaboration & licensing agreement for TAK-227 in celiac disease

1. Please refer to appendix slide A-1 for definition of core financial measures, and slides A-7 and A-9 for reconciliation.

2. Constant Exchange Rate. Please refer to appendix slide A-1 for definition.

3. Please refer to slide 19 for details of Growth & Launch Products

CHMP: Committee for Medicinal Products for Human Use
For full glossary of abbreviations please refer to appendix.

DENGUE: LISTED BY WORLD HEALTH ORGANIZATION AS ONE OF TEN THREATS TO GLOBAL HEALTH¹



>3.9 Billion

people are at risk of dengue infection globally²



>125

Endemic in over 125 countries; second most diagnosed cause of fever, after malaria, among travelers returning to Europe from endemic countries^{2,3}



390M

390M estimated infections and 500,000 hospitalizations each year, with an estimated death rate of 20-25,000 per year, primarily in children^{2,4,5}



Growing prevalence

Global incidence rates have increased 30-fold over the last 50 years due to urbanization, travel and climate change⁶



Urgent need for a safe and effective vaccine



Severe dengue is a leading cause of hospitalization and death in children and adults in endemic regions,² resulting in a high burden on healthcare systems



Significant economic burden of disease; families in endemic regions may spend 15-23% of monthly household income for hospitalizations^{7,8}

“The sort of rates of hospitalisation Britain saw with delta, with omicron [strains of COVID-19] – we see that on a seasonal basis with dengue [in Sri Lanka]. Our hospital systems are completely overwhelmed and sometimes we have to restrict access during the dengue season, which coincides with monsoon season. This is why we need investment in tools to combat the virus.”

- Dr. Neelika Malavige, head of scientific affairs at the Drugs for Neglected Diseases initiative (DNDi), quoted in *The Telegraph*⁹

1. World Health Organization. [Ten threats to global health in 2019](#). Retrieved October 2022.

2. World Health Organization. Fact Sheet. [Dengue and Severe Dengue](#). January 2022. Retrieved October 2022.

3. Bulugahapitiya, U., Siyambalapatiya, S., Seneviratne, S. L., & Fernando, D. J. (2007). Dengue fever in travellers: A challenge for European physicians. *European journal of internal medicine*, 18(3), 185–192. <https://doi.org/10.1016/j.ejim.2006.12.002>

4. Guzman MG, Halstead SB, Artsob H, et al. Dengue: a continuing global threat. *Nat Rev Microbiol*. 2010;8(12 Suppl):S7–S16. doi:10.1038/nrmicro2460.

5. Schaefer T, Panda P, Wolford R. [Dengue Fever](#). April 2022. Retrieved October 2022.

6. Ebi KL, Nealon J. Dengue in a changing climate. *Environmental Research*. 2016;151:115-123. doi:10.1016/j.envres.2016.07.026

7. Tozan Y, Ratanawong P, Sewe MO, Wilder-Smith A, Kittayapong P. Household costs of hospitalized dengue illness in semi-rural Thailand. *PLoS Negl Trop Dis*. 2017;11(9):e0005961

8. Senanayake MP, Jayasinghe SSK, Wijesundera DS, Manamperi M. Economic cost of hospitalized non-fatal Paediatric Dengue at the Lady Ridgeway Hospital for Children in Sri Lanka. *Sri Lanka Journal of Child Health*. 2014;43(4):205. doi:10.4038/sljch.v43i4.7762

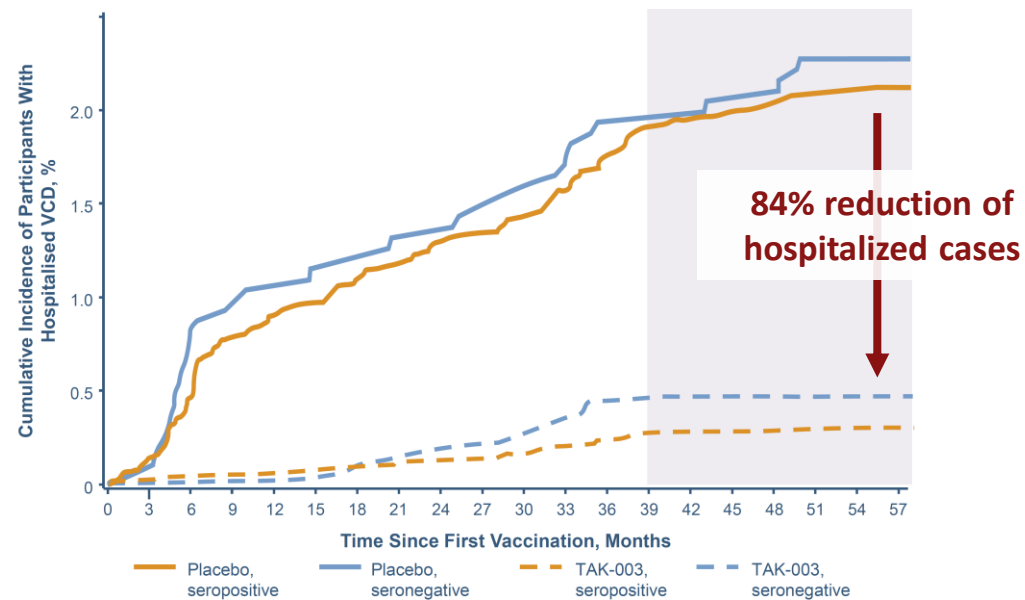
9. Newey S. [Hope on the horizon in troubled journey to develop dengue vaccines](#). *The Telegraph*. September 2022. Accessed October 2022.

QDenga: APPROVED IN INDONESIA & POSITIVE CHMP OPINION FOR PREVENTION OF DENGUE DISEASE AGAINST ALL SEROTYPES, REGARDLESS OF PRIOR DENGUE EXPOSURE



84% reduction of hospitalized dengue in Phase 3 study¹

- Pivotal 4.5-year TIDES study in over 20,000 children and adolescents:¹
- 84% reduction in hospitalized dengue, 61% reduction in symptomatic dengue
- No important safety risks identified²; No evidence of disease enhancement



VCD: Virologically confirmed dengue

Regulatory outcomes consistent with 4.5 years of data

- Approved in Indonesia in August 2022, launch expected in early 2023
- Positive CHMP opinion recommends a broad label, for use in individuals aged 4 years and older in the EU, and in dengue-endemic countries participating in the parallel EU-M4all procedure³
- EU decision expected in the coming months, regulatory reviews will also progress in dengue-endemic countries in Latin America and Asia
- US filing expected within FY2022

“An antiviral therapy for dengue virus infection is not available, and most of the current measures that rely on mosquito control are not very efficient in preventing disease. There is an already approved vaccine, but the dengue tetravalent vaccine shows a wider protection for young children and people older than 45 years old. In light of this, a global unmet public health need is being addressed.”

- European Medicines Agency press release upon positive opinion from CHMP (Oct 14, 2022)³

CHMP: Committee for Medicinal Products for Human Use.

1. Tricou, V. Efficacy and Safety of Takeda’s Tetravalent Dengue Vaccine Candidate (TAK-003) After 4.5 Years of Follow-Up. Presented at the 8th Northern European Conference of Travel Medicine; June 2022.

2. Most common adverse events were injection-site pruritus, bruising, and pyrexia

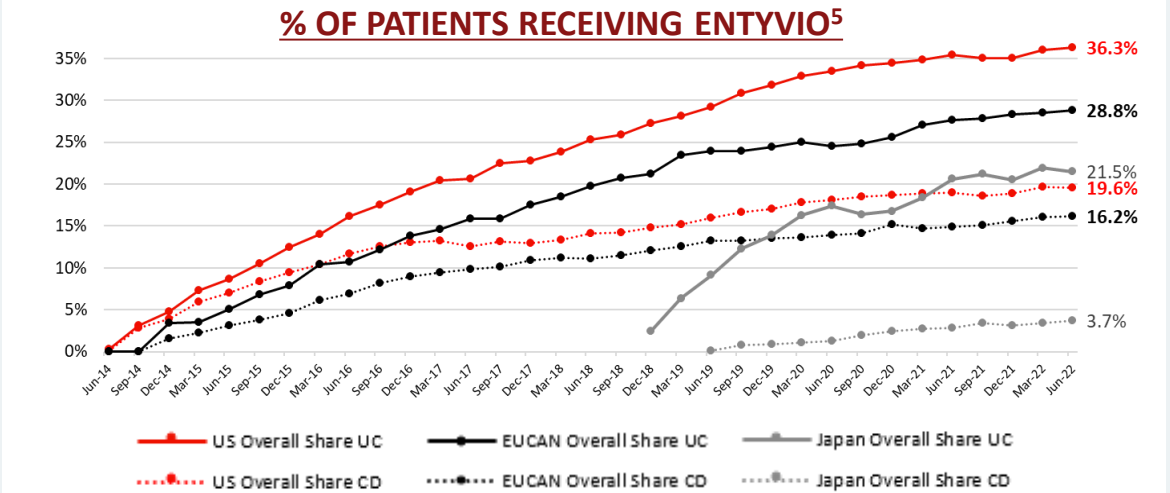
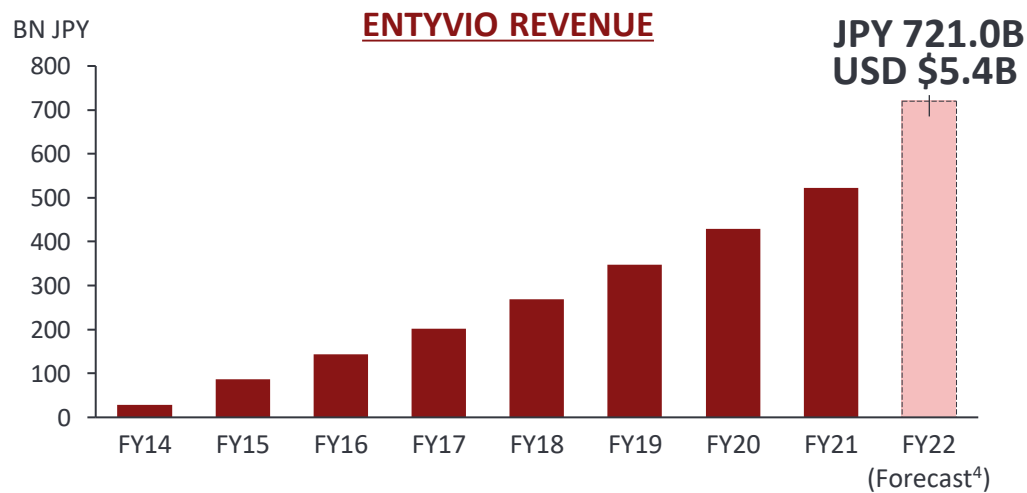
3. European Medicines Agency. New vaccine to protect people in the EU and worldwide against Dengue. October 2022. Retrieved October 2022.

Outstanding momentum since launch in 2014

- Only-in-class gut-selective alpha4beta7 integrin antagonist
- #1 prescribed biologic in IBD bio-naïve patients in the U.S.¹
- Head-to-head superiority versus adalimumab in UC²
- Consistent and favorable safety profile based on real-world evidence;³ has surpassed 1 million patient-years of treatment
- Strong uptake of SC formulation in Europe & Canada

Raising peak sales to reflect growth opportunity

- New peak sales estimate USD \$7.5-9.0B (previously \$5.5-6.5B)
 - Updated assumption for biosimilar entry timing
 - High unmet medical need remains in IBD
 - Biologics market continues to expand globally
 - ENTYVIO total patient share still increasing
 - SC formulation regulatory filing in U.S. expected in FY2023
 - Continuing to invest in further evidence generation (real-world evidence, acute GvHD, potential combinations)



1. Source: US: SHA Medical and Pharmacy Claims data, June 2022
 2. Sands BE, Peyrin-Biroulet L, Loftus EV, et al. Vedolizumab versus adalimumab for moderate to severe ulcerative colitis. N Engl J Med. 2019;381(13):1215–1226.
 3. Yarur A, Mantzaris GJ, Kopylov U, et al. OP005 Real-world safety of vedolizumab and anti-TNF therapies in biologic-naïve ulcerative colitis and Crohn's disease patients: results from the EVOLVE study. United European Gastroenterol J. 2019;7(8, Supplement):12.
 4. Forecast in USD given for reference using full-year FX rate assumption of 132.4 JPY/USD
 5. Source: US: SHA Medical and Pharmacy Claims data, June 2022; EUCAN: Internal estimate; Japan: Japan Medical Data Center, June 2022

AGENDA

Introduction **Christophe Weber**
President & CEO

Pipeline Update **Andy Plump**
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UPDATES TO OUR PIPELINE SINCE FY2022 Q1 ANNOUNCEMENT



REGULATORY UPDATES

QDenga¹ / TAK-003

- Approved in Indonesia and positive CHMP opinion for the prevention of dengue disease against all serotypes regardless of prior dengue exposure

LIVTENCITY

- Positive CHMP opinion recommending approval in EU for treatment of adults with post-transplant CMV infection and/or disease refractory (with or without resistance) to one or more prior therapies
- Approvals in Australia and Canada for 2L post-transplant CMV infection

TAKHZYRO

- Filed in the U.S. for the prevention of hereditary angioedema (HAE) attacks in children 2 to <12 years of age

CLINICAL UPDATES

TAK-920

- First-in-human study start of antibody treatment for Alzheimer's Disease targeting TREM2²
- Second program utilizing Denali's blood-brain barrier transport vehicle-enabled technology

BUSINESS DEVELOPMENT

TAK-227/ZED1227

- Takeda entered a collaboration and license agreement³ with Zedira and Dr. Falk Pharma to develop a potential first-in-class therapy designed to prevent the immune response to gluten in celiac disease
- Takeda has rights in the US and other territories outside of Europe, Canada, Australia and China.
- A phase 2a study demonstrated protective effect of TAK-227 on the intestinal mucosa and symptoms during a 6-week gluten challenge.⁴ It is currently in phase 2b.

1. QDenga is the brand name of TAK-003 in Indonesia

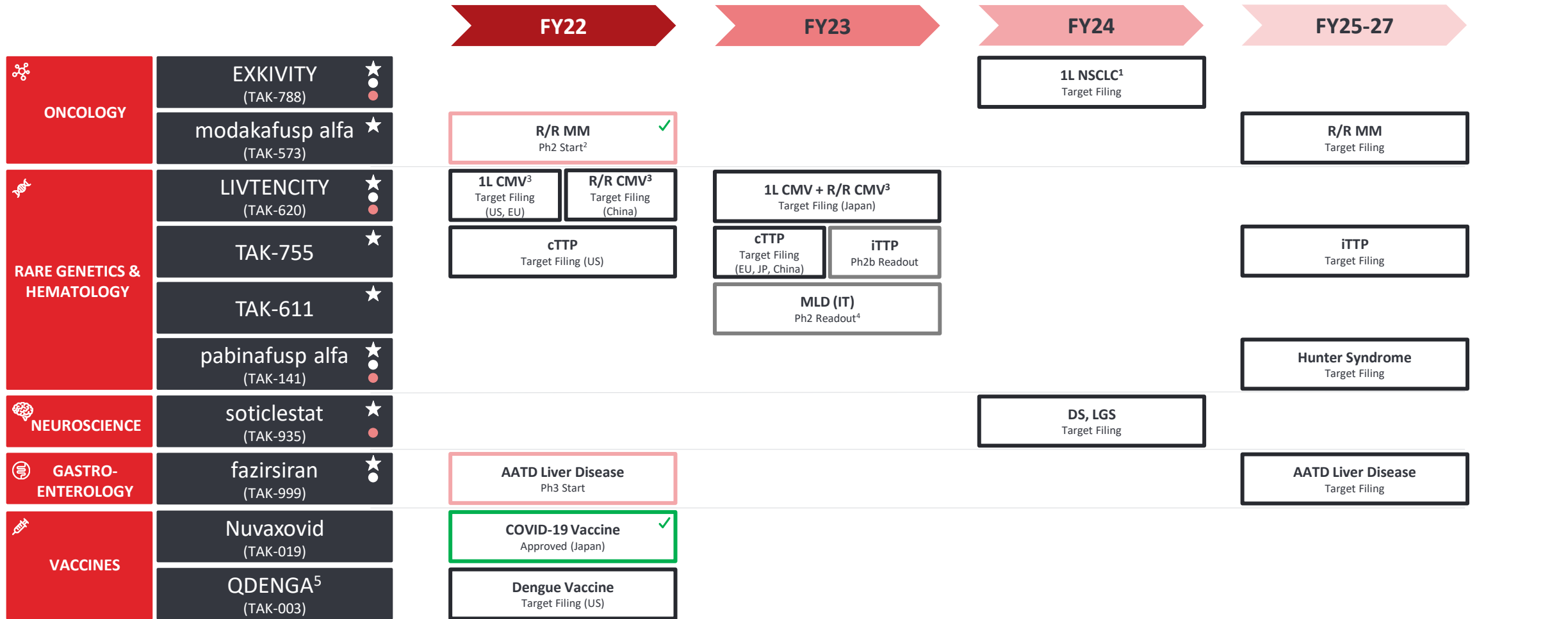
2. TREM2: Triggering Receptor Expressed On Myeloid Cells 2

3. Takeda press release, October 20th, 2022: www.takeda.com/newsroom/newsreleases/2022/collaboration-and-licensing-agreement-to-develop-celiac-disease-therapy/

4. Schuppan D et al. N Engl J Med. 2021 Jul 1;385(1):35-45.

For full glossary of abbreviations please refer to appendix.

10 LATE-STAGE DEVELOPMENT PROGRAMS WITH UPCOMING NME FILING AND EXPANSION OPPORTUNITIES



1. Non-small cell lung cancer with EGFR exon 20 insertion mutations
2. First of a series of Ph1/2 studies started, incl. single agent and multiple combination studies in R/R MM
3. Post-transplant CMV infection/disease
4. Single arm Phase 2, timelines and filing plans will follow the data.
5. QDenga is the approved brand name of TAK-003 in Indonesia

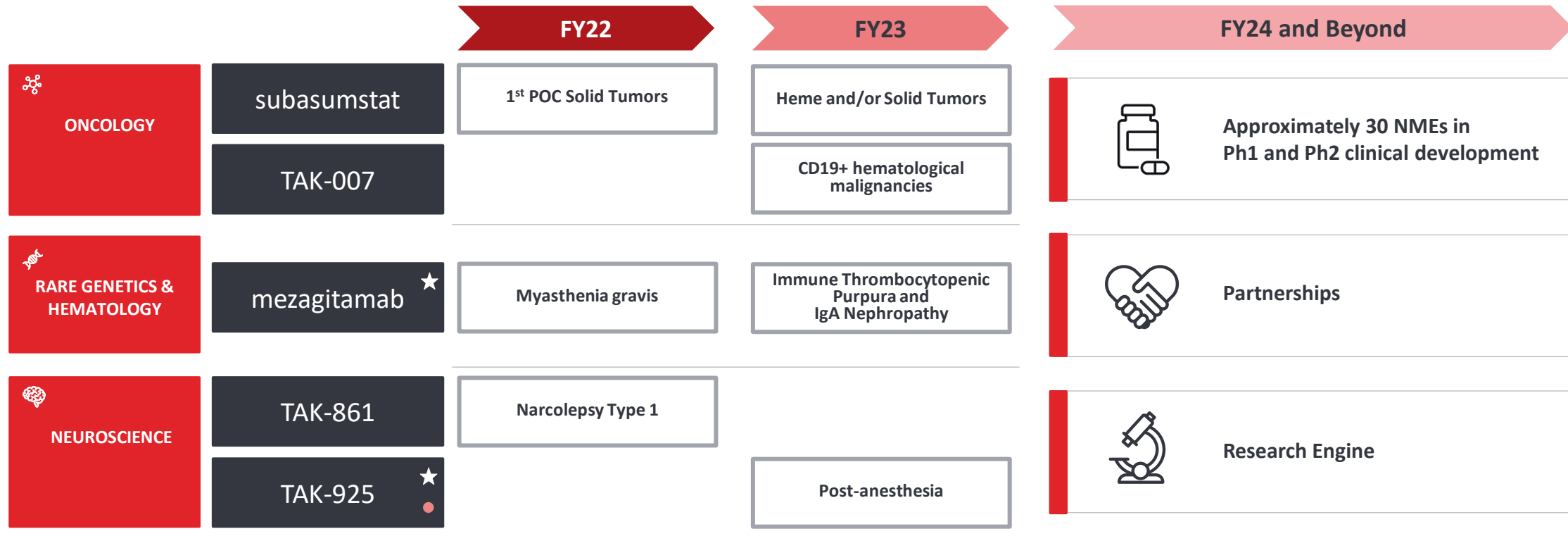
- US Breakthrough and/or EU PRIME designations in at least one indication
- Japan SAKIGAKE and/or China Breakthrough designations in at least one indication
- ★ Orphan drug designations in at least one indication

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

- Approved
- Proof-of-concept/Ph2 study readout
- Study start
- Target Filing, anticipated year of filing for regulatory approval
- Milestone achieved

All timelines are approximate estimates as of October 27, 2022, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

KEY PROOF-OF-CONCEPT READOUTS IN FY22/23 EXPECTED TO ADD TO LATE-STAGE PIPELINE AND GLOBAL FILINGS IN MID/LATE 2020'S



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

★ Orphan drug designations in at least one indication

□ Target proof-of-concept readout

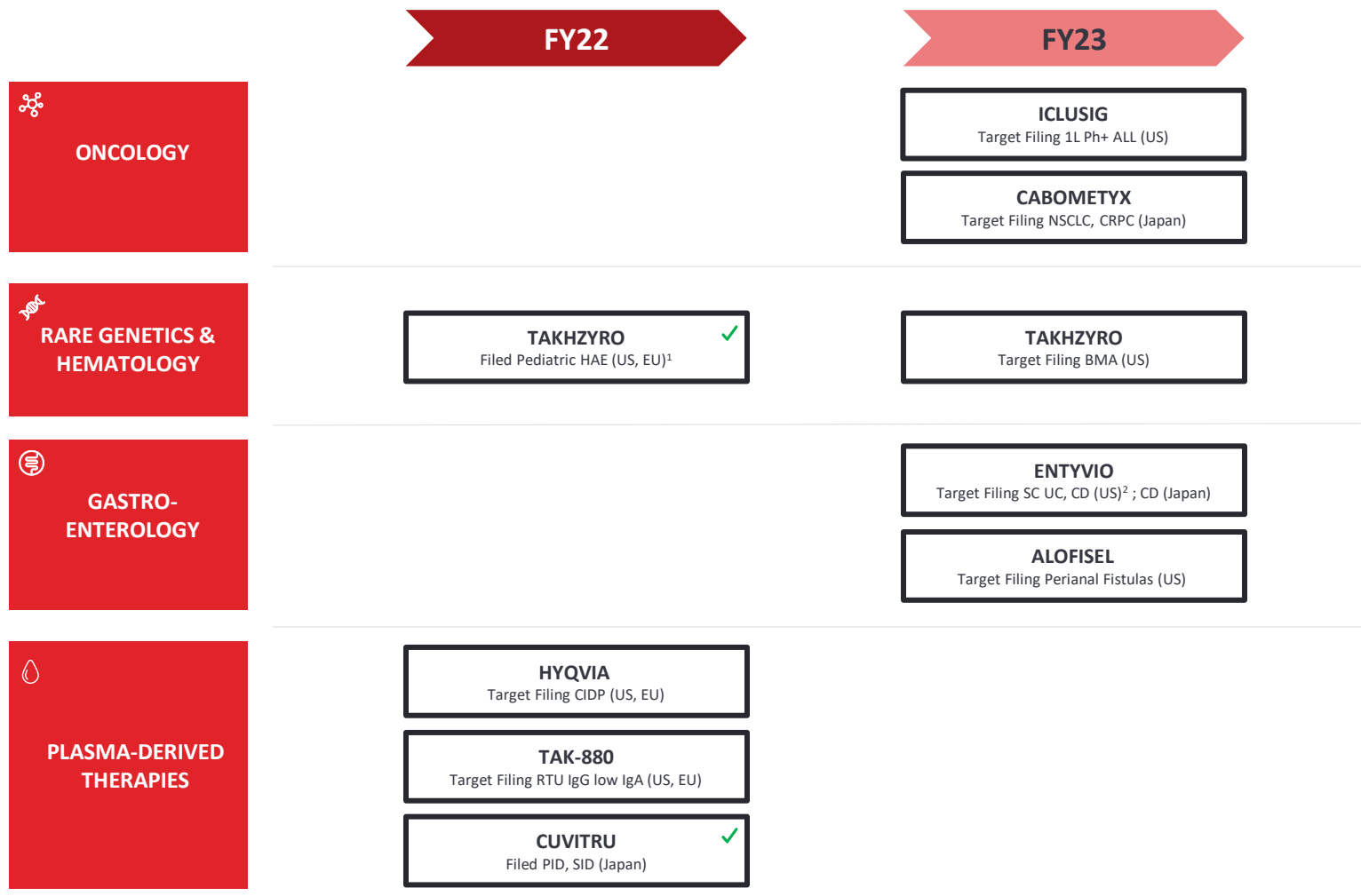
Proof-of-concept (POC): Achieving proof-of-concept means obtaining clinical data sufficient to initiate pivotal trials or late-stage development.

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

Where a readout is indicated for a class of related indications (e.g., solid tumors) involving multiple POC clinical trials, such readout occurs upon the earlier of (1) the first achievement of POC in an indication in such class, or (2) the conclusion of all of the POC clinical trials in such class.

All timelines are approximate estimates as of October 27, 2022, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

EXPECTED LCM MILESTONES FOR OUR GROWTH & LAUNCH AND OTHER KEY PRODUCTS IN MAJOR REGIONS



1. TAKHZYRO pediatric HAE filed the US, pending filing in the EU
 2. ENTYVIO SC for UC in the US will be a resubmission after receiving FDA CRL in 2019

Approved
 Study readout
 Target Filing
 ✓ Milestone achieved

EXPECTED KEY REGULATORY DECISIONS AND PHASE 3 READOUTS IN FY22



| KEY POTENTIAL REGULATORY APPROVALS | | | |
|------------------------------------|--|---|--------|
| QDENGGA ¹ / TAK-003 | Dengue vaccine | EU approval ¹ Endemic country approval ¹ | ✓ |
| LIVTENCITY | Post-transplant R/R CMV | EU approval ² | |
| EXKIVITY | 2L EGFR exon20 insertion+ mNSCLC (post-platinum chemo) | Regional approvals ³ EU filing withdrawn | ✓ ✗ |
| HYQVIA | HyHub AVA ⁴ device | US approval | |
| KEY PHASE 3 / PIVOTAL READOUTS | | | |
| LIVTENCITY | 1L CMV infection in HSCT | Phase 3 | |
| TAK-755 | cTTP | Phase 3 | |
| ICLUSIG | 1L Ph+ ALL | Phase 3 | |
| HYQVIA | CIDP | Phase 3 | ✓ |

1. QDENGGA is the approved brand name of TAK-003 in Indonesia. Positive CHMP opinion for TAK-003 in October 2022. QDENGGA was approved in Indonesia in August 2022.

2. Positive CHMP opinion for LIVTENCITY in EU in September 2022

3. Switzerland, Australia and South Korea

4. HyHub: Advanced vial access or sterile, single-use, medical device that simplifies preparation & delivery of HYQVIA from vials to subcutaneous tissue.

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

✓ Milestone achieved

All timelines are approximate estimates as of October 27, 2022, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

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Chief Financial Officer

Q&A Session



STRONG H1 PERFORMANCE WITH CORE REVENUE GROWTH +5.5% AT CER^{1,2}



FY2022 H1 (APR-SEP)

TOPLINE

- **Core Revenue JPY 1,974.8B (USD 13.6B)^{1,3} grew +5.5% at CER²**, driven by Growth & Launch Products⁴ +19%, including ENTYVIO (+17%), TAKHZYRO (+31%), Immunoglobulin (+17%), and launches of LIVTENCITY and EXKIVITY
- **Reported Revenue grew +10.1%** as business momentum and FX more than offset JPY 133.0B one-time revenue from sale of Japan diabetes portfolio booked in FY2021 Q1

MARGINS

- **Core Operating Profit JPY 625.2B (USD 4.3B)^{1,3} grew +14.5% at CER²**; Core Operating Profit margin 31.7%
- **Reported Operating Profit JPY 255.0B**; decline of -26.3% impacted by JPY 131.4B gain on sale of diabetes portfolio in prior year

CASH FLOW

- **Free Cash Flow JPY 296.9B (USD 2.1B)^{3,5}** supporting additional debt pre-payment of \$1B in October 2022
- **Net Debt / Adjusted EBITDA⁶ at 2.6x** reduced from 2.8x at Q1 end; 98% of total debt at fixed rates with avg. 2% interest

RECONFIRMING FULL-YEAR FY2022 MANAGEMENT GUIDANCE

- Reported & Core forecasts and Free Cash Flow outlook upgraded to reflect FX tailwind
- Strong revenue, profit, and cash flow outlook, with Growth & Launch Products expected to more than offset loss of exclusivity headwinds

1. Please refer to appendix slide A-1 for definition of core financial measures, and slides A-7 and A-9 for reconciliation.

2. Constant Exchange Rate. Please refer to appendix slide A-1 for definition.

3. Please refer to disclaimer on Exchange Rates on slide 2

4. Please refer to slide 19 for details of Growth & Launch Products

5. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation

6. Please refer to appendix slide A-2 for definition and slides A-12 to A-15 for reconciliation

BUSINESS MOMENTUM DRIVING STRONG CORE GROWTH AT CER¹

REPORTED GROWTH RATES IMPACTED BY SALE OF DIABETES PORTFOLIO IN FY2021 Q1



FY2022 H1 (APR-SEP) FINANCIAL RESULTS (SUMMARY)

| (BN YEN, except EPS) | REPORTED | |
|-----------------------------|-----------|-----------------|
| | FY2022 H1 | ACTUAL % CHANGE |
| REVENUE | 1,974.8 | +10.1% |
| OPERATING PROFIT | 255.0 | -26.3% |
| <i>Margin</i> | 12.9% | -6.4pp |
| NET PROFIT | 166.8 | -9.2% |
| EPS | 108 yen | -8.1% |
| OPERATING CASH FLOW | 305.2 | -23.7% |
| FREE CASH FLOW ² | 296.9 | -5.9% |

| CORE ² | | |
|-------------------|-----------------|---------------------------|
| FY2022 H1 | ACTUAL % CHANGE | CER % CHANGE ¹ |
| 1,974.8 | +18.9% | +5.5% |
| 625.2 | +28.7% | +14.5% |
| 31.7% | +2.4pp | |
| 446.7 | +33.0% | +14.4% |
| 288 yen | +34.6% | +15.8% |

- Year-on-year cash flow impacted by JPY 131.4B cash from sale of Japan diabetes portfolio received in FY2021 Q1

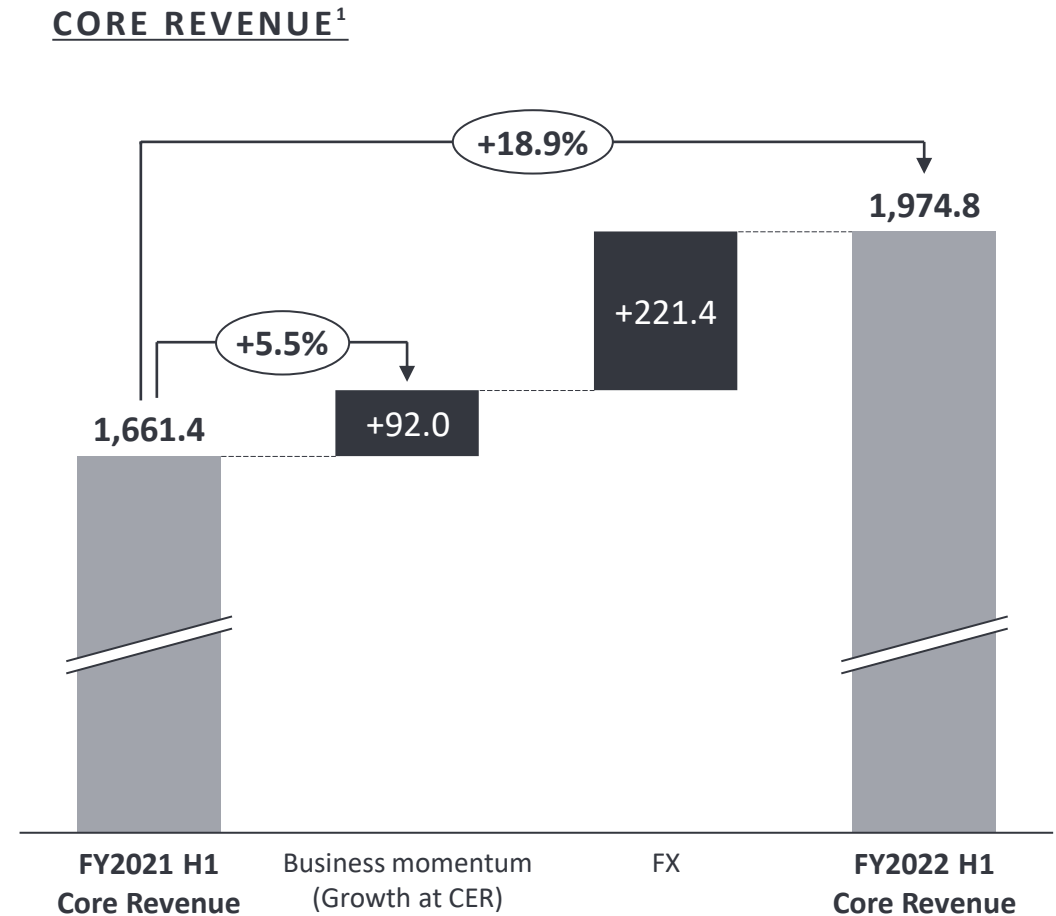
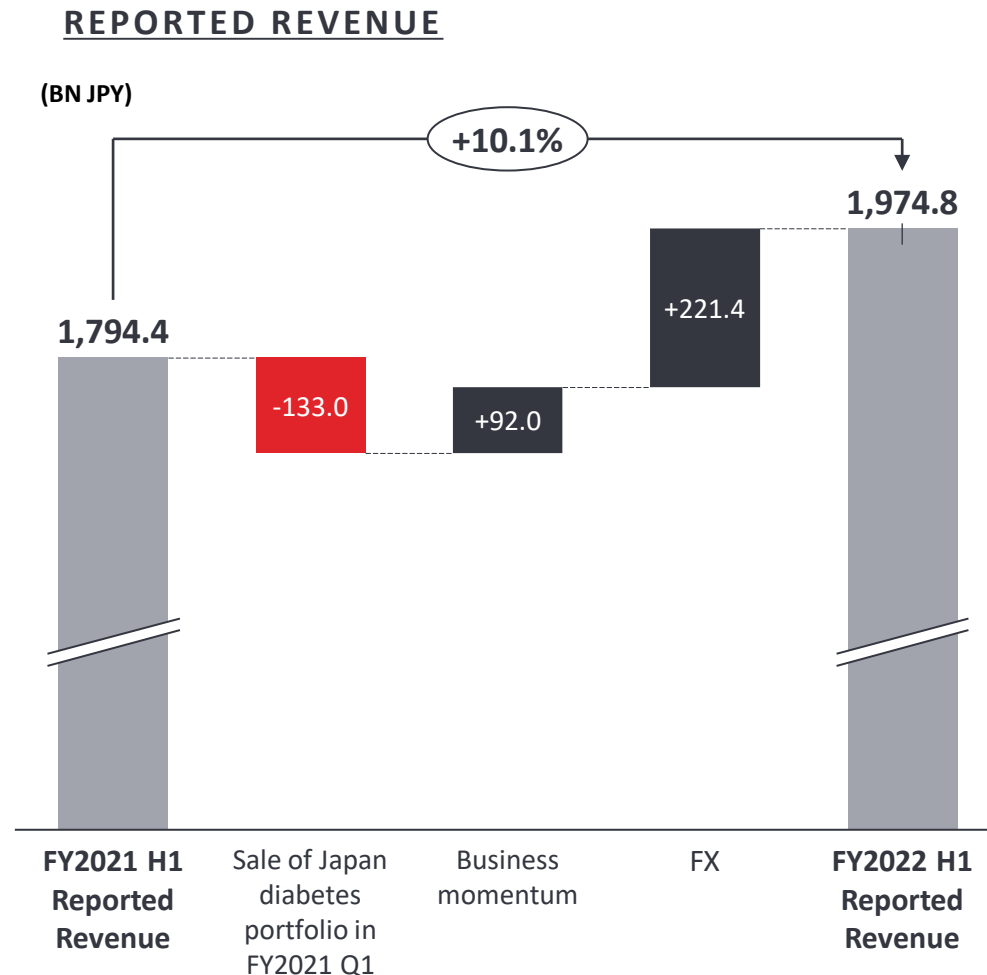
1. Constant Exchange Rate. Please refer to appendix slide A-1 for definition

2. Please refer to appendix slide A-1 for definition of core financial measures, and slides A-7 and A-9 for reconciliation.

FY2022 H1 REVENUE: BUSINESS MOMENTUM AND FX TAILWIND MORE THAN OFFSET IMPACT OF SALE OF JAPAN DIABETES PORTFOLIO IN Q1 OF PRIOR YEAR



FY2022 H1 REVENUE VS PRIOR YEAR






































Graphs are illustrative

1. Please refer to appendix slide A-1 for definition of core financial measures, and slides A-7 and A-9 for reconciliation.

BALANCED PORTFOLIO ACROSS 5 KEY BUSINESS AREAS WITH GROWTH & LAUNCH PRODUCTS REVENUE GROWTH +19% AT CER



FY2022 H1 REVENUE¹

| |  GI % of Sales: 28% Growth: +12% |  RARE DISEASES % of Sales: 18% Growth: +8% |  PLASMA-DERIVED THERAPIES (PDT) % of Sales: 16% Growth: +14% |  ONCOLOGY % of Sales: 11% Growth: -12% |  NEUROSCIENCE % of Sales: 15% Growth: +11% | OTHER % of Sales: 11% Growth: -6% |
|-------------------------------------|--|---|--|---|--|---|
| GROWTH & LAUNCH PRODUCTS |   |   |   |   |   | |
| | Total FY2022 H1 Revenue 759.8B (USD 5.3B)² (+19% growth) | | | | | |
| OTHER KEY PRODUCTS |     |       |   |      Leuprorelin |   |  |

1. Year-on-year growth rates are Core Revenue at CER. Please refer to appendix slide A-1 for definition.
 2. Please refer to disclaimer on Exchange Rates on slide 2.

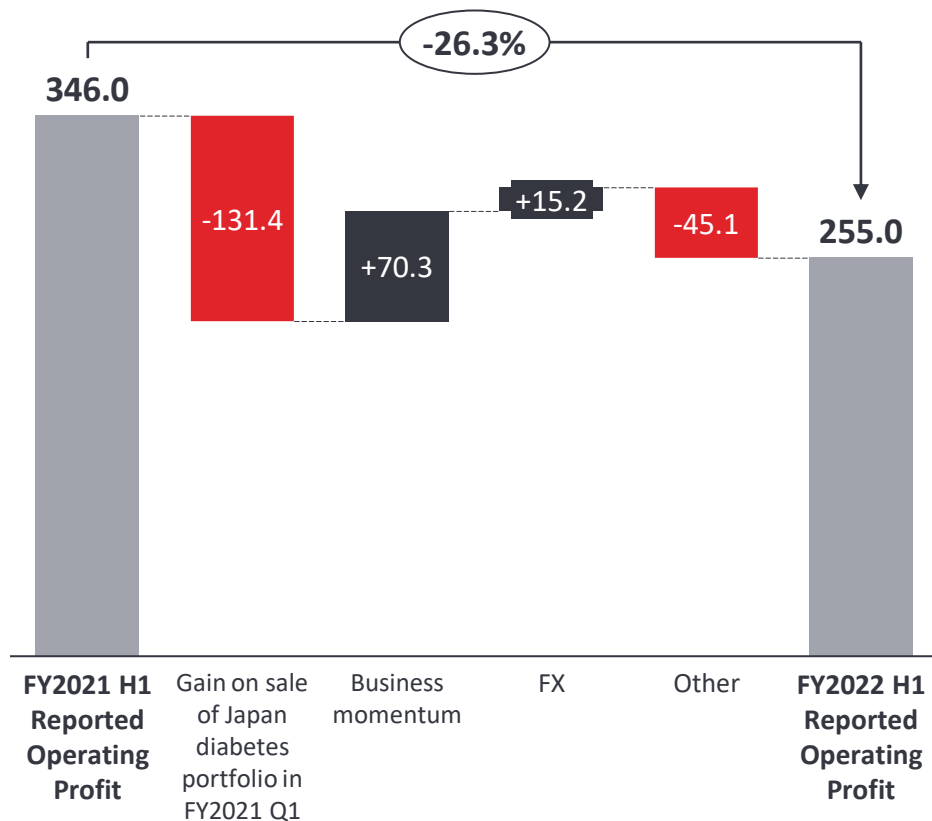
FY2022 H1 OPERATING PROFIT: CORE O.P. GROWTH OF +14.5% AT CER; REPORTED O.P. GROWTH IMPACTED BY ONE-TIME GAIN IN Q1 OF PRIOR YEAR



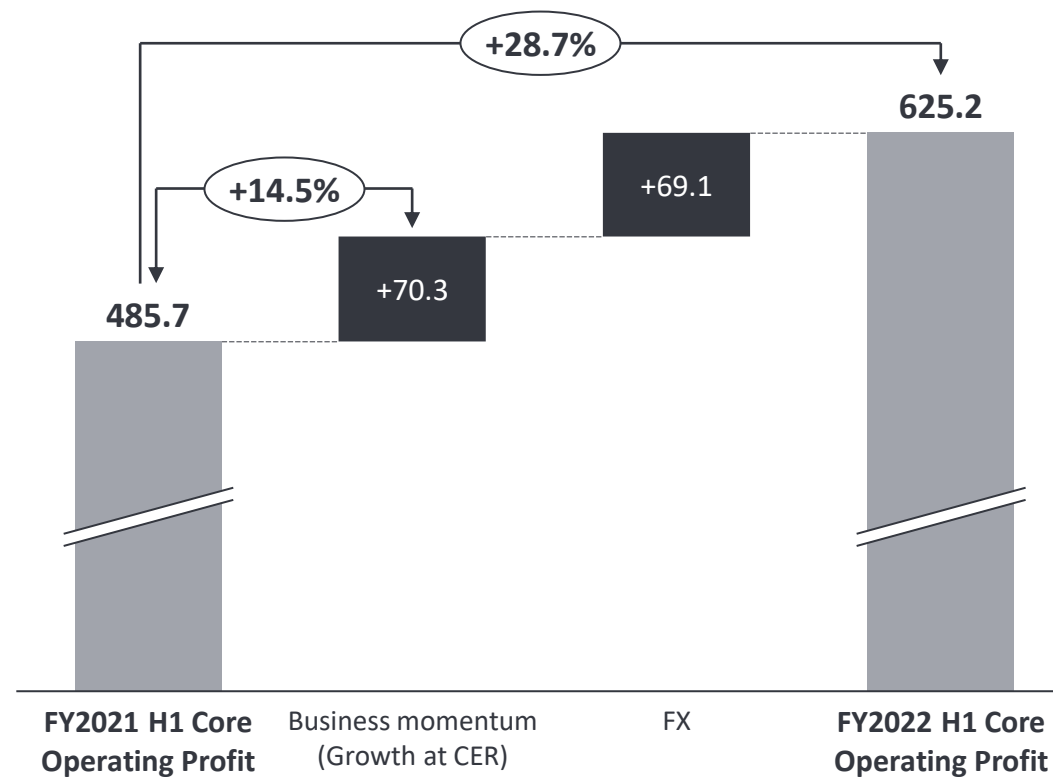
FY2022 H1 OPERATING PROFIT VS PRIOR YEAR

REPORTED OPERATING PROFIT

(BN JPY)



CORE OPERATING PROFIT¹



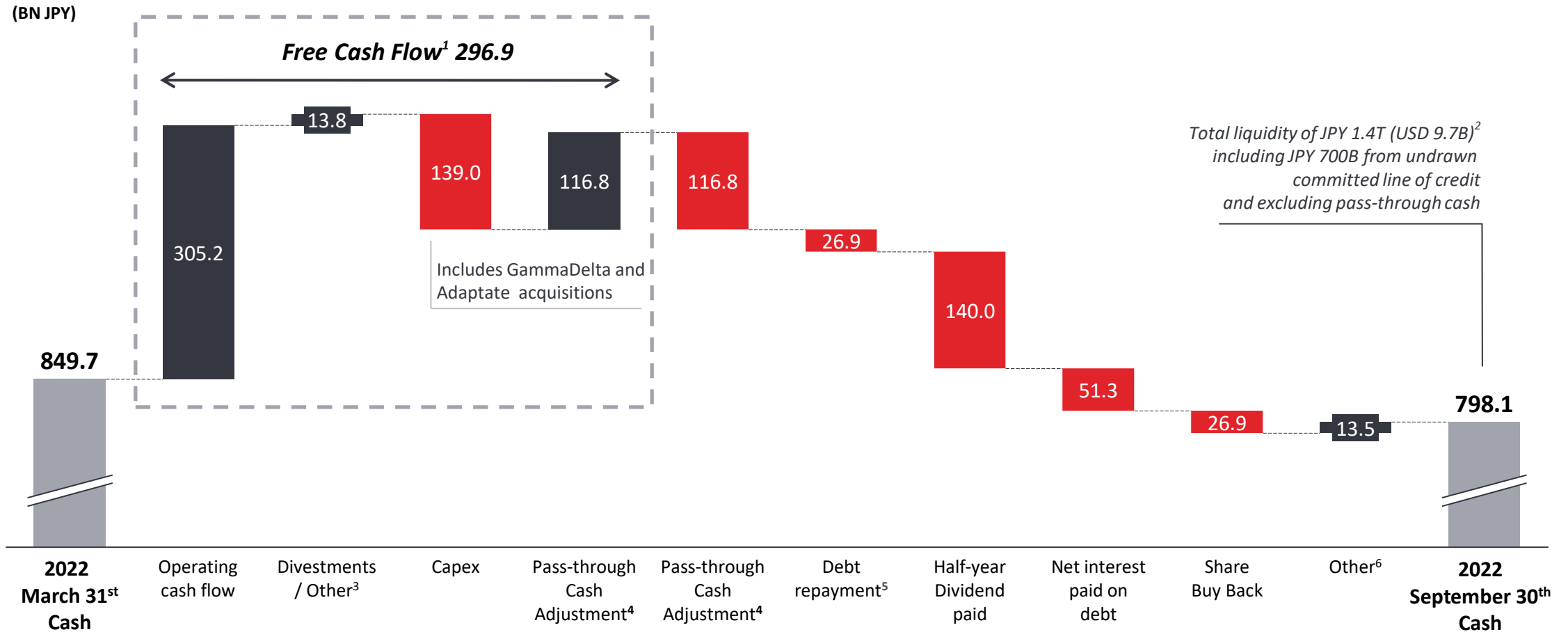
Graphs are illustrative

1. Please refer to appendix slide A-1 for definition of core financial measures, and slides A-7 and A-9 for reconciliation.

FY2022 H1 CASHFLOW COMFORTABLY COVERS DIVIDEND AND INTEREST



FY2022 H1 CASH FLOW



1. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation.

2. Please refer to disclaimer on Exchange Rates on slide 2.

3. "Divestments / Other" includes proceeds from sale of securities net of certain investments

4. "Pass-through cash adjustment" refers to changes in cash balance that is temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program. This Adjustment ensures that Free Cash Flow is not impacted by Pass-through Cash Balance.

5. "Debt Repayment" refers mostly to JPY 26.8B (\$219M of 3.6% June 2022 USD Bonds)

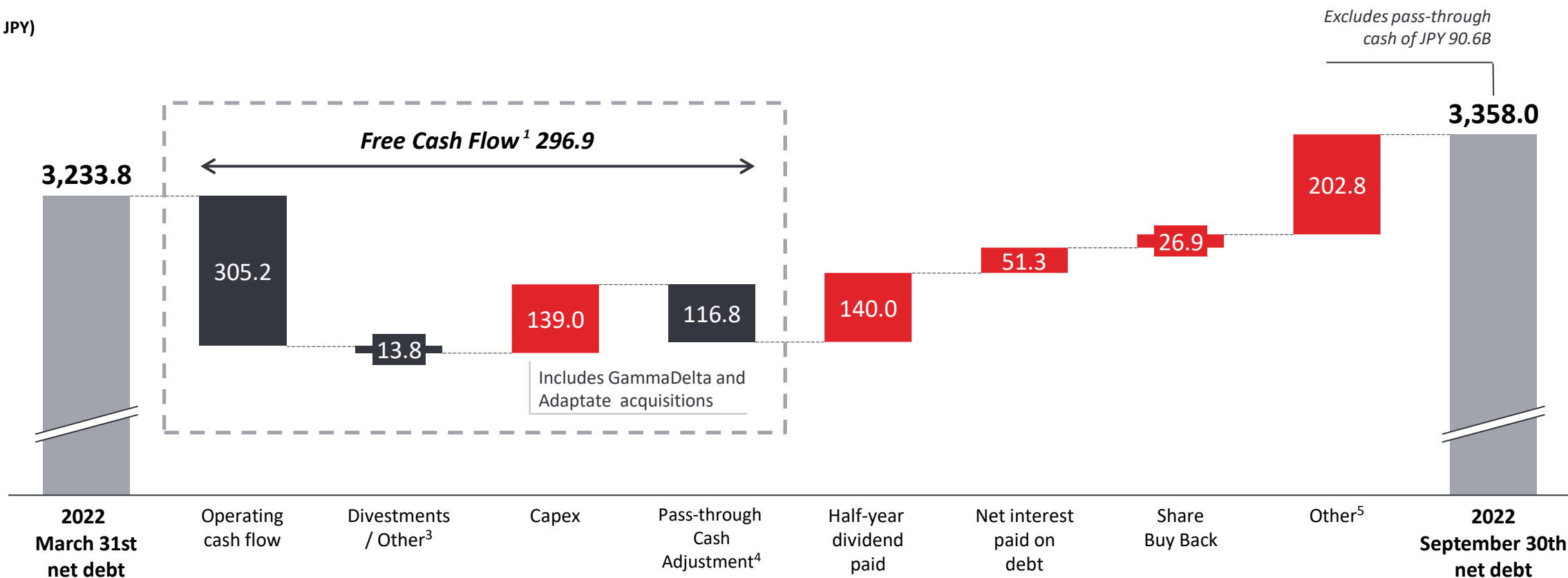
6. "Other" indicates items such as FX impact on cash, lease obligations and certain investments

NET DEBT/ADJUSTED EBITDA REDUCED TO 2.6x



CHANGE IN NET DEBT

(BN JPY)



Net Debt / Adjusted EBITDA²

2.8x

2.6x

1. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation.

2. Adjusted EBITDA mainly adjusts for non-cash items and one-time expenses. Please refer to appendix slide A-2 for definition and slides A-12 to A-15 for reconciliation.

3. "Divestments / Other" includes proceeds from sale of securities net of certain investments.

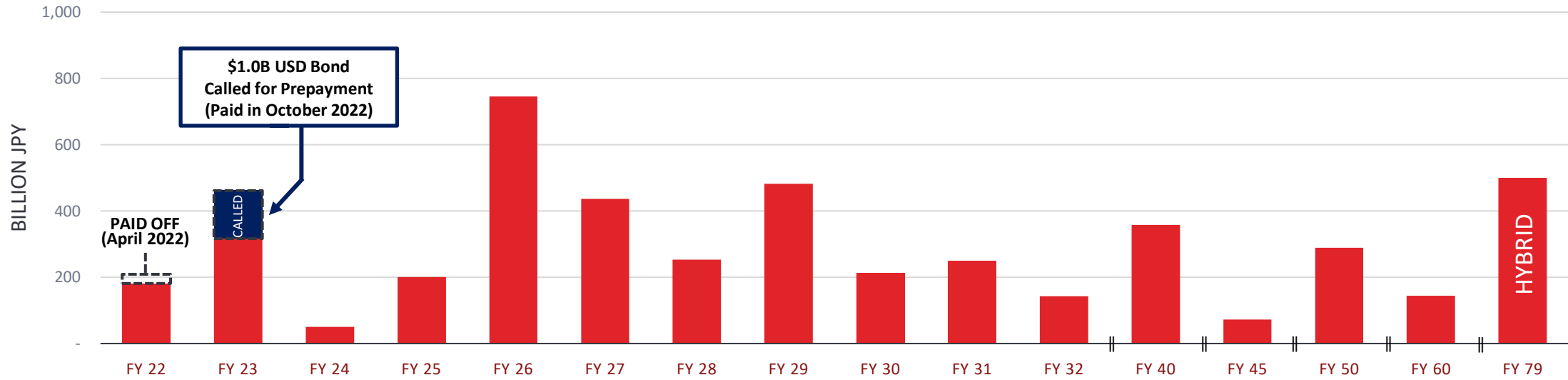
4. "Pass-through cash adjustment" refers to changes in cash balance that is temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program. This Adjustment ensures that Free Cash Flow is not impacted by Pass-through Cash Balance.

5. Includes cash and non-cash adjustments to debt book-value, lease obligations and certain investments. Non-cash adjustments include changes due to debt amortization and FX impact from converting non-JPY debt into JPY.

WELL-BALANCED MATURITY PROFILE; 98% OF DEBT AT FIXED-RATE WITH WEIGHTED AVERAGE 2% INTEREST RATE



MATURITY LADDER AS OF 30 SEPTEMBER 2022 (AS ADJUSTED)¹



Weighted Average Interest Coupon: ~2% (~98% fixed rate debt)

Credit Rating Changed : JCR² Upgraded from A+ (Stable) to AA- (Stable); R&I² Upgraded from A (Positive) to A+ (Stable)

Average annual maturity JPY ~200B out to FY2025

FY2022 Q2: Called \$1.0B of 4.4% USD Bonds Due 2023 (Paid in October 2022); On Track to Paydown Total Debt of JPY ~500 B in FY2022

1. Debt Maturity Profile of outstanding principal values as of September 30, 2022, as adjusted for debt paid. Non-JPY debt principal calculated as at end of September 2022 FX Rates (144.26 JPY/USD and 141.90 JPY/EUR). This reflects the actual conversion rate used for reporting purposes.
 2. JCR refers to 'Japan Credit Rating'; R&I refers to 'Rating And Investment'

FY2022 REPORTED & CORE FORECASTS AND FREE CASH FLOW UPGRADED TO REFLECT FX TAILWIND. RECONFIRMING MANAGEMENT GUIDANCE



| (BN YEN, except EPS) | REPORTED | | | CORE ¹ | | | CORE GROWTH AT CER ² FY2022 MANAGEMENT GUIDANCE (UNCHANGED FROM MAY 2022) |
|----------------------|------------------------------|-----------------------------|---------------------------------|------------------------------|-----------------------------|---------------------------------|--|
| | PREVIOUS FORECAST (MAY 2022) | REVISED FORECAST (OCT 2022) | REVISED FORECAST VS. PRIOR YEAR | PREVIOUS FORECAST (MAY 2022) | REVISED FORECAST (OCT 2022) | REVISED FORECAST VS. PRIOR YEAR | |
| REVENUE | 3,690.0 | 3,930.0 | +10.1% | 3,690.0 | 3,930.0 | +14.9% | Low-single-digit growth |
| OPERATING PROFIT | 520.0 | 530.0 | +15.0% | 1,100.0 | 1,180.0 | +23.5% | High-single-digit growth |
| EPS | 188 yen | 198 yen | +34.4% | 484 yen | 525 yen | +23.6% | High-single-digit growth |

| | |
|-----------------------------------|----------------------|
| FREE CASH FLOW³ | 650.0 – 750.0 |
|-----------------------------------|----------------------|

| | |
|----------------------------------|----------------|
| ANNUAL DIVIDEND PER SHARE | 180 yen |
|----------------------------------|----------------|

Key assumptions in FY2022 forecast:

- Based on currently available information, Takeda expects that its financial results for FY2022 will not be materially affected by COVID-19 or the crisis in Ukraine and Russia.
- The FY2022 forecast includes approx. 50 billion yen revenue contribution from COVID-19 vaccines.
- Forecast assumes 132 JPY/USD and 138 JPY/EUR. Please refer to appendix slide A-16 for more details on FX assumptions and sensitivity.

TOPLINE, MARGINS & CASH FLOW TO DELIVER LONG-TERM VALUE



FY2022 H1 (APR-SEP)

FY2022 AND BEYOND

TOPLINE

Core Revenue growth at CER +5.5%^{1,2}

- Reconfirming “low-single digit” full-year FY22 guidance for CER growth
- Momentum of Growth & Launch Products puts us in position of strength through near-term loss of exclusivity headwinds

MARGINS

Core Operating Profit¹ JPY 625.2B
(+14.5% growth at CER)
Core Operating Profit margin 31.7%

- Reconfirming “high-single-digit” full-year FY22 guidance for CER growth; upgrading full-year Core Operating Profit forecast to JPY 1,180.0B³

CASH FLOW

Free Cash Flow⁴ JPY 296.9B
Net Debt/Adjusted EBITDA⁵ 2.6x

- Full year Free Cash Flow target of JPY 650.0-750.0B
- Resilient financial position with strong cash flows, abundant liquidity, ~98% of debt at fixed rates with average interest of ~2%
- Target 2x (“low twos”) Net debt / Adjusted EBITDA⁵ ratio by FY2023

1. Please refer to appendix slide A-1 for definition of core financial measures, and slides A-7 and A-9 for reconciliation.

2. Constant Exchange Rate. Please refer to appendix slide A-1 for definition.

3. Please refer to appendix slide A-20 for reconciliation

4. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation

5. Please refer to appendix slide A-2 for definition and slides A-12 to A-15 for reconciliation

UPCOMING TAKEDA INVESTOR EVENTS



QDENGGA INVESTOR CALL

MARCH 2023
(DATE/TIME TO BE CONFIRMED)

**FY2022 Q3 EARNINGS
CONFERENCE CALL**

FEBRUARY 2ND, 2023 THURSDAY
(TIME TO BE CONFIRMED)



Q&A SESSION



CHRISTOPHE WEBER
Representative Director;
President & CEO



ANDY PLUMP
Director; President,
Research & Development



COSTA SAROUKOS
Director;
Chief Financial Officer



MASATO IWASAKI
Representative Director;
Japan General Affairs



RAMONA SEQUEIRA
President,
Global Portfolio Division



JULIE KIM
President,
US Business Unit



GILES PLATFORD
President, Plasma-Derived
Therapies Business Unit



TERESA BITETTI
President, Global Oncology
Business Unit

APPENDIX



CAPITAL ALLOCATION TO MAXIMIZE VALUE FOR PATIENTS & SHAREHOLDERS



- Takeda is delivering on its financial commitments and has a robust cash flow outlook driven by revenue growth and strong margins. Guided by our values and commitment to patients, people and the planet, we will allocate capital to maximize value for patients & shareholders.



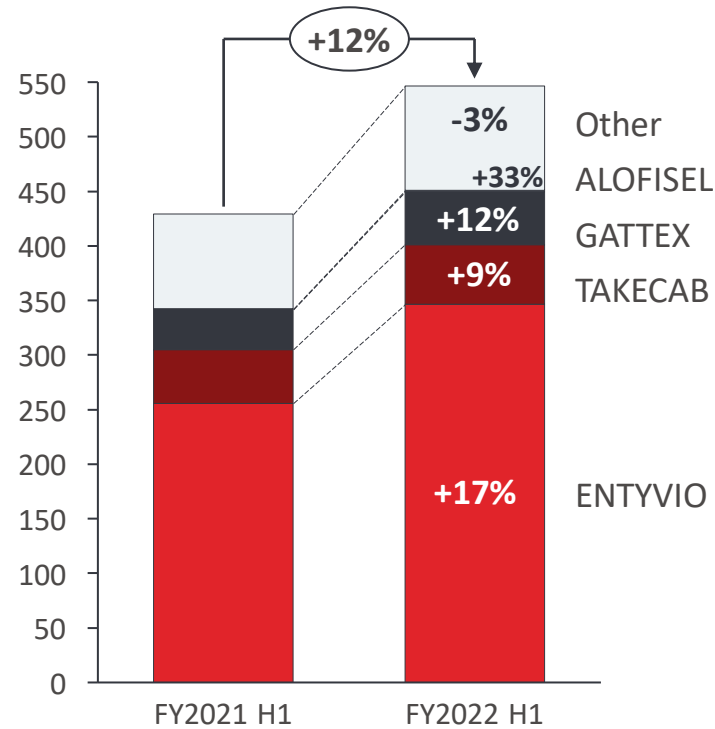
GI FRANCHISE CONTINUES TO DRIVE SIGNIFICANT GROWTH OF +12%



GI PORTFOLIO

FY2022 H1 REVENUE

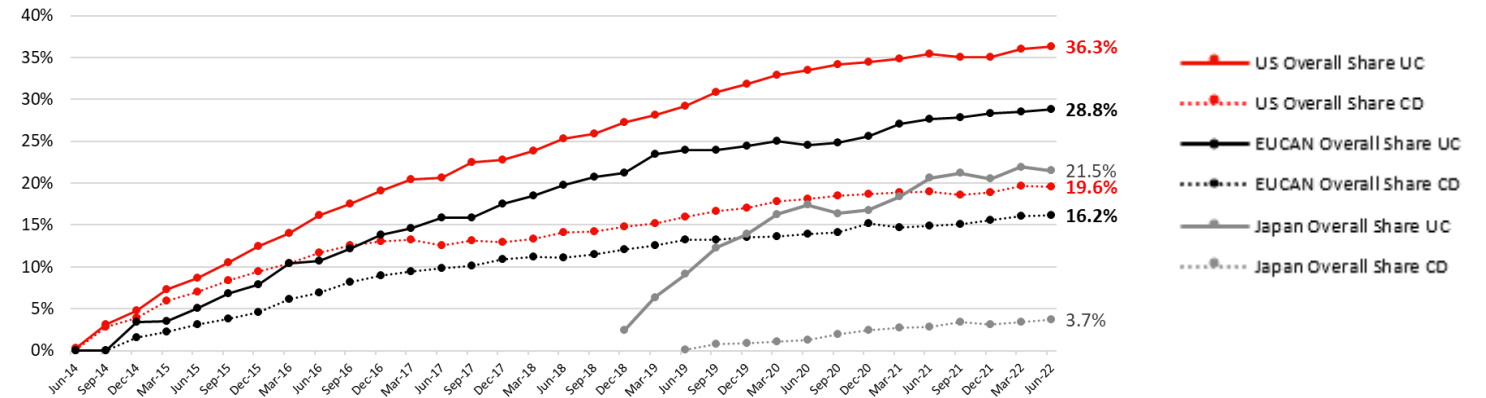
(BN JPY)



FY2022 H1 Revenue JPY 346.6B (+17.1% growth)

- Growth across all markets driven by continued share growth in bio-naïve, amid softening of overall biologic market growth due to COVID-19 pandemic.
 - U.S.: #1 prescribed therapy in bio-naïve¹; U.S. growth in H1 +19% at CER
 - EU: Subcutaneous launches in Europe progressing well and driving incremental growth

% of patients receiving ENTYVIO¹



FY2022 H1 Revenue JPY 54.7B (+9.0% growth)

- Market leading anti-acid therapy in Japan
- Strong launch in China also a key contributor to growth

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

1. Source: US: SHA Medical and Pharmacy Claims data, June 2022; EUCAN: Internal estimate; Japan: Japan Medical Data Center, June 2022

ANY BIOSIMILAR THAT SEEKS TO LAUNCH PRIOR TO 2032 WOULD NEED TO ADDRESS POTENTIAL INFRINGEMENT AND/OR THE VALIDITY OF ALL RELEVANT PATENTS



Anticipated expiry of data exclusivity

● May 2025 EU
● May 2026 U.S

- We do not expect biosimilar launch upon anticipated data exclusivity expiry timing

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

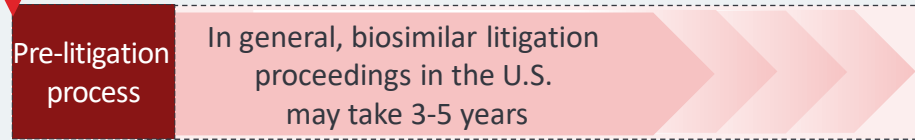
- Any biosimilar that seeks to launch prior to 2032 would need to address potential infringement and/or the validity of all relevant patents

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

Clinical development timeline



Legal proceedings



- Entyvio is only approved in IBD indications, for which clinical trials are typically longer and more challenging to complete than other auto-immune diseases which we have recently observed biosimilar manufacturers target

- In the U.S., the biosimilar litigation process is triggered by FDA acceptance of a relevant aBLA

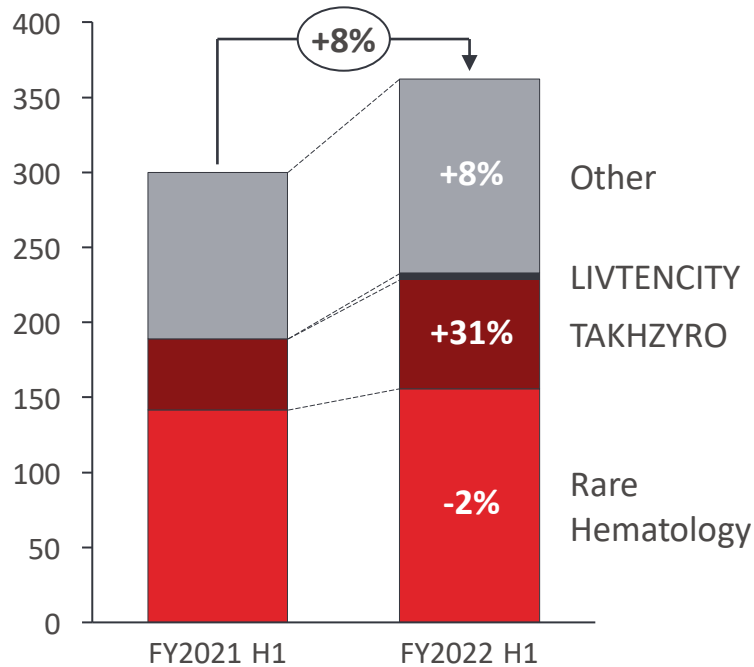
- Competitive Intelligence suggests Ph1 activity starting with biosimilar companies in China and Iran. However, no vedolizumab biosimilar Phase 1 clinical trial starts targeting the U.S., EU, or Japan markets has been publicly disclosed so far.



RARE DISEASES PORTFOLIO

FY2022 H1 REVENUE

(BN JPY)



FY2022 H1 Revenue JPY 72.8B (+31.4% growth)

- FY2022 H1 growth of +31% at CER driven by continued launches in new markets, increased prophylactic use and an increase in patients choosing TAKHZYRO over other agents
- Strong demand growth in the U.S. continues even in the 5th year of launch as patients seek effective prevention in TAKHZYRO while Ex-U.S. revenue grew by 57% at CER, driven by geo-expansion and patient recruitment.
- Prophylactic leader with over 3,700 patients, available in 44 countries with 8 more launches planned in FY2022
- In October 2022, U.S. FDA accepted sBLA for use of TAKHZYRO in children 2 years or older
- The WAO/EAACI International guidelines state the goal of prophylactic treatment is for patients to have no HAE attacks. TAKHZYRO's strong efficacy profile delivers on this goal for many patients. In the HELP OLE study of 2.5 years, the longest HAE study to date, patients on average remained attack free for almost 15 months.



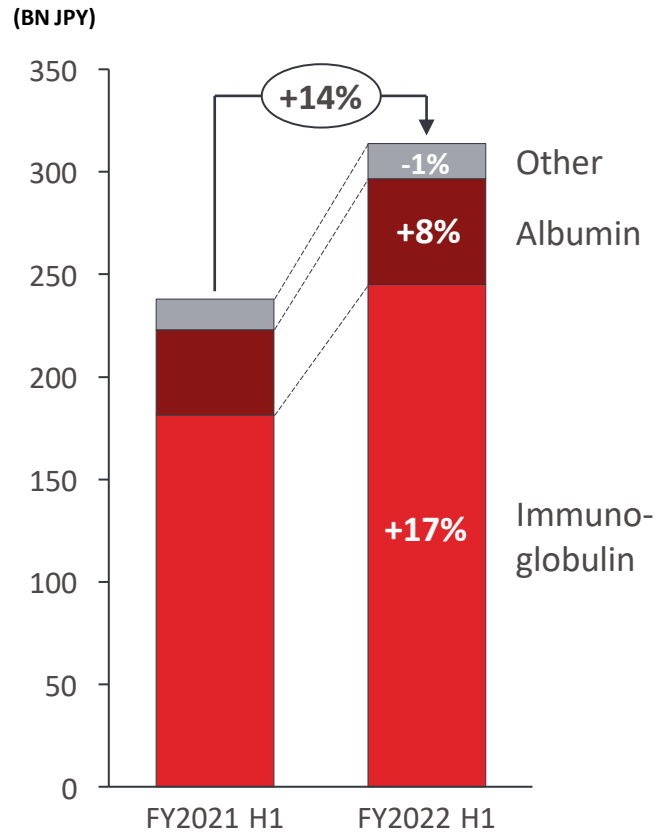
Early indicators of success since U.S. launch in December 2021

- LIVTENCITY has the potential to redefine post-transplant CMV with clinical data in R/R showing superior efficacy compared to conventional therapies in achievement of CMV clearance¹ at Week 8 (55.7% vs 23.9%) and a favorable tolerability/safety profile.
- We are very encouraged by the continued high interest and sustained uptake we have observed since launch in Dec 2021; a strong confirmation of the need for more treatment options for transplant patients with CMV-infections.
- 75% of U.S. transplant centers have initiated therapy for at least one patient with ~2/3 of those having no prior experience with LIVTENCITY (i.e. through clinical trials)
- Despite the challenges of launching during COVID, our sales force has reached almost all U.S. transplant centers
- Expanding global footprint: In Sept 2022, received positive CHMP opinion in EU for the treatment of adults with post-transplant CMV refractory (with or without resistance) to prior therapies; approval decision expected in FY22

PDT PORTFOLIO CONTINUES TO DELIVER OUTSTANDING GROWTH

PDT IMMUNOLOGY PORTFOLIO

FY2022 H1 REVENUE



Immunoglobulin

FY2022 H1 Revenue JPY 245.1B (+16.9% growth)

- Strong demand globally, especially in U.S. where pandemic pressure is now easing, coupled with steady and growing supply
- Continued expansion of SCIG portfolio; double-digit percentage revenue growth
- Anticipate growth of +10-20% in FY2022 (at CER)
- Announced positive Phase 3 data for HYQVIA in CIDP



Albumin

FY2022 H1 Revenue JPY 51.8B (+7.8% growth)

- Solid growth building on last year's momentum but tempered by China lockdown in FY2022 Q1
- Strong demand for our differentiated product, Flexbumin, in both China and the U.S.
- Anticipate growth of +10-20% in FY2022 (at CER)



CONTINUING TO INVEST IN PLASMA DONATION

- Global plasma donation center footprint totals 220 centers, an increase of 16 in H1 FY2022 in line with plan. In FY2022 we aim to add >25 new centers.
- Continued ramp-up of new centers and efficiency improvements expected to drive projected +10-20% increase in plasma donation volume in FY2022 vs FY2021
- Focus on reducing costs to more sustainable levels, while striking the right balance between collecting enough plasma to meet our commitments to patients and improving margins.
- Remain on track to increase plasma supply and manufacturing capacity by >65% by end of FY2023 (versus 2018 baseline)

PLASMA-DERIVED THERAPIES: DELIVERING OUTSTANDING REVENUE GROWTH SUPPORTED BY ROBUST SUPPLY WHILE FOCUSING ON MARGIN IMPROVEMENT



PDT delivered outstanding growth in FY2022 H1

- PDT Immunology delivered revenue growth of **+14%** versus FY2021 H1 in line with our growth guidance of +10-20%
- IG portfolio grew **+17%** fueled by strong demand for our products globally and enabled by steady supply

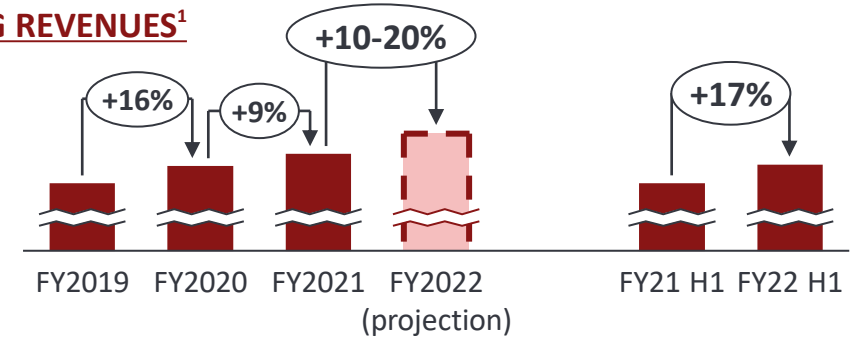
Surpassing pre-pandemic donation volumes since FY2021 Q1

- We manage plasma donation volume to meet supply commitments to patients on Takeda therapies and to deliver growth commitment
- Increase of **16** donation centers in FY2022 H1, in line with plan
- Fastest and strongest recovery in industry since FY2019, with 10-20% volume increase expected by end of FY2022

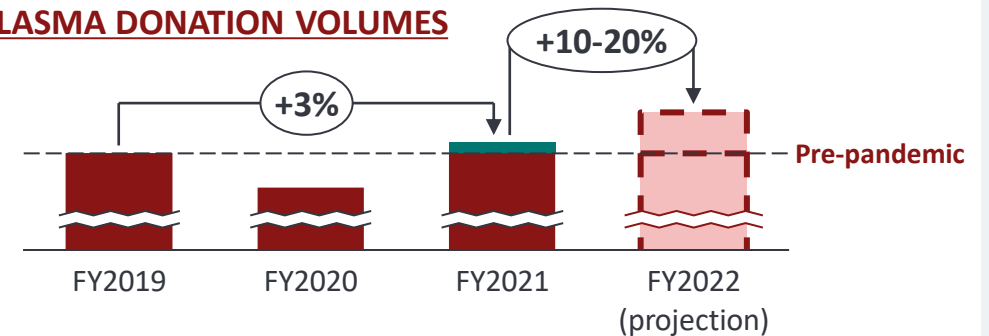
Continuing to reduce costs to improve margins over time

- Now #2 global plasma company, having done “more with less” through optimal use of capacity and assets throughout the pandemic
- Our performance has enabled us to step up aggressive cost management, including reducing donor compensation by **>15%** vs FY2021 H1

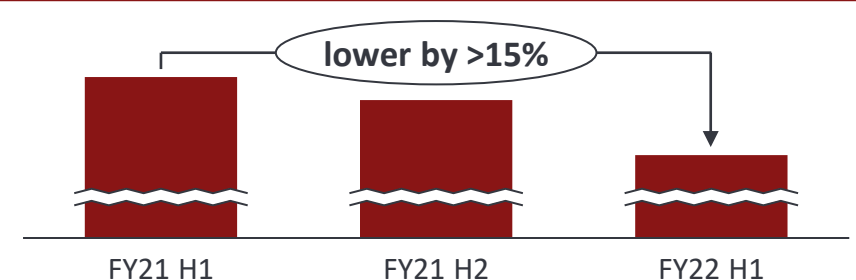
IG REVENUES¹



PLASMA DONATION VOLUMES



AVERAGE DONOR COMPENSATION PER LITER IN U.S. CENTERS

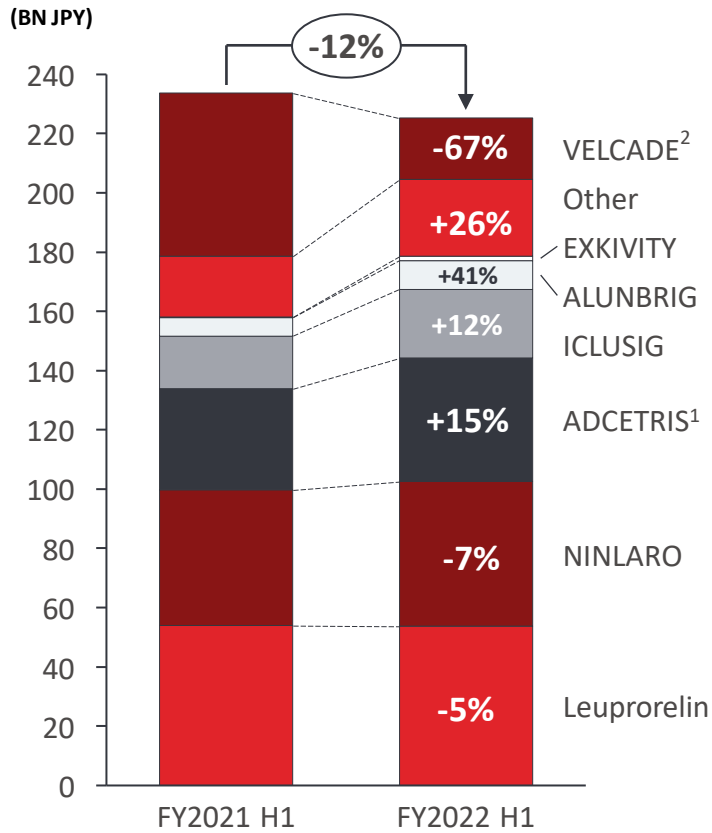


ONCOLOGY GROWTH IMPACTED BY VELCADE GENERICS; PORTFOLIO EXCLUDING VELCADE GREW +6% AT CER



ONCOLOGY PORTFOLIO

FY2022 H1 REVENUE



EXKIVITY Launch Drives New Patient Starts

- Achieved ~50% of new patient starts for EXKIVITY in U.S. market³
- EXCLAIM-2 (1L) study ongoing with potential FY24 filing



Launched ALUNBRIG in China in All Treatment Lines

- Strong year-over-year growth driven by continued global uptake in 1L and recent launch in China



+15% Growth Driven by Uptake of Frontline Indications

- Q2 growth primarily due to continued increase in access and uptake of frontline indications, driven by positive ECHELON-1 OS data and 1L PTCL/SALCL approvals in 18 markets since 2021



Increased Awareness of OPTIC Results and Label Change

- Growth driven by improving awareness of positive OPTIC trial results and label update

1. ADCETRIS is in-licensed from Seagen Inc.; Takeda has development and marketing rights outside of the U.S. and Canada

2. Generic entrants into US market began May 2022

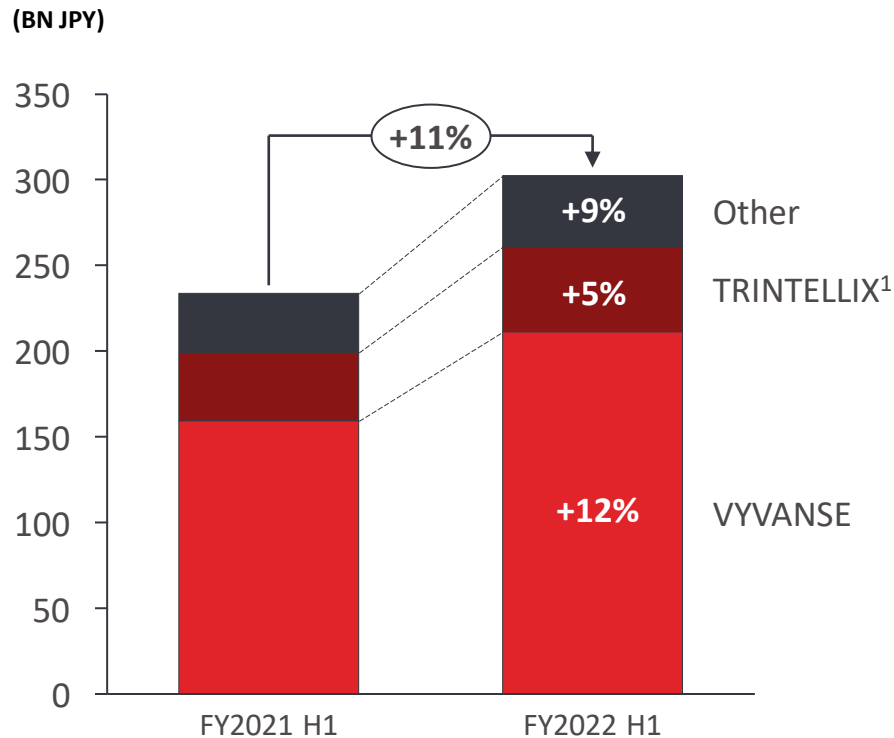
35 Absolute values are presented on an IFRS (reported) basis; Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

3. US Exon 20 insertion New Patient Starts total brand share – all lines, rolling 3 months, adjusted for estimated off-label usage per Flatiron. Source: IQVIA claims thru July'22



NEUROSCIENCE PORTFOLIO

FY2022 H1 REVENUE



FY2022 H1 Revenue JPY 211.2B (+12.3% growth)

- Growth in FY2022 driven by the expanding ADHD adult population in the U.S.
- Ramping down product-related OPEX ahead of loss of exclusivity in August 2023



FY2022 H1 Revenue JPY 49.8B (+5.1% growth)

- U.S. MDD market recovery from COVID-19 continues, with new starts still trailing pre-pandemic levels (-5~10%), improved from -25% peak impact in FY2020. Focused messaging and sales force effort across prioritized TRINTELLIX HCP segments is expected to drive new patient starts and overall demand growth by end FY2022.
- In Japan, the market share of Trintellix continues to grow with stronger positioning as a first-line treatment being established among psychiatrists.

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

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE



| | PHASE 3 (7 NMEs + 25 LCMs) | | | | FILED (1 NMEs + 7 LCMs) | |
|---------------------------------------|---|--|---|---|--|--|
| ONCOLOGY | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ EXKIVITY[®] 1L NSCLC EGFR exon 20</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ NINLARO[®] Maint. ND MM no SCT (US, EU, CN)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ ICLUSIG[®] 1L Ph+ ALL (US)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ NINLARO[®] Maint. ND MM post-SCT (US, EU)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ CABOMETYX[®] mCRPC combo w/atezolizumab (JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ ZEJULA[®] Breast cancer (JP)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ CABOMETYX[®] 2L mNSCLC combo w/atezolizumab (JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ relugolix Prostate cancer (JP, CN)</div> | | |
| RARE GENETICS & HEMATOLOGY | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ TAK-755 cTTP</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ TAKHZYRO[®] Pediatric HAE (EU)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ pabinafusp alfa Hunter Syndrome</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ TAKHZYRO[®] BMA</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ LIVTENCITY[®] 1L CMV infect. in HSCT</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ VONVENDI[®] vWD Adult Prophylaxis (EU, CN)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ LIVTENCITY[®] Post-transplant CMV infect. (JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ VONVENDI[®] vWD peds on-demand & surgery</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ OBIZUR[®] Recomb antihemophilic factor porcine (JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ ADYNOVATE[®] recombinant Factor VIII Pediatric Hema (EU)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ OBIZUR[®] Recomb antihemophilic factor porcine (CN)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ TAKHZYRO[®] Pediatric HAE (US)</div> |
| NEUROSCIENCE | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ soticlestat DS</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ soticlestat LGS</div> | | | | |
| GASTRO-ENTEROLOGY | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">ENTYVIO[®] SC CD (US, JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">ENTYVIO[®] Pediatric UC</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">ENTYVIO[®] SC UC (US)¹</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">ENTYVIO[®] Pediatric CD</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ ALOFISEL[®] Perianal Fistulas in CD (US)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ ENTYVIO[®] GvHD Prophylaxis</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ ALOFISEL[®] Pediatric perianal Fistulas in CD</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">ENTYVIO[®] SC UC (JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">VOCINTI[®] <i>H. Pylori</i> (CN)</div> | |
| PDT | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ HYQVIA[®] CIDP (US, EU)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">TAK-880 IgG – Low IgA</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ HYQVIA[®] CIDP, MMN (JP)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Prothromplex DOAC Reversal (US)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">HYQVIA[®] PID (JP)</div> | | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">HYQVIA[®] HyHub AVA Device (US)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">★ HYQVIA[®] Pediatric PID (US)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">CUVITRU[®] PID, SID (JP)</div> |
| VACCINES | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Nuvaxovid[®] COVID-19 Vaccine Booster (JP)</div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">TAK-003 Dengue Vaccine Booster</div> | | | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">QDENG2² Dengue Vaccine (EU + endemic countries)</div> | |

1. Currently undergoing development after receiving FDA CRL in 2019
2. QDENG2 is the brand name of TAK-003 in Indonesia

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

APPROVED

NME

LCM

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE



| | PHASE 1 (20 NMEs + 1 LCMs) | | | | | PHASE 2 (14 NMEs + 2 LCMs) | | | | |
|----------------------------|------------------------------|------------------------------------|---|---|---|--|--|---|------------------------------|--|
| ONCOLOGY | TAK-102 Solid tumors | TAK-103 Solid tumors | TAK-186 EGFR Solid Tumor ¹ | TAK-940 CD19+ hematologic malignancies | ★ modakafusp alfa Solid tumors | ★ modakafusp alfa R/R MM | ★ subasumstat Multiple cancers | ★ TAK-007 CD19+ hematologic malignancies | | |
| | TAK-500 Solid tumors | TAK-676 Solid tumors | TAK-280 B7-H3 Solid Tumor ¹ | ICLUSIG® Pediatric Ph+ ALL | | | | | | |
| RARE GENETICS & HEMATOLOGY | ★ TAK-755 SCD | ★ mezagitamab IgAN ² | | | | ★ mezagitamab MG | ★ mezagitamab ITP | ★ TAK-611 MLD (IT) | ★ TAK-755 iTTP | |
| NEUROSCIENCE | ★ TAK-861 NT1 | TAK-341 Parkinson's Disease | ★ TAK-925 Post-anesthesia | ★ TAK-594 Frontotemporal dementia ¹ | TAK-920 Alzheimer's Disease NEW | TAK-071 Parkinson's Disease | TAK-041 Anhedonia in MDD | TAK-653 Inadequate resp. in MDD | | |
| GASTRO-ENTEROLOGY | TAK-510 Nausea & vomiting | TAK-105 Nausea & vomiting | sibofimloc Luminal Crohn's Disease | | | TAK-101 Celiac Disease | TAK-954 POGD | ★ fazirsiran AATD-Associated Liver Disease | TAK-951 Nausea & vomiting | |
| | | | | | | ★ TAK-227 Celiac Disease NEW | TAK-062 Celiac Disease ² | sibofimloc Crohn's Disease (Post-op Ileitis) | | |
| PDT | | | | | | CEPROTIN® SC PCD (JP) | TAK-881 Immunodeficiencies | | | |
| VACCINES | TAK-426 Zika Vaccine | | | | | | | | | |

1. Currently in phase 1 of a phase 1/2 trial
2. Study actively recruiting

NEW Added to clinical development since last quarter
★ Orphan Drug Designation potential (in any region / indication for a given asset)



GLOSSARY OF ABBREVIATIONS



Regional Abbreviations:

CN: China; EU: Europe; JP: Japan; US: United States of America

| | |
|--------------|---|
| AATD | α1-antitrypsin deficiency |
| ADC | antibody drug conjugate |
| ADHD | attention deficit hyperactivity disorder |
| AHA | acquired hemophilia A |
| ALK | anaplastic lymphoma kinase |
| ALCL | anaplastic large-cell lymphoma |
| ALL | acute lymphocytic leukemia |
| AML | acute myeloid leukemia |
| ASCT | autologous stem cell transplant |
| ARD | acid-related diseases |
| AVA | Advanced Vial Access |
| BBB | blood brain barrier |
| BLA | biologics license application |
| BMA | bradykinin mediated angioedema |
| BTD | breakthrough therapy designation |
| CAR-T | chimeric antigen receptor-T |
| CD | Crohn's disease |
| CHMP | Committee for Medicinal Products for Human Use |
| CIDP | chronic inflammatory demyelinating polyradiculoneuropathy |
| CLL | chronic lymphocytic leukemia |
| CML | chronic myeloid leukemia |
| CMV | cytomegalovirus |
| CNS | central nervous system |
| CPF | complex perianal fistulas |
| CRL | complete response letter |
| CRPC | Castrate-resistant prostate cancer |
| CTCL | cutaneous T-cell lymphoma |
| cTTP | congenital thrombotic thrombocytopenic purpura |
| DEE | developmental and epileptic encephalopathies |
| DLBCL | diffuse large B-cell lymphoma |
| DOAC | direct oral anti-coagulation |

| | |
|--------------|--|
| DS | Dravet syndrome |
| DU | duodenal ulcer |
| Dx | Diagnosis |
| EE H | erosive esophagitis healing |
| EE M | erosive esophagitis maintenance |
| EGFR | epidermal growth factor receptor |
| EMA | European Medicines Agency |
| FDA | the U.S. Food & Drug Administration |
| FL | front line |
| FSI | first subject in |
| FY | fiscal year |
| GERD | gastroesophageal reflux disease |
| GI | gastrointestinal |
| GU | gastric ulcer |
| GvHD | graft versus host disease |
| HAE | hereditary angioedema |
| H2H | head-to-head |
| HemA | hemophilia A |
| HL | Hodgkin lymphoma |
| HSCT | hematopoietic stem cell transplant |
| IBD | inflammatory bowel disease |
| IgAN | immunoglobulin A nephropathy |
| IH | idiopathic hypersomnia |
| INCAT | Inflammatory Neuropathy Cause and Treatment disability score |
| IND | investigational new drug |
| iNHL | indolent non-Hodgkin's lymphoma |
| ITP | Immune thrombocytopenic purpura |
| iTTP | immune thrombotic thrombocytopenic purpura |
| IV | intravenous |
| iPSC | induced pluripotent stem cells |
| L-ASA | low dose aspirin |
| LSD | lysosomal storage disorder |

| | |
|-----------------|---|
| LCM | lifecycle management |
| LGS | Lennox-Gastaut syndrome |
| mAb | monoclonal antibody |
| MAOB | monoamine oxidase B |
| MDD | major depressive disorder |
| MG | myasthenia gravis |
| MLD | metachromatic leukodystrophy |
| MM | multiple myeloma |
| MMN | multifocal motor neuropathy |
| NBE | New Biological Entity |
| NCE | New Chemical Entity |
| ND | newly diagnosed |
| NDA | new drug application |
| Neg | Negative |
| NERD | non-erosive reflux disease |
| NHL | non-Hodgkin lymphoma |
| NK | natural killer |
| NME | new molecular entity |
| NMPA | National Medical Products Administration |
| NSCLC | non-small cell lung cancer |
| NSCT | non stem cell transplant |
| NT1 or 2 | narcolepsy Type 1 or 2 |
| ORR | overall response rate |
| OSA | obstructive sleep apnea |
| PARP | poly (ADP-ribose) polymerase |
| PAS | prior approval supplement |
| PCAB | potassium competitive acid blocker |
| PCD | protein C deficiency |
| PEX | plasma exchange |
| Ph+ ALL | Philadelphia chromosome-positive acute lymphoblastic leukemia |
| PID | primary immunodeficiency |

| | |
|--------------|--|
| PK | pharmacokinetics |
| PMDA | Japan's Pharmaceuticals and Medical Devices Agency |
| POC | proof of concept |
| POGD | post-operative gastrointestinal dysfunction |
| PONV | postoperative nausea and vomiting |
| PRIME | Priority medicines scheme by EMA |
| PTCL | peripheral T-cell lymphoma |
| PTH | parathyroid hormone |
| R/R | relapsed/refractory |
| RCC | renal cell cancer |
| RTK | receptor tyrosine kinase |
| RTU | ready to use |
| sALCL | systemic anaplastic large cell lymphoma |
| SBS | short bowel syndrome |
| SC | subcutaneous formulation |
| SCD | sickle cell disease |
| SCT | stem cell transplant |
| SID | secondary immunodeficiency |
| SLE | systemic lupus erythematosus |
| sq | squamous |
| STING | stimulator of interferon genes |
| SUMO | small ubiquitin-related modifier |
| TCE | T-cell engager |
| TESD | treatment emergent sexual dysfunction |
| TKI | tyrosine kinase inhibitor |
| TREM2 | triggering receptor expressed on myeloid cells 2 |
| UC | ulcerative colitis |
| VCD | virologically confirmed dengue |
| vWD | von Willebrand disease |
| VWF | von Willebrand factor |



FINANCIAL APPENDIX

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Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow

Core Revenue represents revenue adjusted to exclude significant items unrelated to Takeda's core operations.

Core Operating Profit represents net profit adjusted to exclude income tax expenses, the share of profit or loss of investments accounted for using the equity method, finance expenses and income, other operating expenses and income, amortization and impairment losses on acquired intangible assets and other items unrelated to Takeda's core operations, such as non-recurring items, purchase accounting effects and transaction related costs.

Core EPS represents net profit adjusted to exclude the impact of items excluded in the calculation of Core Operating Profit, and other non-operating items (e.g. amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration) that are unusual, non-recurring in nature or unrelated to 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.

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

We present **Free Cash Flow** because we believe that this measure is useful to investors as similar measures of liquidity are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Free Cash Flow is also used by our management to evaluate our liquidity and our cash flows, particularly as they relate to our ability to meet our liquidity requirements and to support our capital allocation policies. We also believe that Free Cash Flow is helpful to investors in understanding how our strategic divestitures of non-core businesses and of portions of our investment portfolio contribute to the cash flows and liquidity available to us.

We define Free Cash Flow as cash flows from operating activities, subtracting acquisition of property, plant and equipment ("PP&E"), intangible assets and investments as well as removing any other cash that is not available to Takeda's immediate or general business use, and adding proceeds from sales of PP&E, as well as from sales of investments and businesses, net of cash and cash equivalents divested.

The usefulness of Free Cash Flow to investors has significant limitations including, but not limited to, (i) it may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) it does not reflect the effect of our current and future contractual and other commitments requiring the use or allocation of capital and (iii) the addition of proceeds from sales and redemption of investments and the proceeds from sales of business, net of cash and cash equivalents divested do not reflect cash received from our core ongoing operations. Free Cash Flow should not be considered in isolation and is not, and should not be viewed as, a substitute for cash flows from operating activities or any other measure of liquidity presented in accordance with IFRS. The most directly comparable measure under IFRS for Free Cash Flow is net cash from operating activities.



Definition of EBITDA/Adjusted EBITDA and Net Debt

We present **EBITDA and Adjusted EBITDA** because we believe that these measures are useful to investors as they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We further believe that Adjusted EBITDA is helpful to investors in identifying trends in its business that could otherwise be obscured by certain items unrelated to ongoing operations because they are highly variable, difficult to predict, may substantially impact our results of operations and may limit the ability to evaluate our performance from one period to another on a consistent basis.

EBITDA and Adjusted EBITDA should not be considered in isolation or construed as alternatives to operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. These non-IFRS measures may not be comparable to similarly-titled measures presented by other companies.

The usefulness of EBITDA and Adjusted EBITDA to investors has limitations including, but not limited to, (i) they may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) they exclude financial information and events, such as the effects of an acquisition or amortization of intangible assets, that some may consider important in evaluating our performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future and (iv) they may not exclude all items which investors may consider to be unrelated to our long-term operations. These non-IFRS measures are not, and should not be viewed as, substitutes for IFRS reported net income (loss). We encourage investors to review our historical financial statements in their entirety and caution investors to IFRS measures as the primary means of evaluating our performance, value and prospects for the future, and EBITDA and Adjusted EBITDA as supplemental measures.

We define EBITDA as consolidated net profit before income tax expenses, depreciation and amortization and net interest expense. We define Adjusted EBITDA as EBITDA further adjusted to exclude impairment losses, other operating expenses and income (excluding depreciation and amortization), finance expenses and income (excluding net interest expense), our share of loss from investments accounted for under the equity method and other items that management believes are unrelated to our core operations such as purchase accounting effects and transaction related costs.

The most closely comparable measure presented in accordance with IFRS is net profit for the year. Please refer to Net Profit to Adjusted EBITDA Bridge for a reconciliation to the respective most closely comparable measures presented in accordance with IFRS.

We present **Net Debt** because we believe that it is useful to investors in that our management uses it to monitor and evaluate our indebtedness, net of cash and cash equivalents, and, in conjunction with Adjusted EBITDA, to monitor our leverage. We also believe that similar measures of indebtedness are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

We define Net Debt first by calculating the sum of the current and non-current portions of bonds and loans as shown on our consolidated statement of financial position, which is then adjusted to reflect (i) the use of prior 12-month average exchange rates for non-JPY debt outstanding at the beginning of the period and the use of relevant spot rates for new non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period, which reflects the methodology our management uses to monitor our leverage, and (ii) a 50% equity credit applied to our aggregate principal amount of 500.0 billion hybrid (subordinated) bonds issued in June 2019 by S&P Global Rating Japan in recognition of the equity-like features of those bonds pursuant to such agency's ratings methodology. From this figure, we deduct cash and cash equivalents, excluding cash that is temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program, to calculate Net Debt.

The usefulness of Net Debt to investors has significant limitations including, but not limited to, (i) it may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) it does not reflect the amounts of interest payments to be paid on our indebtedness, (iii) it does not reflect any restrictions on our ability to prepay or redeem any of our indebtedness, (iv) it does not reflect any fees, costs or other expenses that we may incur in converting cash equivalents to cash, in converting cash from one currency into another or in moving cash within our consolidated group, (v) it applies to gross debt an adjustment for average foreign exchange rates which, although consistent with our financing agreements, does not reflect the actual rates at which we would be able to convert one currency into another and (vi) it reflects an equity credit due to the fact that the amounts of our subordinated bonds, although we believe it to be reasonable, do not affect the status of those instruments as indebtedness. Net Debt should not be considered in isolation and are not, and should not be viewed as, a substitute for bonds and loans or any other measure of indebtedness presented in accordance with IFRS.

The most directly comparable measures under IFRS for Net Debt is bonds and loans. Please refer to Net Debt to Adjusted EBITDA for a reconciliation to this measure.



FY2022 H1 Reported Results with Actual and CER % Change

| (Billion JPY) | FY2021 H1 | FY2022 H1 | | vs. PY | |
|---|-----------|-----------|--------|-----------------|----------------------------|
| | | | | ACTUAL % CHANGE | CER % CHANGE* ¹ |
| Revenue | 1,794.4 | 1,974.8 | 180.3 | 10.1% | (2.3)% |
| Cost of sales | (517.1) | (598.3) | (81.3) | (15.7)% | (3.9)% |
| Gross profit | 1,277.4 | 1,376.4 | 99.1 | 7.8% | (4.8)% |
| <i>Margin</i> | 71.2 % | 69.7 % | | (1.5) pp | (1.8) pp |
| SG&A expenses | (431.9) | (480.2) | (48.4) | (11.2)% | 1.4% |
| R&D expenses | (254.1) | (297.8) | (43.7) | (17.2)% | (1.4)% |
| Amortization of intangible assets associated with products | (204.1) | (240.8) | (36.7) | (18.0)% | (1.1)% |
| Impairment losses on intangible assets associated with products | (1.5) | (32.8) | (31.4) | (2,137.8)% | (1,695.6)% |
| Other operating income | 19.5 | 13.5 | (6.1) | (31.0)% | (36.9)% |
| Other operating expenses | (59.4) | (83.4) | (23.9) | (40.2)% | (22.0)% |
| Operating profit | 346.0 | 255.0 | (91.0) | (26.3)% | (30.7)% |
| <i>Margin</i> | 19.3 % | 12.9 % | | (6.4) pp | (5.6) pp |
| Finance income | 46.9 | 75.7 | 28.8 | 61.4% | 55.6% |
| Finance expenses | (104.9) | (109.3) | (4.3) | (4.1)% | (5.4)% |
| Share of profit (loss) of investments accounted for using the equity method | (3.5) | (1.4) | 2.2 | 61.3% | 76.7% |
| Profit before tax | 284.4 | 220.0 | (64.4) | (22.6)% | (29.2)% |
| Income tax expenses | (100.7) | (53.3) | 47.4 | 47.1% | 44.1% |
| Net profit for the period | 183.7 | 166.8 | (17.0) | (9.2)% | (21.1)% |
| Non-controlling interests | (0.1) | 0.0 | 0.1 | — | — |
| Net profit attributable to owners of the Company | 183.6 | 166.8 | (16.9) | (9.2)% | (21.0)% |
| Basic EPS (yen) | 117.08 | 107.62 | (9.46) | (8.1)% | (20.1)% |

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow, for the definition.

Note: % change versus prior year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2022 Q2 (Jul-Sep) Reported Results with Actual and CER % Change

| (Billion JPY) | FY2021 Q2 (Jul-Sep) | FY2022 Q2 (Jul-Sep) | | vs. PY | |
|---|------------------------|------------------------|--------|-----------------|----------------------------|
| | | | | ACTUAL % CHANGE | CER % CHANGE* ¹ |
| Revenue | 844.8 | 1,002.3 | 157.5 | 18.6% | 2.8% |
| Cost of sales | (275.8) | (305.4) | (29.6) | (10.7)% | 2.6% |
| Gross profit | 569.0 | 696.9 | 127.8 | 22.5% | 5.4% |
| <i>Margin</i> | 67.4 % | 69.5 % | | 2.2 pp | 1.7 pp |
| SG&A expenses | (212.0) | (248.7) | (36.7) | (17.3)% | (1.8)% |
| R&D expenses | (131.6) | (154.1) | (22.5) | (17.1)% | 1.4% |
| Amortization of intangible assets associated with products | (101.3) | (123.8) | (22.5) | (22.2)% | — |
| Impairment losses on intangible assets associated with products | (1.5) | (18.6) | (17.1) | (1,167.4)% | — |
| Other operating income | 8.4 | 8.0 | (0.4) | (5.0)% | (16.3)% |
| Other operating expenses | (33.7) | (55.2) | (21.5) | (63.8)% | (43.7)% |
| Operating profit | 97.4 | 104.4 | 7.0 | 7.2% | (1.3)% |
| <i>Margin</i> | 11.5 % | 10.4 % | | (1.1) pp | (0.5) pp |
| Finance income | 6.9 | 14.8 | 7.9 | 115.4% | 96.4% |
| Finance expenses | (39.7) | (53.8) | (14.1) | (35.6)% | (40.5)% |
| Share of profit (loss) of investments accounted for using the equity method | (3.2) | (0.9) | 2.3 | 72.6% | 85.1% |
| Profit before tax | 61.4 | 64.5 | 3.1 | 5.0% | (13.1)% |
| Income tax expenses | (15.5) | (2.8) | 12.6 | (81.8)% | (57.2)% |
| Net profit for the period | 46.0 | 61.7 | 15.7 | 34.2% | 1.7% |
| Non-controlling interests | (0.0) | 0.0 | 0.0 | — | — |
| Net profit attributable to owners of the Company | 46.0 | 61.7 | 15.8 | 34.3% | 1.8% |
| Basic EPS (yen) | 29.24 | 39.77 | 10.53 | 36.0% | 3.1% |

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow, for the definition.

Note: % change versus prior year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2022 H1 Core Results with Actual and CER % Change

| (Billion JPY) | FY2021 H1 | FY2022 H1 | | vs. PY | |
|---|-----------|-----------|--------|-----------------|----------------------------|
| | | | | ACTUAL % CHANGE | CER % CHANGE* ¹ |
| Revenue | 1,661.4 | 1,974.8 | 313.4 | 18.9% | 5.5% |
| Cost of sales | (494.1) | (571.6) | (77.4) | (15.7)% | (4.0)% |
| Gross profit | 1,167.2 | 1,403.2 | 236.0 | 20.2% | 6.2% |
| <i>Margin</i> | 70.3 % | 71.1 % | | 0.8 pp | 0.4 pp |
| SG&A expenses | (428.7) | (480.5) | (51.8) | (12.1)% | 0.6% |
| R&D expenses | (252.8) | (297.5) | (44.7) | (17.7)% | (1.8)% |
| Operating profit | 485.7 | 625.2 | 139.4 | 28.7% | 14.5% |
| <i>Margin</i> | 29.2 % | 31.7 % | | 2.4 pp | 2.5 pp |
| Finance income | 31.7 | 32.6 | 0.9 | 2.9% | 2.5% |
| Finance expenses | (90.1) | (100.8) | (10.7) | (11.9)% | (14.6)% |
| Share of profit (loss) of investments accounted for using the equity method | 2.8 | 2.7 | (0.2) | (6.1)% | (5.6)% |
| Profit before tax | 430.1 | 559.6 | 129.5 | 30.1% | 13.4% |
| Income tax expenses | (94.2) | (112.9) | (18.7) | (19.9)% | (10.0)% |
| Net profit for the period | 335.9 | 446.7 | 110.7 | 33.0% | 14.4% |
| Non-controlling interests | (0.1) | 0.0 | 0.1 | — | — |
| Net profit attributable to owners of the Company | 335.9 | 446.7 | 110.8 | 33.0% | 14.4% |
| Basic EPS (yen) | 214 | 288 | 74 | 34.6% | 15.8% |

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow, for the definition.

Note: % change versus prior year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2022 Q2 (Jul-Sep) Core Results with Actual and CER % Change

| (Billion JPY) | FY2021 Q2 (Jul-Sep) | FY2022 Q2 (Jul-Sep) | | vs. PY | |
|---|------------------------|------------------------|--------|-----------------|----------------------------|
| | | | | ACTUAL % CHANGE | CER % CHANGE* ¹ |
| Revenue | 844.8 | 1,002.3 | 157.5 | 18.6% | 2.8% |
| Cost of sales | (266.3) | (293.3) | (27.1) | (10.2)% | 2.9% |
| Gross profit | 578.5 | 709.0 | 130.4 | 22.5% | 5.5% |
| <i>Margin</i> | 68.5 % | 70.7 % | | 2.3 pp | 1.8 pp |
| SG&A expenses | (210.8) | (248.8) | (38.1) | (18.1)% | (2.4)% |
| R&D expenses | (131.0) | (154.0) | (23.0) | (17.6)% | 1.1% |
| Operating profit | 236.8 | 306.1 | 69.3 | 29.3% | 11.8% |
| <i>Margin</i> | 28.0 % | 30.5 % | | 2.5 pp | 2.4 pp |
| Finance income | 2.3 | 8.9 | 6.6 | 290.7% | 286.1% |
| Finance expenses | (33.0) | (50.0) | (17.0) | (51.5)% | (59.0)% |
| Share of profit (loss) of investments accounted for using the equity method | 0.9 | 1.7 | 0.8 | 93.3% | 89.9% |
| Profit before tax | 206.9 | 266.7 | 59.8 | 28.9% | 7.6% |
| Income tax expenses | (47.6) | (44.2) | 3.5 | 7.3% | 15.3% |
| Net profit for the period | 159.3 | 222.5 | 63.2 | 39.7% | 14.5% |
| Non-controlling interests | (0.0) | 0.0 | 0.0 | — | — |
| Net profit attributable to owners of the Company | 159.3 | 222.5 | 63.3 | 39.7% | 14.5% |
| Basic EPS (yen) | 101 | 143 | 42 | 41.5% | 15.9% |

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow, for the definition.

Note: % change versus prior year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2022 H1 Reconciliation from Reported to Core

| (Billion JPY) | REPORTED | REPORTED TO CORE ADJUSTMENTS | | | | CORE |
|---|----------|-----------------------------------|---------------------------------|---------------------------------|--------|---------|
| | | Amortization of intangible assets | Impairment of intangible assets | Other operating income/expenses | Others | |
| Revenue | 1,974.8 | | | | | 1,974.8 |
| Cost of sales | (598.3) | | | | 26.8 | (571.6) |
| Gross profit | 1,376.4 | | | | 26.8 | 1,403.2 |
| SG&A expenses | (480.2) | | | | (0.3) | (480.5) |
| R&D expenses | (297.8) | | | | 0.3 | (297.5) |
| Amortization of intangible assets associated with products | (240.8) | 240.8 | | | | — |
| Impairment losses on intangible assets associated with products | (32.8) | | 32.8 | | | — |
| Other operating income | 13.5 | | | (13.5) | | — |
| Other operating expenses | (83.4) | | | 83.4 | | — |
| Operating profit | 255.0 | 240.8 | 32.8 | 69.9 | 26.7 | 625.2 |
| <i>Margin</i> | 12.9 % | | | | | 31.7% |
| Finance income and (expenses), net | (33.6) | | | | (34.7) | (68.3) |
| Share of profit (loss) of investments accounted for using the equity method | (1.4) | | | | 4.0 | 2.7 |
| Profit before tax | 220.0 | 240.8 | 32.8 | 69.9 | (4.0) | 559.6 |
| Tax expenses | (53.3) | (51.5) | (7.0) | (13.1) | 12.0 | (112.9) |
| Non-controlling interests | 0.0 | | | | | 0.0 |
| Net profit attributable to owners of the Company | 166.8 | 189.3 | 25.8 | 56.8 | 8.0 | 446.7 |
| EPS (yen) | 108 | | | | | 288 |
| Number of shares (millions) | 1,549 | | | | | 1,549 |



FY2022 Q2 (Jul-Sep) Reconciliation from Reported to Core

| (Billion JPY) | REPORTED | REPORTED TO CORE ADJUSTMENTS | | | | CORE |
|---|----------|-----------------------------------|---------------------------------|---------------------------------|--------|---------|
| | | Amortization of intangible assets | Impairment of intangible assets | Other operating income/expenses | Others | |
| Revenue | 1,002.3 | | | | | 1,002.3 |
| Cost of sales | (305.4) | | | | 12.1 | (293.3) |
| Gross profit | 696.9 | | | | 12.1 | 709.0 |
| SG&A expenses | (248.7) | | | | (0.1) | (248.8) |
| R&D expenses | (154.1) | | | | 0.2 | (154.0) |
| Amortization of intangible assets associated with products | (123.8) | 123.8 | | | | — |
| Impairment losses on intangible assets associated with products | (18.6) | | 18.6 | | | — |
| Other operating income | 8.0 | | | (8.0) | | — |
| Other operating expenses | (55.2) | | | 55.2 | | — |
| Operating profit | 104.4 | 123.8 | 18.6 | 47.2 | 12.1 | 306.1 |
| <i>Margin</i> | 10.4 % | | | | | 30.5% |
| Finance income and (expenses), net | (39.0) | | | | (2.1) | (41.1) |
| Share of profit (loss) of investments accounted for using the equity method | (0.9) | | | | 2.6 | 1.7 |
| Profit before tax | 64.5 | 123.8 | 18.6 | 47.2 | 12.6 | 266.7 |
| Tax expenses | (2.8) | (26.5) | (3.9) | (9.1) | (1.9) | (44.2) |
| Non-controlling interests | 0.0 | | | | | 0.0 |
| Net profit attributable to owners of the Company | 61.7 | 97.3 | 14.7 | 38.0 | 10.7 | 222.5 |
| EPS (yen) | 40 | | | | | 143 |
| Number of shares (millions) | 1,552 | | | | | 1,552 |

FY2021 H1 Reconciliation from Reported to Core

| (Billion JPY) | REPORTED | REPORTED TO CORE ADJUSTMENTS | | | | | | CORE |
|---|----------|-----------------------------------|---------------------------------|---------------------------------|----------------------------------|-------------------------|--------|---------|
| | | Amortization of intangible assets | Impairment of intangible assets | Other operating income/expenses | Sale of Japan diabetes portfolio | Irish Tax Assessment *1 | Others | |
| Revenue | 1,794.4 | | | | (133.0) | | | 1,661.4 |
| Cost of sales | (517.1) | | | | 0.6 | | 22.3 | (494.1) |
| Gross profit | 1,277.4 | | | | (132.4) | | 22.3 | 1,167.2 |
| SG&A expenses | (431.9) | | | | 1.0 | | 2.1 | (428.7) |
| R&D expenses | (254.1) | | | | | | 1.3 | (252.8) |
| Amortization of intangible assets associated with products | (204.1) | 204.1 | | | | | | — |
| Impairment losses on intangible assets associated with products | (1.5) | | 1.5 | | | | | — |
| Other operating income | 19.5 | | | (18.8) | | | (0.7) | — |
| Other operating expenses | (59.4) | | | 59.4 | | | | — |
| Operating profit | 346.0 | 204.1 | 1.5 | 40.6 | (131.4) | | 25.0 | 485.7 |
| <i>Margin</i> | 19.3 % | | | | | | | 29.2% |
| Finance income and (expenses), net | (58.0) | | | | | | (0.4) | (58.5) |
| Share of profit (loss) of investments accounted for using the equity method | (3.5) | | | | | | 6.4 | 2.8 |
| Profit before tax | 284.4 | 204.1 | 1.5 | 40.6 | (131.4) | | 31.0 | 430.1 |
| Tax expenses | (100.7) | (45.5) | (0.5) | (11.5) | 40.2 | 63.7 | (39.9) | (94.2) |
| Non-controlling interests | (0.1) | | | | | | | (0.1) |
| Net profit attributable to owners of the Company | 183.6 | 158.6 | 0.9 | 29.2 | (91.2) | 63.7 | (9.0) | 335.9 |
| EPS (yen) | 117 | | | | | | | 214 |
| Number of shares (millions) | 1,568 | | | | | | | 1,568 |

*1 Tax charges of 63.7 billion JPY arising from the tax assessment involving Irish taxation of the break fee Shire received from AbbVie in connection with the terminated offer to acquire Shire made by AbbVie in 2014, net of 0.5 billion JPY of associated tax benefit.

FY2021 Q2 (Jul-Sep) Reconciliation from Reported to Core

| (Billion JPY) | REPORTED | REPORTED TO CORE ADJUSTMENTS | | | | | | CORE |
|---|----------|-----------------------------------|---------------------------------|---------------------------------|----------------------------------|-------------------------|--------|---------|
| | | Amortization of intangible assets | Impairment of intangible assets | Other operating income/expenses | Sale of Japan diabetes portfolio | Irish Tax Assessment *1 | Others | |
| Revenue | 844.8 | | | | | | | 844.8 |
| Cost of sales | (275.8) | | | | | | 9.5 | (266.3) |
| Gross profit | 569.0 | | | | | | 9.5 | 578.5 |
| SG&A expenses | (212.0) | | | | | | 1.2 | (210.8) |
| R&D expenses | (131.6) | | | | | | 0.6 | (131.0) |
| Amortization of intangible assets associated with products | (101.3) | 101.3 | | | | | | — |
| Impairment losses on intangible assets associated with products | (1.5) | | 1.5 | | | | | — |
| Other operating income | 8.4 | | | (8.1) | | | (0.4) | — |
| Other operating expenses | (33.7) | | | 34.4 | | | (0.7) | — |
| Operating profit | 97.4 | 101.3 | 1.5 | 26.3 | | | 10.3 | 236.8 |
| <i>Margin</i> | 11.5 % | | | | | | | 28.0% |
| Finance income and (expenses), net | (32.8) | | | | | | 2.1 | (30.7) |
| Share of profit (loss) of investments accounted for using the equity method | (3.2) | | | | | | 4.0 | 0.9 |
| Profit before tax | 61.4 | 101.3 | 1.5 | 26.3 | | | 16.4 | 206.9 |
| Tax expenses | (15.5) | (22.6) | (0.5) | (6.7) | | 1.0 | (3.4) | (47.6) |
| Non-controlling interests | (0.0) | | | | | | | (0.0) |
| Net profit attributable to owners of the Company | 46.0 | 78.7 | 0.9 | 19.6 | | 1.0 | 13.0 | 159.3 |
| EPS (yen) | 29 | | | | | | | 101 |
| Number of shares (millions) | 1,572 | | | | | | | 1,572 |

*1 Interest on tax charges arising from the tax assessment involving Irish taxation of the break fee Shire received from AbbVie in connection with the terminated offer to acquire Shire made by AbbVie in 2014.



Free Cash Flow

| (Billion JPY) | FY2021 H1 | FY2022 H1 | Change versus the previous year | |
|---|--------------|--------------|---------------------------------|---------|
| Net profit | 183.7 | 166.8 | (17.0) | (9.2)% |
| Depreciation, amortization and impairment loss | 285.1 | 362.1 | 77.0 | |
| Decrease (increase) in trade working capital | (89.2) | (159.0) | (69.8) | |
| Income taxes paid | (78.7) | (115.4) | (36.7) | |
| Tax refunds and interest on tax refunds received | 4.8 | 6.2 | 1.4 | |
| Other | 94.3 | 44.6 | (49.7) | |
| Net cash from operating activities | 400.0 | 305.2 | (94.8) | (23.7)% |
| Adjustment for cash temporarily held by Takeda on behalf of third parties ^{*1} | (7.6) | 116.8 | 124.5 | |
| Acquisition of PP&E | (60.6) | (71.4) | (10.8) | |
| Proceeds from sales of PP&E | 0.4 | 0.1 | (0.3) | |
| Acquisition of intangible assets | (25.2) | (67.6) | (42.4) | |
| Acquisition of investments | (3.6) | (4.7) | (1.1) | |
| Proceeds from sales and redemption of investments | 10.1 | 18.4 | 8.3 | |
| Proceeds from sales of business, net of cash and cash equivalents divested | 2.1 | — | (2.1) | |
| Free Cash Flow | 315.6 | 296.9 | (18.7) | (5.9)% |

*1 Adjustment refers to changes in cash balance that is temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program.

FY2022 H1 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

| (Billion JPY) | FY2022 H1 |
|--|------------------|
| Cash and cash equivalents ^{*1} | 707.5 |
| Book value debt on consolidated statements of financial position | (4,736.6) |
| Hybrid bond 50% equity credit | 250.0 |
| FX adjustment ^{*2} | 421.1 |
| Gross debt ^{*3} | (4,065.5) |
| Net cash (debt) | (3,358.0) |
| Net debt/Adjusted EBITDA ratio | 2.6 x |
| Adjusted EBITDA | 1,313.1 |

NET INCREASE (DECREASE) IN CASH

| (Billion JPY) | FY2021 H1 | FY2022 H1 | Change versus the previous year | |
|--|----------------|---------------|---------------------------------|----------------|
| Net cash from operating activities | 400.0 | 305.2 | (94.8) | (23.7)% |
| Acquisition of PP&E | (60.6) | (71.4) | | |
| Proceeds from sales of PP&E | 0.4 | 0.1 | | |
| Acquisition of intangible assets | (25.2) | (67.6) | | |
| Acquisition of investments | (3.6) | (4.7) | | |
| Proceeds from sales and redemption of investments | 10.1 | 18.4 | | |
| Acquisition of business, net of cash and cash equivalents acquired | (27.5) | — | | |
| Proceeds from sales of business, net of cash and cash equivalents divested | 2.1 | — | | |
| Net increase (decrease) in short-term loans and commercial papers | (0.0) | — | | |
| Repayment of long-term loans | (220.1) | (0.1) | | |
| Proceeds from issuance of bonds | — | — | | |
| Repayment of bonds | (220.9) | (26.8) | | |
| Purchase of treasury shares | (2.5) | (26.9) | | |
| Interest paid | (52.7) | (52.7) | | |
| Dividends paid | (141.6) | (140.0) | | |
| Others | (19.6) | (17.8) | | |
| Net increase (decrease) in cash | (361.7) | (84.3) | 277.5 | (76.7)% |

*1 Includes short-term investments which mature or become due within one year from the reporting date and excludes cash temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program.

*2 FX adjustment refers to change from month-end rate to average rate used for non-JPY debt calculation outstanding at the beginning of the period to match with adjusted EBITDA (which is calculated based on average rates). New non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period are translated to JPY at relevant spot rates as of the relevant date.

*3 Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes non-cash adjustments related to debt amortization and FX impact.

FY2021 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

| (Billion JPY) | FY2021 |
|--|------------------|
| Cash and cash equivalents ^{*1} | 642.2 |
| Book value debt on consolidated statements of financial position | (4,345.4) |
| Hybrid bond 50% equity credit | 250.0 |
| FX adjustment ^{*2} | 219.4 |
| Gross debt ^{*3} | (3,876.0) |
| Net cash (debt) | (3,233.8) |
| | |
| Net debt/Adjusted EBITDA ratio | 2.8 x |
| | |
| Adjusted EBITDA | 1,168.0 |

NET INCREASE (DECREASE) IN CASH

| (Billion JPY) | FY2020 | FY2021 | vs. PY | |
|--|--------------|----------------|----------------|----------|
| Net cash from operating activities | 1,010.9 | 1,123.1 | 112.2 | 11.1 % |
| Acquisition of PP&E | (111.2) | (123.3) | | |
| Proceeds from sales of PP&E | 46.5 | 1.8 | | |
| Acquisition of intangible assets | (125.3) | (62.8) | | |
| Acquisition of investments | (12.6) | (8.3) | | |
| Proceeds from sales and redemption of investments | 74.6 | 16.9 | | |
| Acquisition of business, net of cash and cash equivalents acquired | — | (49.7) | | |
| Proceeds from sales of business, net of cash and cash equivalents divested | 530.4 | 28.2 | | |
| Net increase (decrease) in short-term loans and commercial papers | (149.0) | (0.0) | | |
| Repayment of long-term loans | (792.5) | (414.1) | | |
| Proceeds from issuance of bonds | 1,179.5 | 249.3 | | |
| Repayment of bonds | (859.2) | (396.0) | | |
| Purchase of treasury shares | (2.1) | (77.5) | | |
| Interest paid | (107.3) | (108.2) | | |
| Dividends paid | (283.4) | (283.7) | | |
| Others | (83.1) | (41.1) | | |
| Net increase (decrease) in cash | 316.1 | (145.3) | (461.4) | - |

*1 Includes short-term investments which mature or become due within one year from the reporting date and excludes cash temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program.

*2 FX adjustment refers to change from month-end rate to average rate used for non-JPY debt calculation outstanding at the beginning of the period to match with adjusted EBITDA (which is calculated based on average rates). New non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period are translated to JPY at relevant spot rates as of the relevant date.

*3 Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes non-cash adjustments related to debt amortization and FX impact.



FY2022 H1 and FY2021 H1 Net Profit to Adjusted EBITDA Bridge

| (Billion JPY) | FY2021 H1 | FY2022 H1 | Change versus the previous year | |
|---|--------------|--------------|------------------------------------|--------|
| Net profit | 183.7 | 166.8 | (17.0) | (9.2)% |
| Income tax expenses | 100.7 | 53.3 | | |
| Depreciation and amortization | 283.6 | 326.1 | | |
| Interest expense, net | 58.9 | 57.5 | | |
| EBITDA | 627.0 | 603.7 | (23.3) | (3.7)% |
| Impairment losses | 1.5 | 36.0 | | |
| Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item) | 36.8 | 65.4 | | |
| Finance expense (income), net, excluding interest income and expense, net | (0.9) | (24.0) | | |
| Share of loss on investments accounted for under the equity method | 3.5 | 1.4 | | |
| Other adjustments: | (72.9) | 55.5 | | |
| Non-core expense related to COVID-19 | 5.5 | 5.6 | | |
| Sales of Japan diabetes portfolio and other non-core product divestitures | (131.4) | — | | |
| Impact on profit related to fair value step up of inventory in Shire acquisition | 17.8 | 21.9 | | |
| Other costs ^{*1} | 35.2 | 28.0 | | |
| Adjusted EBITDA | 595.0 | 737.9 | 142.9 | 24.0 % |

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



FY2022 H1 Net Profit to Adjusted EBITDA LTM Bridge

| (Billion JPY) | FY2021 Full Year (Apr-Mar) | FY2021 H1 (Apr - Sep) | FY2022 H1 (Apr - Sep) | FY2022 H1 LTM ^{*1} (Oct-Sep) |
|---|----------------------------------|-----------------------------|-----------------------------|---|
| Net profit | 230.2 | 183.7 | 166.8 | 213.2 |
| Income tax expenses | 72.4 | 100.7 | 53.3 | 25.0 |
| Depreciation and amortization | 583.2 | 283.6 | 326.1 | 625.7 |
| Interest expense, net | 117.8 | 58.9 | 57.5 | 116.4 |
| EBITDA | 1,003.6 | 627.0 | 603.7 | 980.3 |
| Impairment losses | 54.5 | 1.5 | 36.0 | 89.0 |
| Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item) | 106.3 | 36.8 | 65.4 | 134.9 |
| Finance expense (income), net, excluding interest income and expense, net | 25.1 | (0.9) | (24.0) | 2.0 |
| Share of loss on investments accounted for under the equity method | 15.4 | 3.5 | 1.4 | 13.2 |
| Other adjustments: | (30.2) | (72.9) | 55.5 | 98.1 |
| Non-core expense related to COVID-19 | 10.4 | 5.5 | 5.6 | 10.4 |
| Sale of Japan diabetes portfolio | (144.8) | (131.4) | — | (13.4) |
| Impact on profit related to fair value step up of inventory in Shire acquisition | 31.9 | 17.8 | 21.9 | 35.9 |
| Other costs ^{*2} | 72.4 | 35.2 | 28.0 | 65.1 |
| Adjusted EBITDA | 1,174.5 | 595.0 | 737.9 | 1,317.4 |
| EBITDA from divested products ^{*3} | (6.6) | | | (4.3) |
| Adjusted EBITDA (LTM) | 1,168.0 | | | 1,313.1 |

*1 LTM represents Last Twelve Months (October 2021 - September 2022). Calculated by subtracting FY2021 H1 from FY2021 Full Year and adding FY2022 H1.

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

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



FX Rates and FY2022 Currency Sensitivity

| Average Exchange Rates vs. JPY | | | Impact of depreciation of yen from October 2022 to March 2023 on FY2022 forecast (100 million JPY) | | | | | |
|--------------------------------|-------------------------|-------------------------|--|--------------------|-------------------------|-------------------|----------------------------------|--------|
| | FY2021 Actual (Apr-Sep) | FY2022 Actual (Apr-Sep) | FY2022 Assumption (Apr-Mar) | Revenue (IFRS) | Operating Profit (IFRS) | Net Profit (IFRS) | Core Operating Profit (non-IFRS) | |
| USD | 110 | 131 | 132 | 1% depreciation | 86.9 | 14.0 | 10.5 | 31.4 |
| | | | | 1 yen depreciation | 66.1 | 10.7 | 8.0 | 23.9 |
| EUR | 131 | 138 | 138 | 1% depreciation | 22.0 | (14.7) | (15.5) | (11.7) |
| | | | | 1 yen depreciation | 16.0 | (10.6) | (11.2) | (8.5) |
| RUB | 1.5 | 2.1 | 2.1 | 2.9 | 1.6 | 1.6 | 1.8 | |
| CNY | 17.0 | 19.7 | 19.8 | 1% depreciation | 8.6 | 5.1 | 5.1 | 5.1 |
| BRL | 20.9 | 26.3 | 26.4 | | 3.9 | 2.4 | 2.4 | 2.5 |



CAPEX, Depreciation and Amortization and Impairment Losses

| (Billion JPY) | FY2021 | FY2021 H1 | FY2022 H1 | vs. PY | | FY2022 Revised Forecast (Oct 27, 2022) |
|--|--------|-----------|-----------|--------|---------|--|
| Capital expenditures ^{*1} | 186.0 | 85.8 | 139.0 | 53.2 | 62.0 % | 260.0 to 310.0 |
| Tangible assets | 123.3 | 60.6 | 71.4 | 10.8 | 17.9 % | |
| Intangible assets | 62.8 | 25.2 | 67.6 | 42.4 | 168.3 % | |
| *1 Cash flow base | | | | | | |
| Depreciation and amortization | 579.8 | 281.9 | 324.5 | 42.6 | 15.1 % | 640.0 |
| Depreciation of tangible assets ^{*2} (A) | 132.4 | 65.2 | 71.8 | 6.5 | 10.0 % | |
| Amortization of intangible assets (B) | 447.4 | 216.7 | 252.7 | 36.0 | 16.6 % | |
| Of which Amortization associated with products (C) | 418.8 | 204.1 | 240.8 | 36.7 | 18.0 % | 480.0 |
| Of which Amortization excluding intangible assets associated with products (D) | 28.6 | 12.6 | 11.9 | (0.7) | (5.6)% | |
| *2 Excluding depreciation from investment properties | | | | | | |
| Depreciation and amortization (excluding intangible assets associated with products) (A)+(D) | 161.0 | 77.8 | 83.7 | 5.8 | 7.5 % | 160.0 |
| Impairment losses | 54.5 | 1.5 | 32.9 | 31.4 | — % | |
| Impairment losses associated with products | 54.1 | 1.5 | 32.8 | 31.4 | — % | 50.0 |
| Amortization and impairment losses on intangible assets associated with products | 472.9 | 205.5 | 273.6 | 68.1 | 33.1 % | 530.0 |

FY2022 Detailed Forecast



| (BN JPY) | FY2021 Actual | FY2022 Original Forecast (May 11, 2022) | FY2022 Revised Forecast (Oct 27, 2022) | FY2022 Revised Forecast % change vs. PY |
|---|------------------|--|---|--|
| Revenue | 3,569.0 | 3,690.0 | 3,930.0 | 10.1 % |
| R&D expenses | (526.1) | (570.0) | (620.0) | (17.9)% |
| Amortization of intangible assets associated with products | (418.8) | (438.0) | (480.0) | (14.6)% |
| Impairment losses on intangible assets associated with products | (54.1) | (50.0) | (50.0) | 7.6 % |
| Other operating income | 43.1 | 12.0 | 13.0 | (69.9)% |
| Other operating expenses | (159.1) | (73.0) | (100.0) | 37.1 % |
| Operating profit | 460.8 | 520.0 | 530.0 | 15.0 % |
| Finance income (expenses), net | (142.9) | (107.0) | (105.0) | 26.5 % |
| Profit before tax | 302.6 | 411.0 | 426.0 | 40.8 % |
| Net profit attributable to owners of the Company | 230.1 | 292.0 | 307.0 | 33.4 % |
| Basic EPS (yen) | 147 | 188 | 198 | 34.4 % |
| Core Revenue* ¹ | 3,420.5 | 3,690.0 | 3,930.0 | 14.9 % |
| Core Operating Profit* ¹ | 955.2 | 1,100.0 | 1,180.0 | 23.5 % |
| Core EPS (yen) | 425 | 484 | 525 | 23.6 % |
| USD/JPY (yen) | 112 | 119 | 132 | 18.3 % |
| EUR/JPY (yen) | 131 | 133 | 138 | 5.9 % |

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow, for the definition and A-20 FY2022 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast, for reconciliation.



FY2022 Core Operating Profit Adjustment Items & Cash Flow Forecast

CORE OPERATING PROFIT ADJUSTMENT ITEMS

| (Billion JPY) | FY2022 H1 | FY2022 Revised Forecast (Oct 27, 2022) |
|--|--------------|--|
| Amortization of intangible assets associated with products | 240.8 | 480.0 |
| <i>Of which Shire-acquisition related</i> | <i>195.3</i> | <i>390.0</i> |
| Impairment losses on intangible assets associated with products | 32.8 | 50.0 |
| Other operating income | (13.5) | (13.0) |
| Other operating expenses | 83.4 | 100.0 |
| Other Core Operating Profit adjustments | 26.7 | 33.0 |
| <i>Of which Shire-acquisition related to unwind of inventories step-up</i> | <i>21.9</i> | <i>25.0</i> |
| Total core operating profit adjustments | 370.2 | 650.0 |

CASH FLOW GUIDANCE

| (Billion JPY) | FY2022 H1 | FY2022 Revised Forecast (Oct 27, 2022) |
|--|-----------|--|
| Free cash flow | 296.9 | 650.0 to 750.0 |
| CAPEX (cash flow base) | (139.0) | (260.0) to (310.0) |
| Depreciation and amortization (excluding intangible assets associated with products) | (83.7) | (160.0) |
| Cash tax rate on adjusted EBITDA (excluding divestitures) | N/A | mid-teen % |



FY2022 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) | Others | |
| Revenue | 3,930.0 | | | | | 3,930.0 |
| Cost of sales | | | | | 28.0 | |
| Gross Profit | | | | | 28.0 | |
| SG&A and R&D expenses | | | | | 5.0 | |
| Amortization of intangible assets associated with products | (480.0) | 480.0 | | | | — |
| Impairment losses on intangible assets associated with products | (50.0) | | 50.0 | | | — |
| Other operating income | 13.0 | | | (13.0) | | — |
| Other operating expenses | (100.0) | | | 100.0 | | — |
| Operating profit | 530.0 | 480.0 | 50.0 | 87.0 | 33.0 | 1,180.0 |

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