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Better health for people, Brighter future for the world

FY2022 Q3 Earnings Announcement

February 2nd, 2023

Better Health, Brighter Future

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

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

Exchange Rates

In this presentation, certain amounts presented in Japanese yen have been translated to US dollars solely for the convenience of the reader. Except where otherwise noted, these convenience translations have been made at an exchange rate of 1USD = 131.81 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on December 30, 2022. The rate and methodologies used for these convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of Takeda's consolidated financial statements. These translations should not be construed as a representation that the relevant Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

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AGENDA

Introduction ..... **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 Q3 YTD: EXECUTING STRATEGY & DELIVERING RESULTS

Delivering Topline & Core Profit Growth

- Strong 3Q YTD with Core Revenue growth +4.5% at CER[1,2] driven by Growth & Launch Products +20% at CER
- Q3 YTD Core Operating Profit margin 31.1%
- On track to full-year Management Guidance

FY2022 Q3 YTD RESULTS SUMMARY

(BN YEN, except EPS)	REPORTED		CORE[1]		
	FY2022 Q3 YTD	ACTUAL % CHANGE	FY2022 Q3 YTD	ACTUAL % CHANGE	CER[2] % CHANGE
REVENUE	3,071.3	+13.9%	3,071.3	+19.8%	+4.5%
OPERATING PROFIT	401.9	-13.1%	954.7	+26.0%	+9.7%
EPS	184 yen	+19.6%	456 yen	+37.0%	+17.1%

Progress in our Innovative Pipeline

- QDENGA approved in EU for individuals 4 years of age and older; granted priority review by U.S. FDA
- Three positive late-stage clinical trial data readouts:
  - TAK-755 in cTTP (Ph-3 interim)
  - LIVTENCITY in 1L CMV in HSCT (Ph-3)
  - TAK-999 (fazirsiran) in AATD-LD (Ph-2b)
- TAK-861 met prespecified criteria to advance to Phase 2
- Agreement to acquire NDI-034858, a potential best-in-class oral allosteric TYK2 inhibitor, from Nimbus Therapeutics
- Agreement to acquire global (ex-China) license of fruquintinib, a highly selective oral VEGFR1/2/3 TKI, from HUTCHMED

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.

For full glossary of abbreviations please refer to appendix.

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Chief Financial Officer

Q&A Session

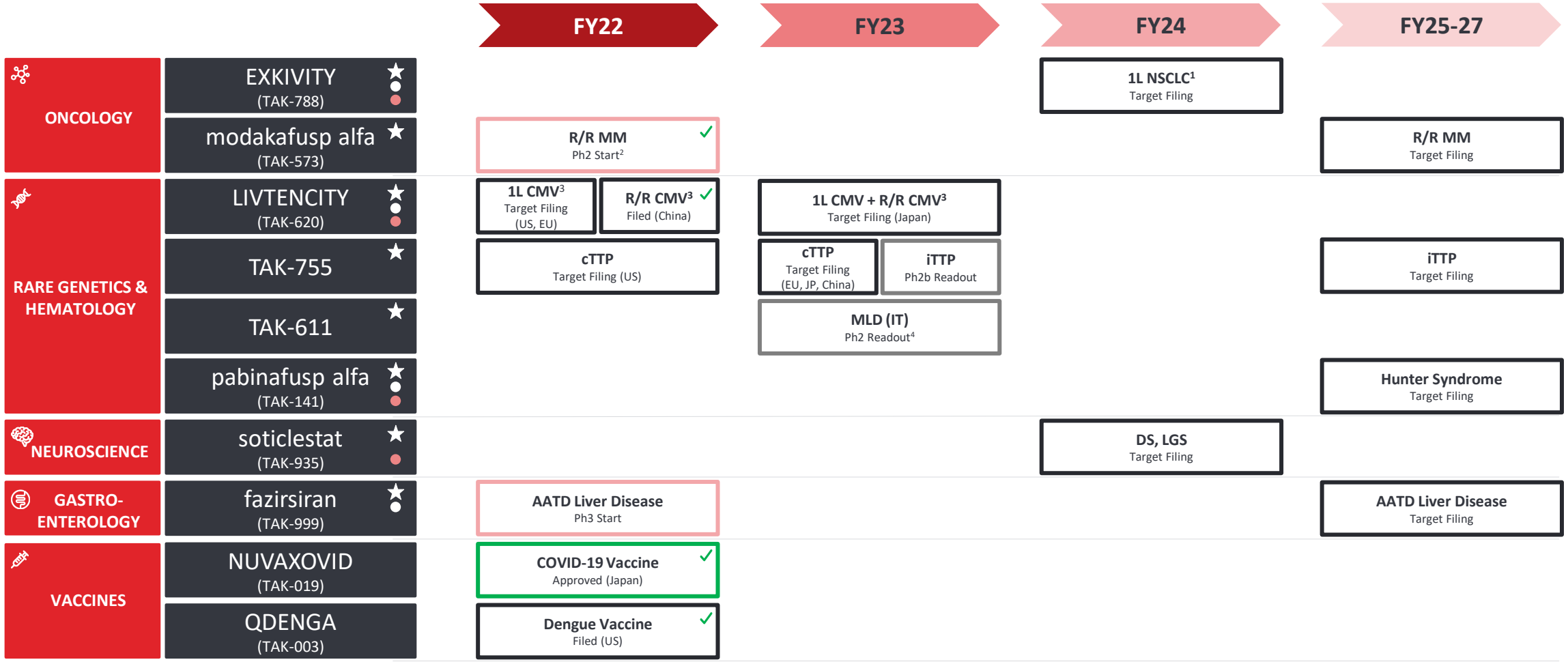
UPDATES TO OUR PIPELINE SINCE FY2022 Q2 ANNOUNCEMENT

REGULATORY UPDATES	**QDENGA** **TAK-003**	• Approved in EU; positive CHMP opinion for dengue-endemic countries that participated in EMA EU-M4all • Filed in U.S. and granted priority review by U.S. FDA • Review ongoing in endemic countries
CLINICAL UPDATES	**TAK-755**	• Ph-3 trial interim analysis in cTTP: Robust efficacy and safety profile versus SoC; U.S. filing expected FY22 • Two cTTP case reports published in NEJM[1]
	LIVTENCITY **maribavir**	• 1L CMV infection in HSCT Ph-3 AURORA trial showed evidence of durable anti-viral efficacy and confirmed favorable safety despite missing primary endpoint. Engaging regulatory agencies about filing strategy
	ICLUSIG **ponatinib**	• 1L Ph+ ALL positive Ph-3 PhALLCON trial. Data from this trial will be discussed with regulatory agencies and shared with the scientific community
	fazirsiran **TAK-999**	• Alpha-1 antitrypsin deficiency associated liver disease (AATD-LD): positive Ph-2b SEQUOIA trial • Ph-3[2] start expected in FY22
	TAK-861	• Met prespecified criteria to advance to Ph-2 • Ph-2b[3] in narcolepsy type 1 (NT1) and narcolepsy type 2 (NT2) started January 2023
	TAK-341	• Ph-2 study start in Multiple System Atrophy (MSA)
BUSINESS DEVELOPMENT	**NDI-034858**[4]	• Takeda to acquire late-stage, potential best-in-class, oral allosteric TYK2 inhibitor from Nimbus Therapeutics • Ph-2b psoriasis data to be presented in March 2023
	fruquintinib[5]	• Takeda to acquire exclusive WW (ex-China) license of HUTCHMED's fruquintinib, a highly selective, oral VEGFR1/2/3 TKI with submissions planned in refractory mCRC for the U.S., EU and JP in 2023

1. N Engl J Med 2022; 387:2356-2361, N Engl J Med 2022; 387:2391-2392
2. Fazisiran phase 3 on clinicaltrials.gov: NCT05677971
3. TAK-861 phase 2b on clinicaltrials.gov: NT1 NCT05687903, NT2 NCT05687916
4. Closing of the transaction is contingent on completion of review under antitrust laws, including the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976. NDI-034858 to be known as TAK-279 upon closure of the transaction
5. This transaction is subject to customary closing conditions, including completion of antitrust reviews

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.

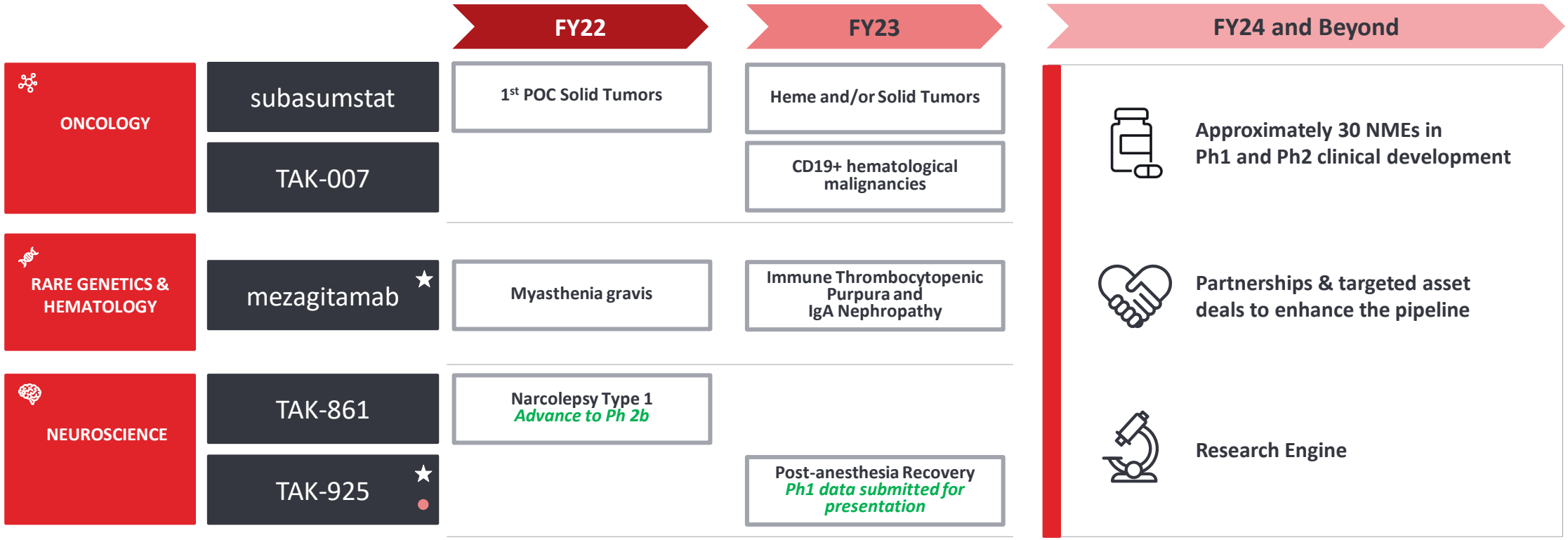
○ US Breakthrough and/or EU PRIME designations in at least one indication
● Japan SAKIGAKE and/or China Breakthrough designations in at least one indication
☆ Orphan drug designations in at least one indication

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

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

All timelines are approximate estimates as of February 2, 2023, 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.

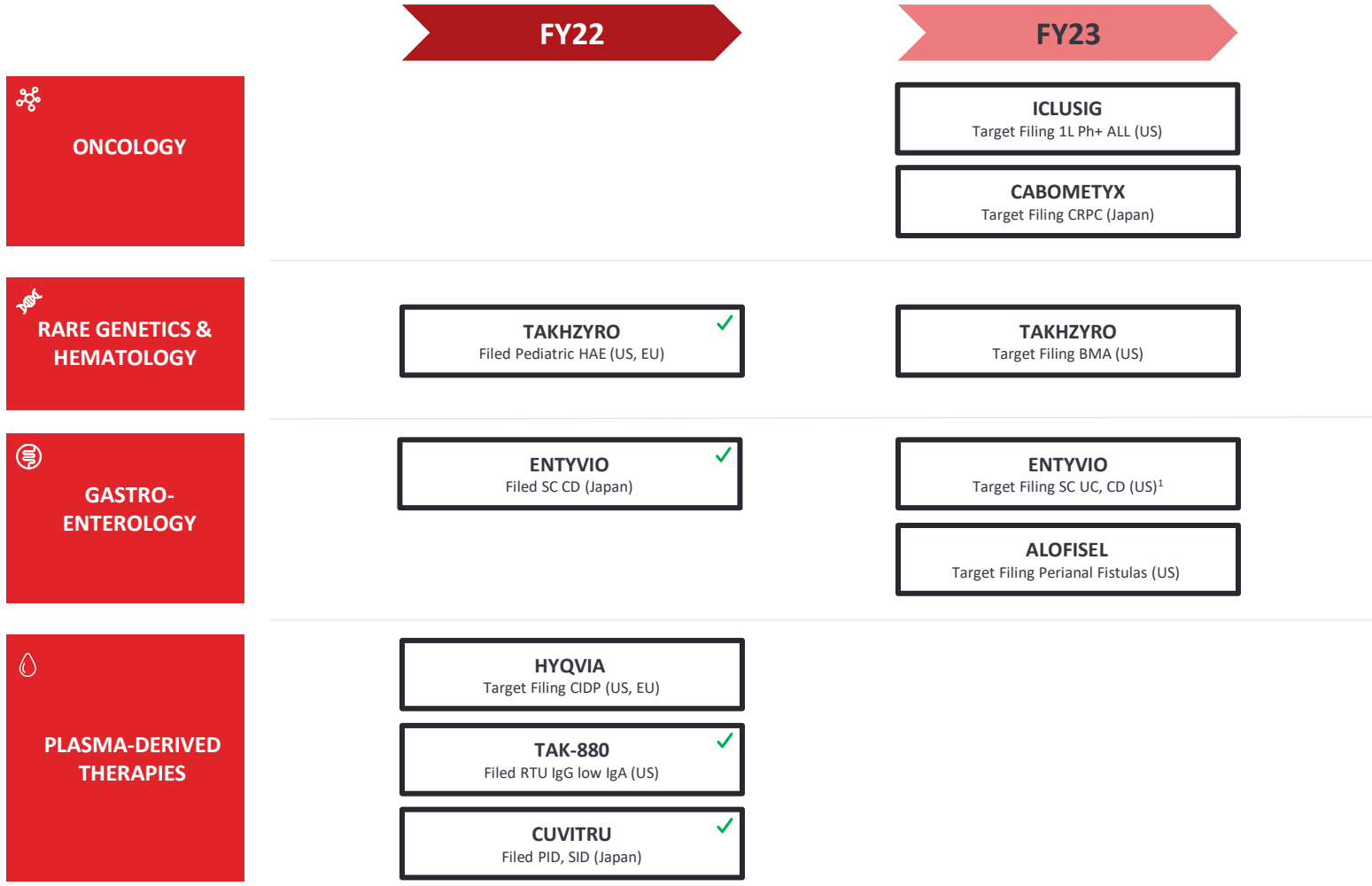
WE CONTINUE TO ADVANCE OUR MID-STAGE PIPELINE



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 February 2, 2023, 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



Approved Study readout Target Filing Milestone achieved

1. ENTYVIO SC for UC in the US will be a resubmission after receiving FDA CRL in 2019

All timelines are approximate estimates as of February 2, 2023, 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 REGULATORY DECISIONS AND PHASE 3 READOUTS IN FY22

KEY POTENTIAL REGULATORY APPROVALS	QDENGA	Dengue vaccine	EU approval[1] Endemic country approval[1]	✓ ✓
	LIVTENCITY	Post-transplant R/R CMV	EU approval	✓
	EXKIVITY	2L EGFR exon20 insertion+ mNSCLC (post-platinum chemo)	Regional approvals[2] EU filing withdrawn	✓ ✗
	HYQVIA	HyHub AVA[3] device	US clearance[4]	→
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. QDENGA has been approved in Indonesia, the EU, Iceland, Norway and the UK
2. Switzerland, Australia, South Korea and China
3. HyHub: Advanced vial access or sterile, single-use, medical device that simplifies preparation & delivery of HYQVIA from vials to subcutaneous tissue.
4. Regulatory discussions are on-going and anticipate a decision by the FDA in the first half FY2023.

✓ Milestone achieved in Q3 FY22

✓ Milestone achieved in H1 FY22

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

All timelines are approximate estimates as of February 2, 2023, 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.

TAK-755: ROBUST EFFICACY AND SAFETY IN FIRST AND ONLY PIVOTAL PHASE 3 STUDY IN cTTP

Disease Background

- cTTP is blood clotting disorder with life-threatening acute episodes and debilitating chronic symptoms
- cTTP: ultra-rare, est. prevalence 2-6 cases/million
- TAK-755 is the first von Willebrand factor cleaving protease (rADAMTS13) replacement therapy to directly address the underlying cause of TTP

Phase 3 Interim Analysis

Key outcomes in cTTP:

- Randomized cross-over phase 3
- Incidence of Thrombocytopenia events
  - TAK-755 **60% reduction** vs. SoC[1]
- % patients with treatment related adverse events

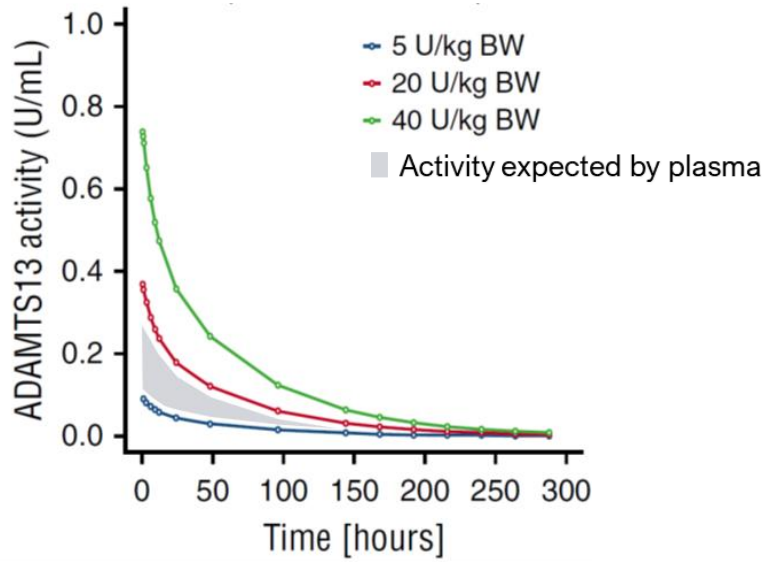
TAK-755	SoC
8.9%	47.7%

Next Steps

- Filing in U.S. expected in FY22
- Filing in EU, JP, China expected in FY23
- Presentation at scientific meeting
- Phase 2 start in iTTP FY22

PHASE 1: ADAMTS13 PK PROFILE AFTER TAK-755 INFUSION

TAK-755 Phase I, open-label, dose escalation study in cTTP[2]



- TAK-755 well tolerated with no significant safety signals
- No anti-ADAMTS13 antibodies detected
- 40 U/kg Q2W or Q1W used in phase 3 cTTP study
- Plasma typically provides 10 U/kg (10 mL/kg infusion)

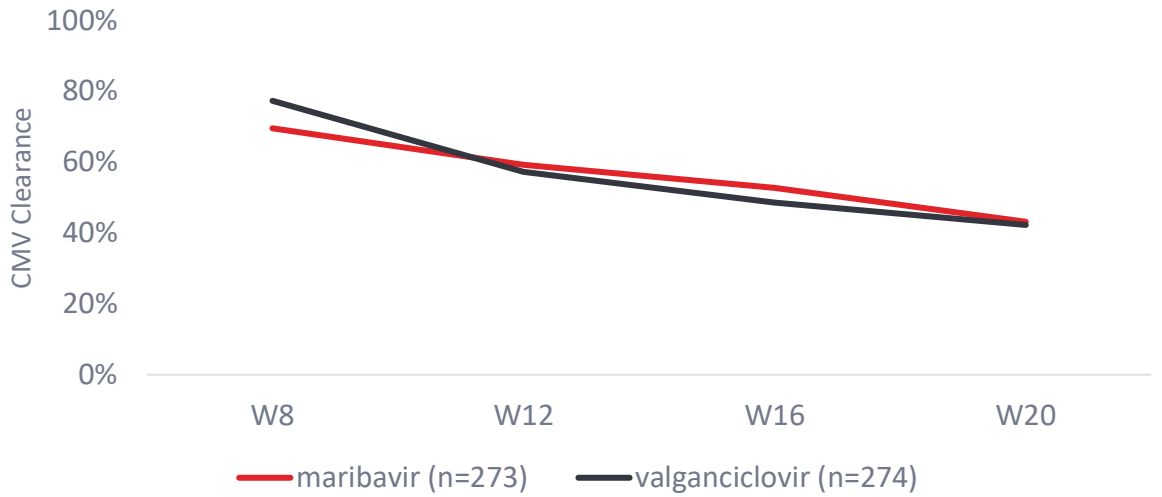
1. Standard of care: Fresh Frozen Plasma, solvent/detergent treated plasma or coagulation factor concentrates
2. Blood 2017; vol. 130, number 19, 2055-63

LIVTENCITY: PHASE 3 DATA DEMONSTRATED CLINICALLY MEANINGFUL AND DURABLE EFFECT IN 1L CMV INFECTION FOR HSCT

AURORA study primary endpoint: Proportion of patients who achieved confirmed CMV viremia clearance week 8 maribavir vs. valganciclovir

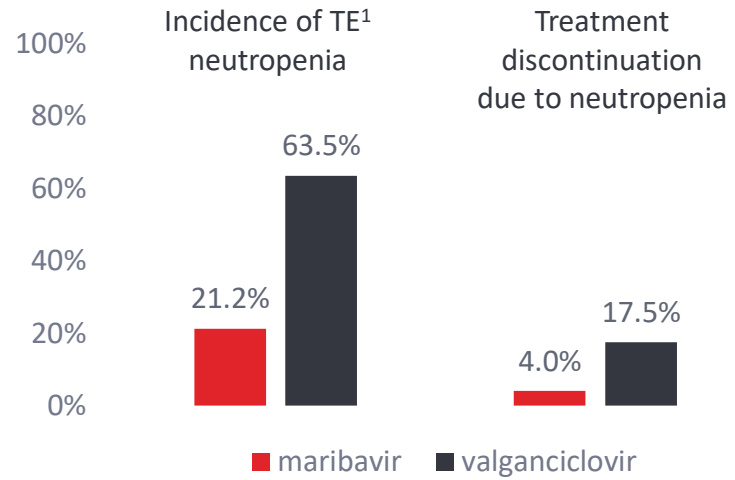
Key Outcomes in 1L CMV

Week 8 CMV clearance: 69.6% maribavir vs. 77.4% valganciclovir 7% non-inferiority margin missed



Sustained anti-viral efficacy observed with maribavir during post-treatment evaluations at weeks 12, 16 (key secondary endpoint), and 20

Maribavir's favorable safety profile reaffirmed



Most common AEs reported with maribavir: Nausea (27.5%) and dysgeusia (25.6%)

Next Steps

- Discussion with agencies about path forward
- Full data results in a peer-reviewed journal

1. TE: Treatment emergent
Data on file. Please see Press Release for more details

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STRONG YTD PERFORMANCE WITH CORE REVENUE GROWTH +4.5% AT CER[1,2]

FY2022 Q3 YTD (APR-DEC)

TOPLINE

- **Core Revenue JPY 3,071.3B (USD 23.3B)[1,3] grew +4.5% at CER[2]** driven by Growth & Launch Products +20%
- **Reported Revenue grew +13.9%** as business momentum and FX more than offset sale of diabetes portfolio in prior year

MARGINS

- **Core Operating Profit JPY 954.7B (USD 7.2B)[1,3] grew +9.7% at CER;[2]** Core Operating Profit margin 31.1%
- **Reported Operating Profit JPY 401.9B;** decline of -13.1% impacted by gain on sale of diabetes portfolio in prior year

CASH FLOW

- **Free Cash Flow JPY 585.2B (USD 4.4B)[3,4]**
- **Net Debt / Adjusted EBITDA[5] at 2.5x** reduced from 2.8x in March 2022 even after full-year dividend payment

ON TRACK TO FULL-YEAR FY2022 MANAGEMENT GUIDANCE

- Strong revenue, profit, and cash flow performance, with Growth & Launch Products more than offsetting 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 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

BUSINESS MOMENTUM DRIVING STRONG CORE GROWTH AT CER

FY2022 Q3 YTD (APR-DEC) FINANCIAL RESULTS (SUMMARY)

(BN YEN, except EPS)	REPORTED		CORE		
	FY2022 Q3 YTD	ACTUAL % CHANGE	FY2022 Q3 YTD	ACTUAL % CHANGE	CER % CHANGE
REVENUE	3,071.3	+13.9%	3,071.3	+19.8%	**+4.5%**
OPERATING PROFIT	401.9	-13.1%	954.7	+26.0%	**+9.7%**
Margin	*13.1%*	*-4.1pp*	*31.1%*	*+1.5pp*	
NET PROFIT	285.9	+18.4%	707.2	+35.6%	**+15.9%**
EPS	184 yen	+19.6%	456 yen	+37.0%	**+17.1%**

OPERATING CASH FLOW	683.5	-8.6%
FREE CASH FLOW	585.2	-12.8%

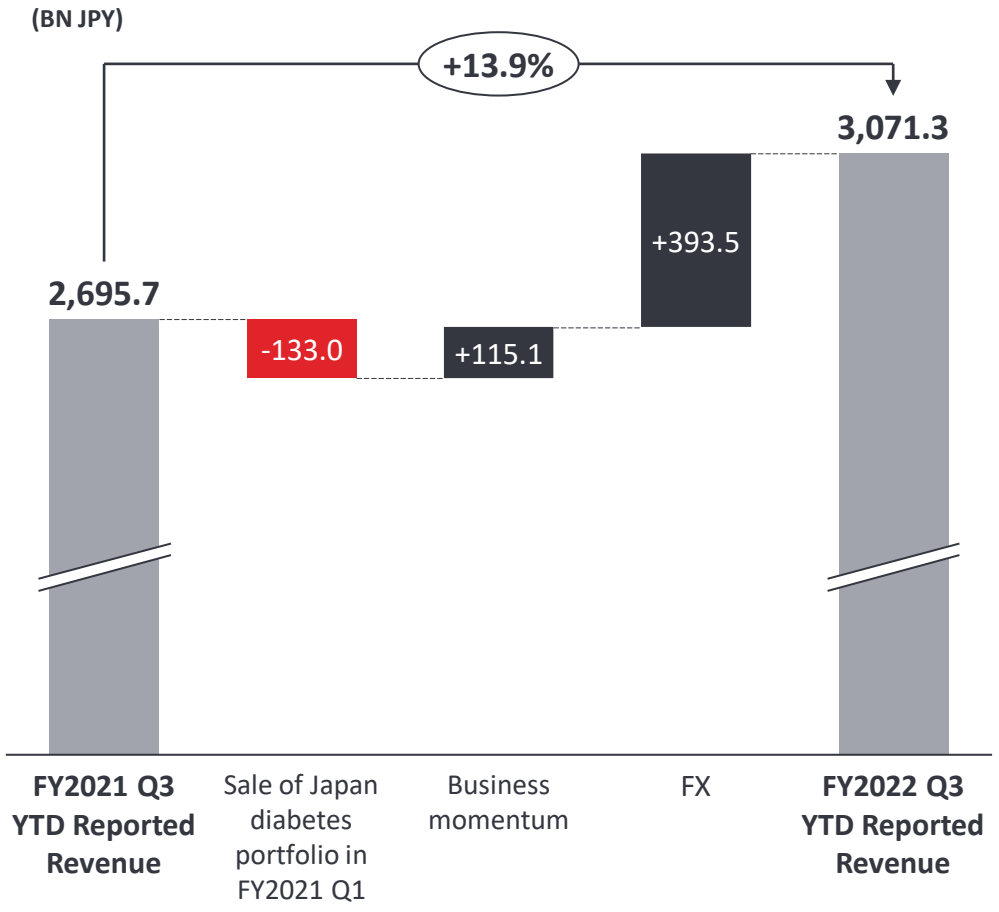
- Year-on-year cash flow impacted by JPY 131.4B cash from sale of Japan diabetes portfolio received in FY2021 Q1

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.

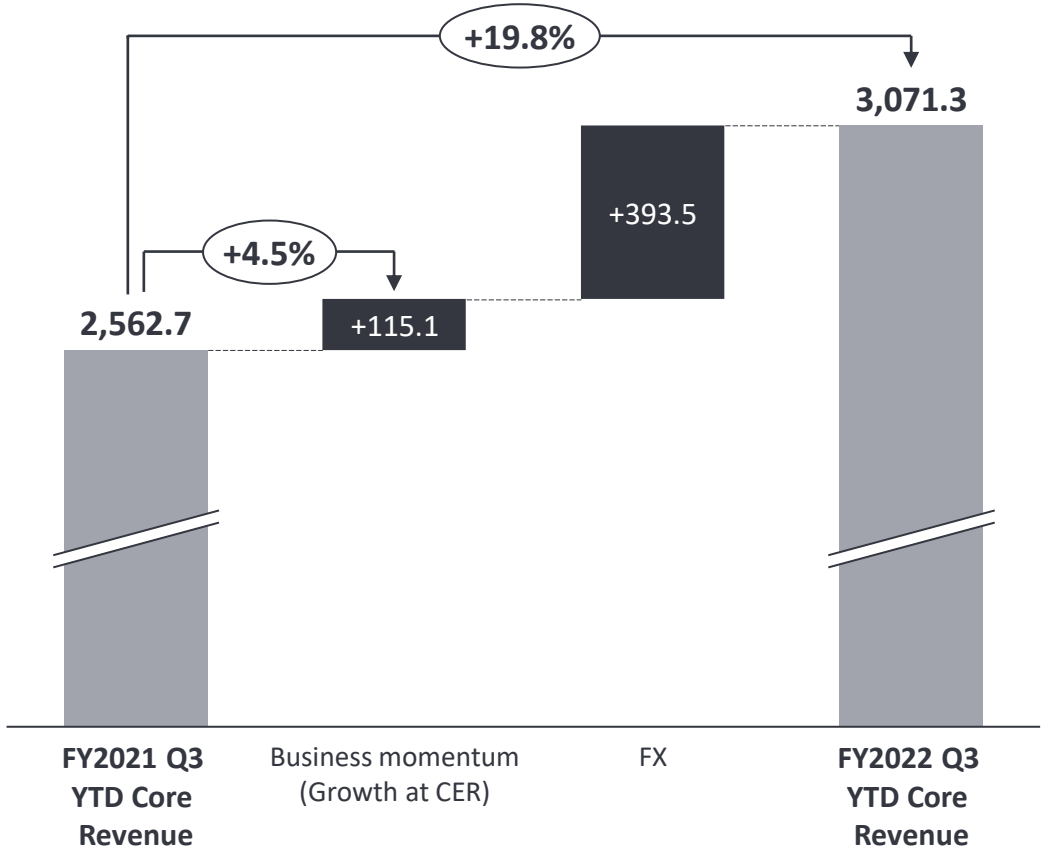
BUSINESS MOMENTUM CONTINUES TO DRIVE STRONG REVENUE GROWTH, ENHANCED BY FX TAILWIND

FY2022 Q3 YTD REVENUE VS PRIOR YEAR

REPORTED REVENUE



CORE REVENUE



Graphs are illustrative

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.

GROWTH & LAUNCH PRODUCTS GREW +20% AT CER IN FY22 Q3 YTD

FY2022 Q3 YTD REVENUE	GI	RARE DISEASES	PLASMA-DERIVED THERAPIES (PDT) IMMUNOLOGY	ONCOLOGY	NEUROSCIENCE	OTHER
	% of Sales: 28% Growth: +11%	% of Sales: 18% Growth: +5%	% of Sales: 16% Growth: +18%	% of Sales: 11% Growth: -13%	% of Sales: 16% Growth: +10%	% of Sales: 11% Growth: -11%
GROWTH & LAUNCH PRODUCTS	Entyvio vedolizumab +17% ALOFISEL +35%	TAKHZYRO (lanadelumab-flyo) injection +25% LIVTENCITY (maribavir) tablets 200mg *New Launch*	GAMMAGARD LIQUID, HyQvia, Cuvitru IMMUNOGLOBULIN +19% Flexbumin (Human Albumin), HUMANALBUMIN ALBUMIN +20%	ALUNBRIG BRIGATINIB +39% EXKIVITY mobocertinib 40 mg capsules *New Launch*		COVID-19 Vaccine spikevax Suspension for Intramuscular Injection (JP) ヌバキソビッド筋注 Nuvaxovid® (JP)
OTHER KEY PRODUCTS	Takecab/Vocinti® Gattex/Revestive®	Advate® Adynovate/Adynovi® Vonvendi® Elaprase® Vpriv® Replagal®(EU,JP)	Glassia® Aralast®	Ninlaro® Iclusig® Adcetris® (ex-N. America) Leuprorelin Zejula®(JP) Cabometyx®(JP)	Vyvanse® Trintellix®(US,JP)	Azilva® (JP)

Total JPY 1,199.6B (USD 9.1B[1]); incremental JPY +350.7B (USD 2.7B[1])

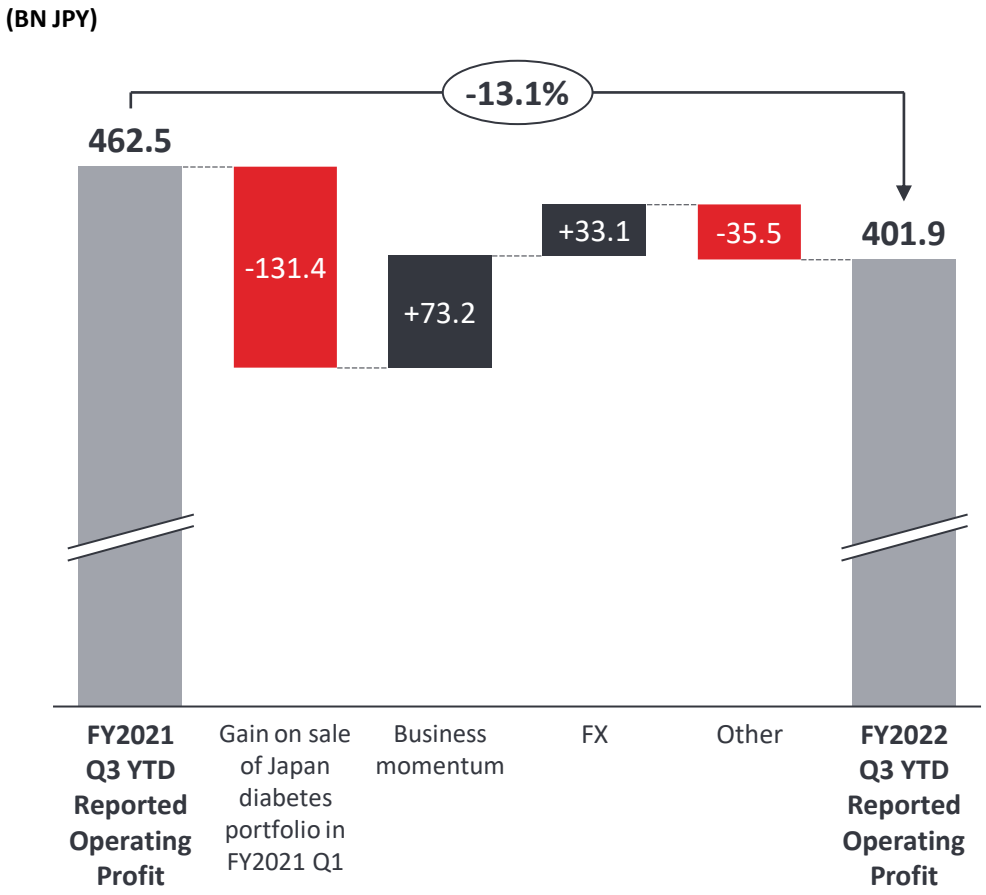
All growth rates indicate FY2022 Q3 YTD revenue growth at Constant Exchange Rate. Please refer to appendix for definition.

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

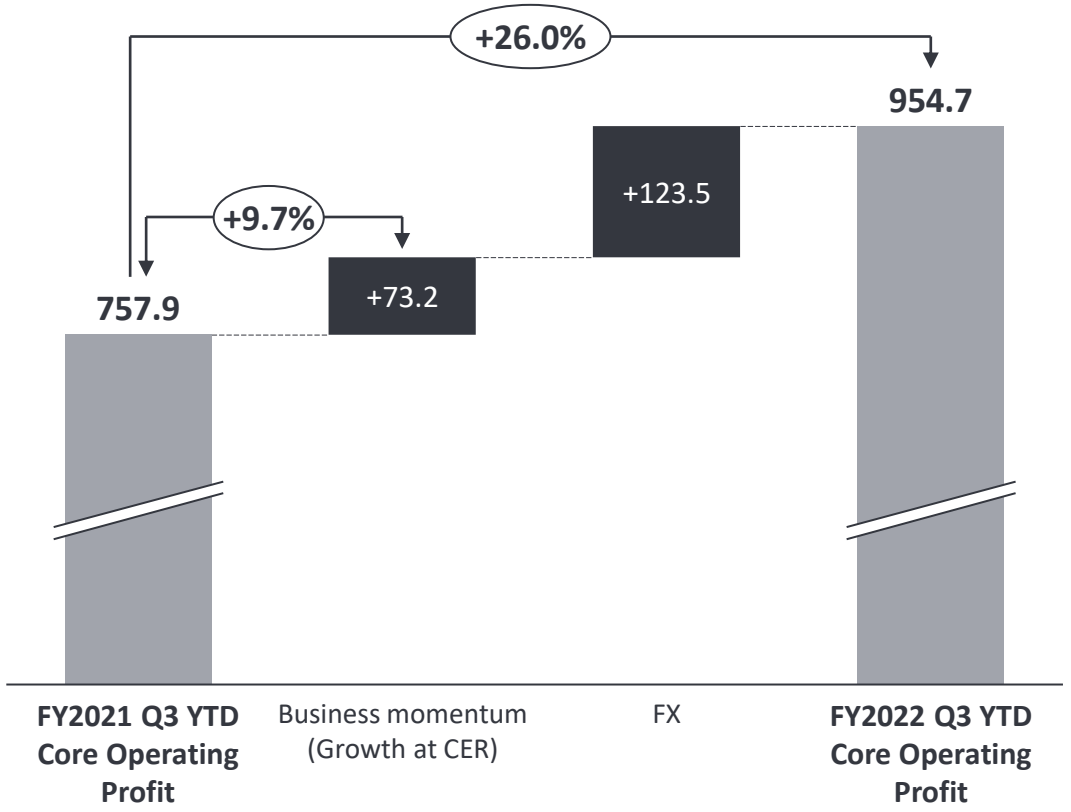
FY2022 Q3 YTD OPERATING PROFIT: CORE O.P. GROWTH OF +9.7% AT CER

FY2022 Q3 YTD OPERATING PROFIT VS PRIOR YEAR

REPORTED OPERATING PROFIT



CORE OPERATING PROFIT

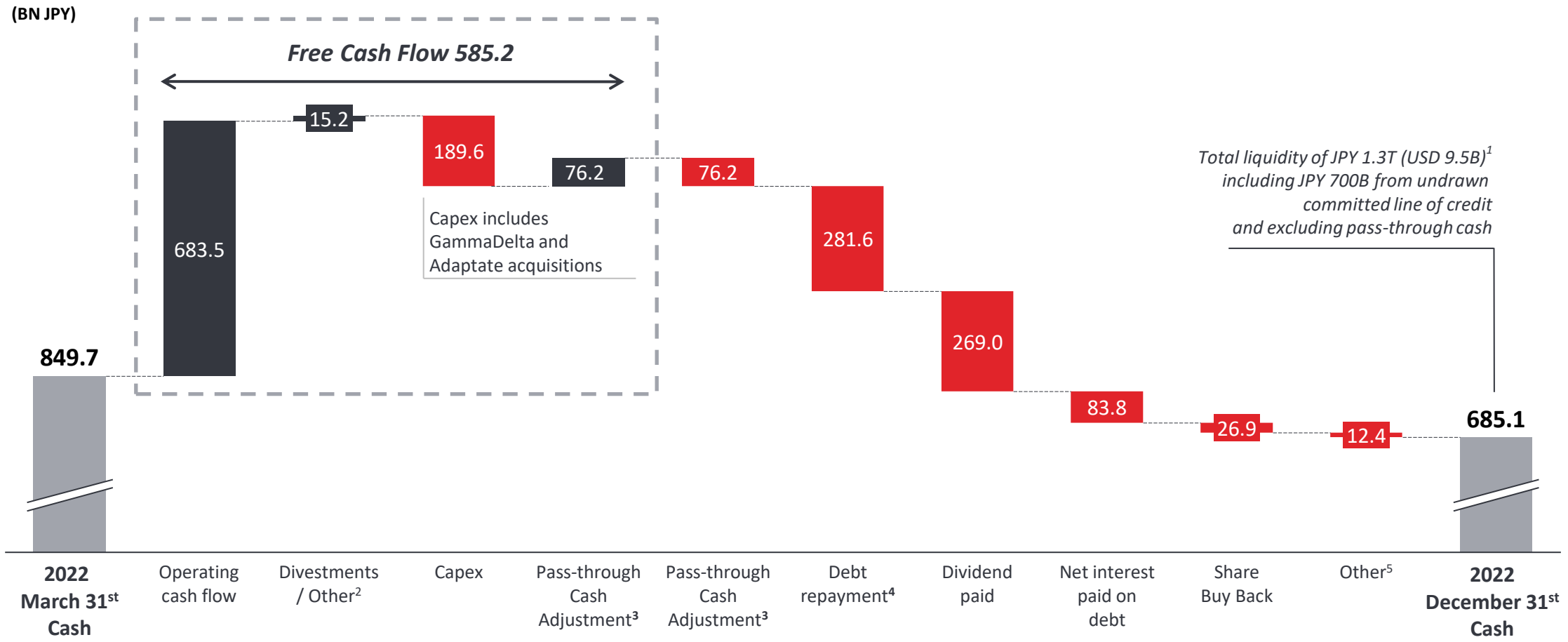


Graphs are illustrative

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.

STRONG YTD FREE CASH FLOW OF JPY 585.2B

FY2022 Q3 YTD CASH FLOW



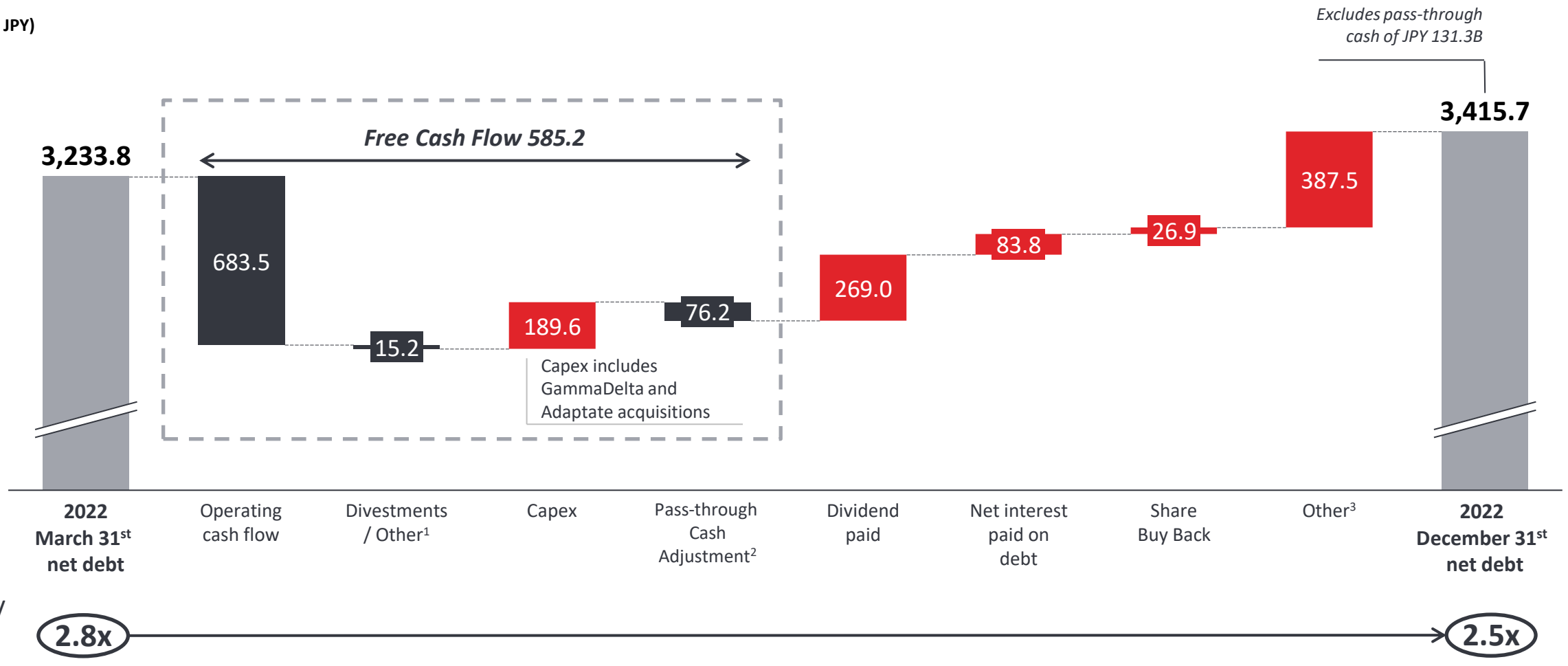
Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.

1. Please refer to disclaimer on Exchange Rates on slide 2.
2. "Divestments / Other" includes proceeds from sale of securities net of certain investments
3. "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.
4. "Debt Repayment" refers mostly to JPY 146.1B ($1B of 4.4% November 2023 USD Bonds), JPY 108.6B (€750M of Floating Rate (3M EURIBOR+110bps) November 2022 EUR Bonds) and JPY 26.8B ($219M of 3.6% June 2022 USD Bonds)
5. "Other" indicates items such as FX impact on cash, lease obligations and certain investments

NET DEBT/ADJUSTED EBITDA REDUCED TO 2.5x

CHANGE IN NET DEBT

(BN JPY)

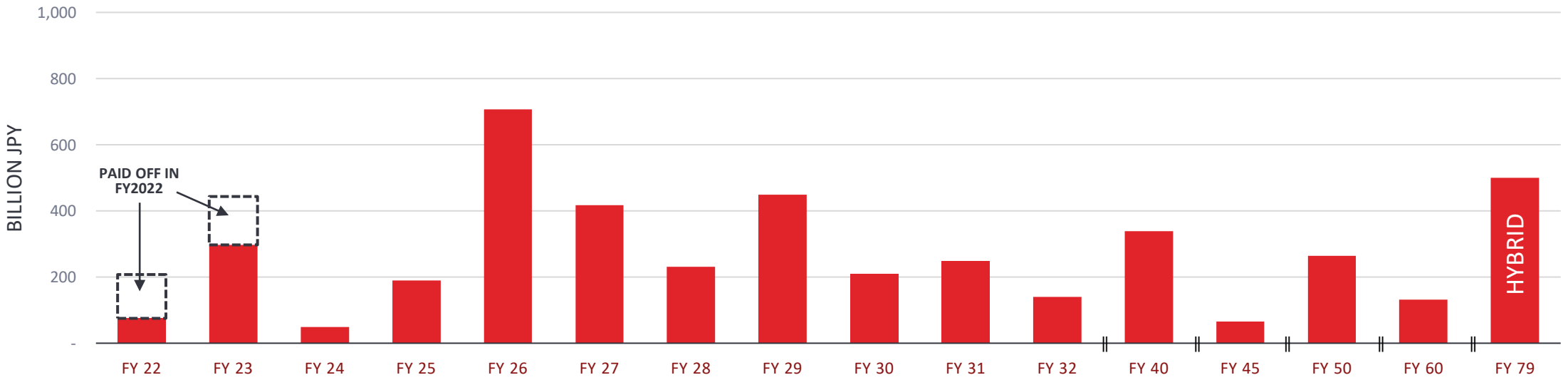


Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.

1. "Divestments / Other" includes proceeds from sale of securities net of certain investments.
2. "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.
3. 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; 100% OF DEBT AT FIXED-RATE WITH WEIGHTED AVERAGE ~2% INTEREST RATE

MATURITY LADDER AS OF 31 DECEMBER 2022[1]



Weighted Average Interest Coupon: ~2% (100% fixed rate debt)

Debt payment in FY2022 YTD: Paid $219M of 3.6% June 2022 USD Bonds,
Paid €750M of Floating Rate (3M EURIBOR+110bps) November 2022 EUR Bonds,
Pre-paid $1.0B of 4.4% November 2023 USD Bonds

1. Debt Maturity Profile of outstanding principal values as of December 31, 2022.
Non-JPY debt principal calculated as at end of December 2022 FX Rates (132.0 JPY/USD and 140.7 JPY/EUR). This reflects the actual conversion rate used for reporting purposes.

ON TRACK TO FULL-YEAR MANAGEMENT GUIDANCE; REPORTED & CORE FORECASTS UNCHANGED

(BN YEN, except EPS)	REPORTED		CORE		CORE GROWTH AT CER
	LATEST FORECAST	VS. PRIOR YEAR	LATEST FORECAST	VS. PRIOR YEAR	FY2022 MANAGEMENT GUIDANCE
REVENUE	3,930.0	+10.1%	3,930.0	+14.9%	Low-single-digit growth
OPERATING PROFIT	530.0	+15.0%	1,180.0	+23.5%	High-single-digit growth
EPS	198 yen	+34.4%	525 yen	+23.6%	High-single-digit growth

FREE CASH FLOW	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.
- Free cash flow forecast does not include the impact of acquisitions that have been announced but not completed yet, including the upfront cash payment for the acquisition of NDI-034858 from Nimbus Therapeutics, LLC, for 4 billion USD, as the exact timing of cash payment is dependent upon deal close.

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.
Please refer to appendix slide A-18 for more details of the FY2022 forecast

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

	FY2022 Q3 YTD (APR-DEC)	OUTLOOK
TOPLINE	Core Revenue growth at CER +4.5%	• On track to "low-single digit" full-year FY22 guidance for Core Revenue growth at CER
MARGINS	Core Operating Profit JPY 954.7B (+9.7% growth at CER) Core Operating Profit margin 31.1%	• On track to "high-single digit" full-year FY22 guidance for Core Operating Profit growth at CER
CASH FLOW	Free Cash Flow JPY 585.2B Net Debt/Adjusted EBITDA 2.5x	• Resilient financial position with strong cash flows • 100% of debt at fixed rates with average interest ~2%

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.

UPCOMING TAKEDA INVESTOR EVENTS

QDENGA INVESTOR CALL	**MARCH 15TH, 2023** WEDNESDAY (7pm EDT start) / **MARCH 16TH, 2023** THURSDAY (8am JST start)
FY2022 Q4 EARNINGS CONFERENCE CALL	**MAY 11th, 2023** (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

RAMONA SEQUEIRA
President,
Global Portfolio Division

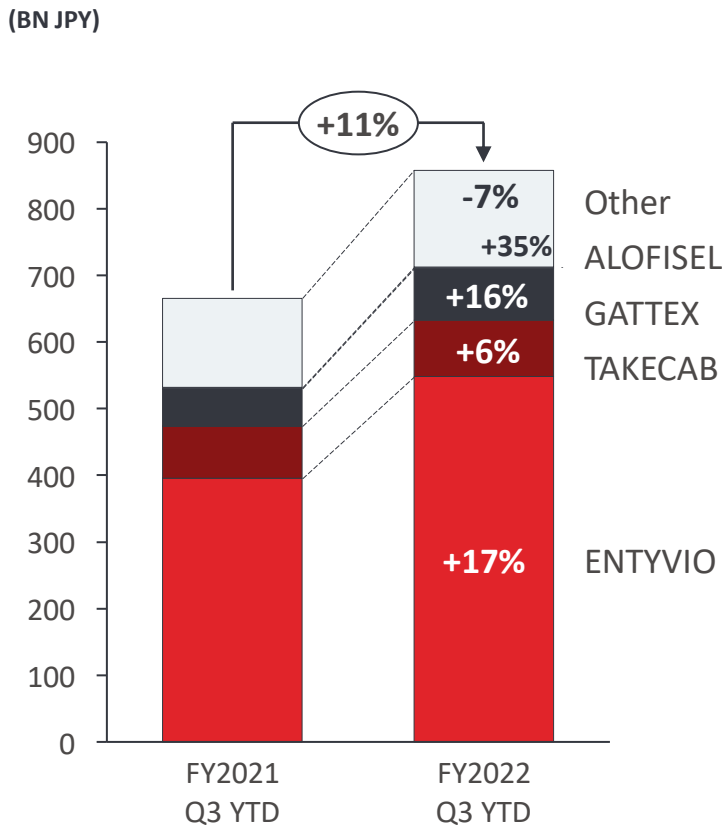
APPENDIX

GASTROENTEROLOGY (GI)

GI FRANCHISE CONTINUES TO DRIVE SIGNIFICANT GROWTH OF +11%

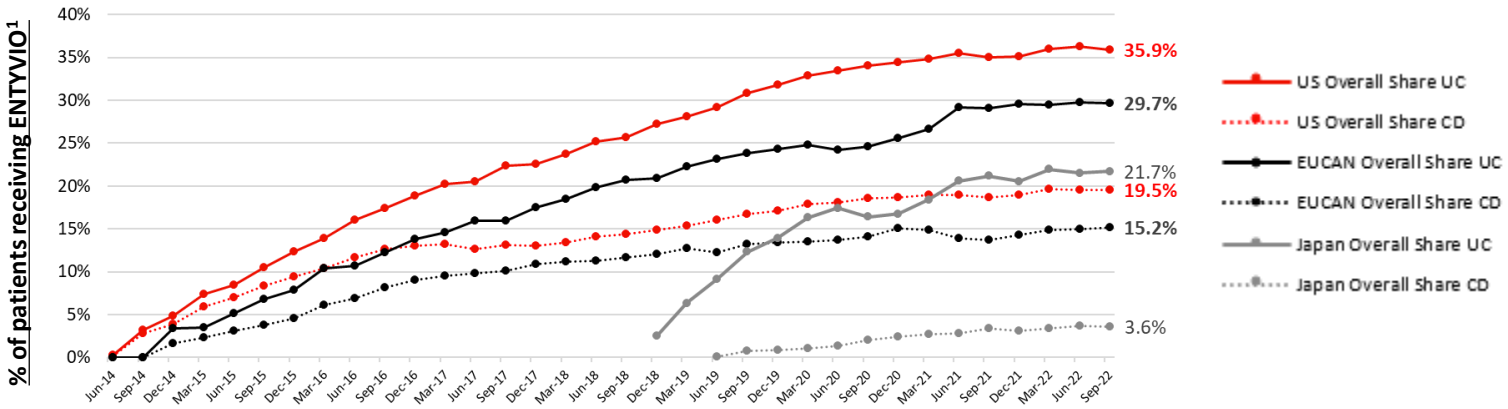
GI PORTFOLIO

FY2022 Q3 YTD REVENUE



Entyvio vedolizumab — FY2022 Q3 YTD Revenue JPY 547.9B (+17.4% growth)

- Growth across all markets driven by continued share growth in bio-naïve, amid softness of overall biologic market growth due to COVID-19 pandemic
  - U.S.: #1 prescribed therapy in bio-naïve for >18 months and UC bio-naïve for over 3 years[1]
  - EU: Subcutaneous launches in Europe progressing well and driving incremental growth
- LCM strategy building on robust evidence generation plan and delivering a continuous stream of data
- Strategic decision not to continue development of needle-free device



Takecab VOCINTI — FY2022 Q3 YTD Revenue JPY 84.5B (+5.5% growth)

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

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).

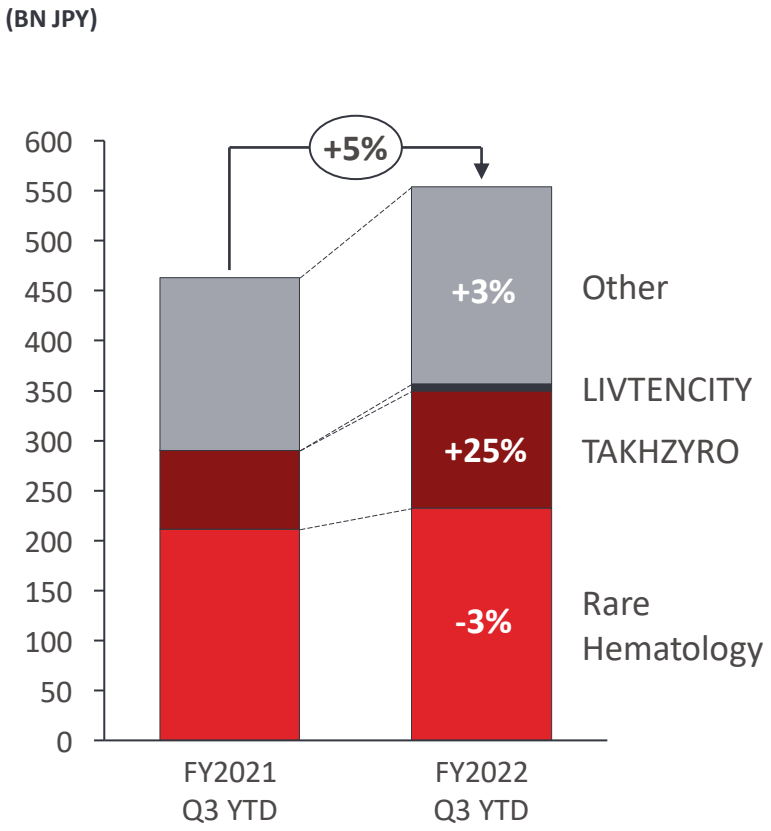
1. Source: US: SHA Medical and Pharmacy Claims data, September 2022; EUCAN: Internal estimate; Japan: Japan Medical Data Center, September 2022
Note: Methodology for calculating EUCAN market share has been updated since prior quarters to more accurately reflect patient split across UC/ CD indications

RARE DISEASES

NOW TREATING OVER 4,000 PATIENTS GLOBALLY WITH TAKHZYRO; LIVTENCITY LAUNCH ENHANCING PORTFOLIO

RARE DISEASES PORTFOLIO

FY2022 Q3 YTD REVENUE



TAKHZYRO (lanadelumab-flyo) injection

FY2022 Q3 YTD Revenue JPY 116.9B (+25.1% growth)

- We observe patients prioritizing effective prevention options like TAKHZYRO as part of their HAE treatment plan
- TAKHZYRO growth fueled by successful launches in 48 countries with strong patient uptake, treating over 4,000 patients globally. Global prophylactic market leader, driven by combination of strong efficacy data, safety profile, and bi-weekly or monthly dosing schedule
- Strong demand growth in the U.S. continues even in the 5th year of launch

---

LIVTENCITY (maribavir) tablets 200mg

Indicators of success since U.S. launch in December 2021

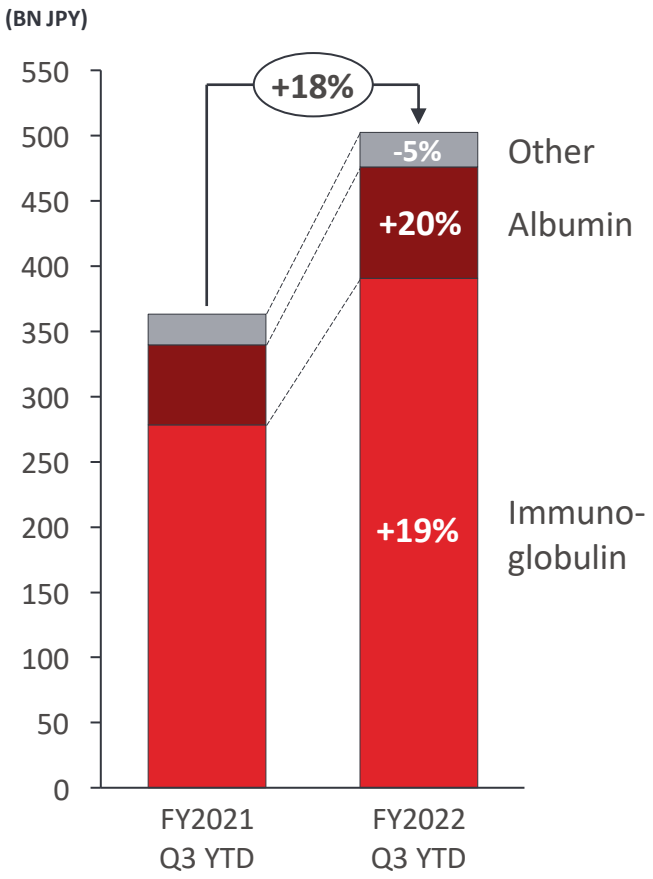
- 87% of U.S. transplant centers have initiated therapy for at least one patient with ~2/3 of those having no prior experience with LIVTENCITY (i.e. through clinical trials)
- Approved by European Commission in November 2022 for the treatment of adults with post-transplant CMV infection and/or disease that are refractory (with or without resistance) to one or more prior therapies
- We see positive market access trends and significant interest from the transplant community following the launch of LIVTENCITY globally

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

PDT PORTFOLIO CONTINUES TO DELIVER OUTSTANDING GROWTH

PDT IMMUNOLOGY PORFOLIO

FY2022 Q3 YTD REVENUE



Immunoglobulin

FY2022 Q3 YTD Revenue JPY 390.5B (+18.9% growth)

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

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

Albumin

FY2022 Q3 YTD Revenue JPY 85.5B (+20.5% growth)

- Solid growth building on last year's momentum, with particularly strong demand for our differentiated product, Flexbumin, in both China and the U.S.
- Anticipate growth at upper end of +10-20% guidance for FY2022 (at CER)

Flexbumin (Human Albumin) · HUMANALBUMIN SOLUTION FOR INFUSION

CONTINUING TO INVEST IN PLASMA DONATION

- Global plasma donation center footprint now 225 centers, an increase of 21 in FY2022 YTD in line with plan to add >25 new centers by end of fiscal year
- Continued ramp-up of new centers and transformative efficiency improvements keep us on track to deliver 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 (vs 2018 baseline)

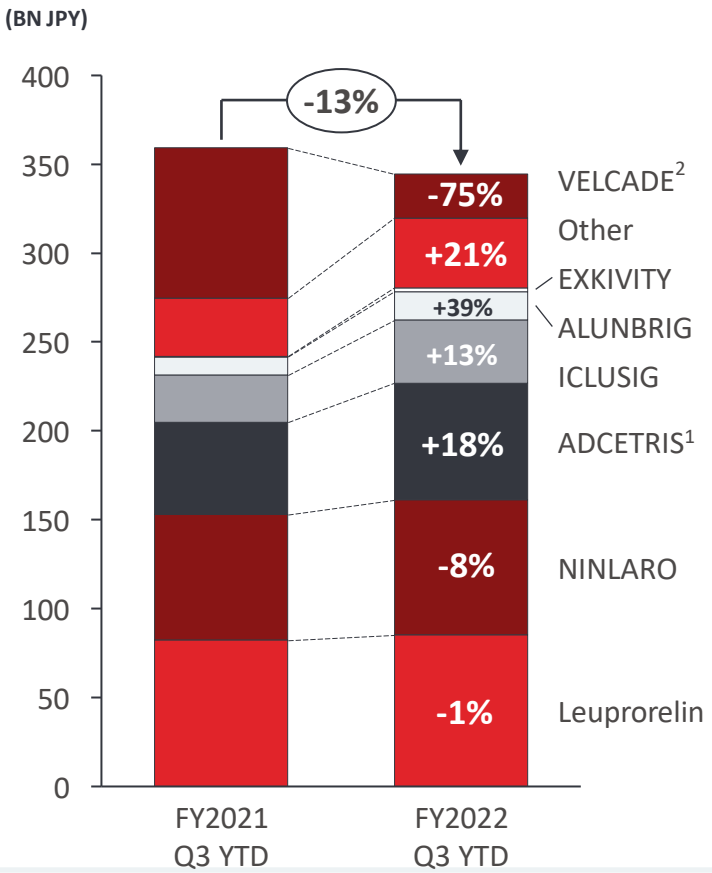
Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

ONCOLOGY

ONCOLOGY GROWTH IMPACTED BY VELCADE GENERICS; PORTFOLIO EXCLUDING VELCADE GREW +7% AT CER

ONCOLOGY PORTFOLIO

FY2022 Q3 YTD REVENUE



EXKIVITY® mobocertinib 40 mg capsules

- Approved in China for EGFR Exon20 Insertion+ NSCLC

ALUNBRIG® BRIGATINIB 30 mg TABLETS

- Included in the 2022 National Reimbursement Drug List in China
- Continued Growth in First Line New Patient Starts

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

- Positive Primary Endpoint Result for Phase 3 PhALLCON Trial in Ph+ ALL, Fast-Progressing Disease with No Targeted Treatments Currently Approved in 1L in the U.S

ADCETRIS® brentuximab vedotin

- Included in the 2022 National Reimbursement Drug List in China

NINLARO® (ixazomib) capsules 4mg | 3mg | 2.3mg

- NICE Recommended NINLARO with len/dex as an Option for Treating RRMM in Adult Patients Who Have Received Two or Three Lines of Therapy

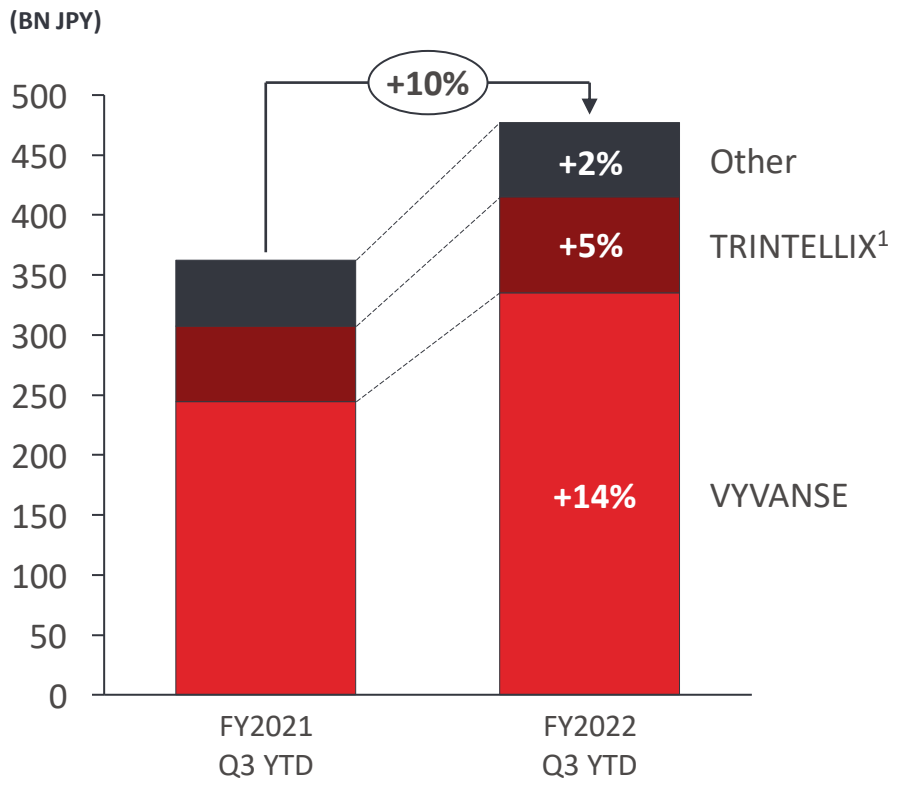
1. ADCETRIS is in-licensed from Seagen Inc.; Takeda has development and marketing rights outside of the U.S. and Canada
2. Generic entrants into US market began May 2022

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).

NEUROSCIENCE FRANCHISE CONTINUES REBOUND FROM COVID-19 IMPACT

NEUROSCIENCE PORTFOLIO

FY2022 Q3 YTD REVENUE



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

FY2022 Q3 YTD Revenue JPY 335.4B (+13.5% 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 Q3 YTD Revenue JPY 79.7B (+4.8% growth)

- Growth in the U.S. Anti-Depressant treatment market has returned to traditional levels (~1-2%) with affordable generic options driving market trajectory (owning ~99% share) and Anxiety treatment market continuing to outperform MDD since the pandemic. 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.

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).

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE

	PHASE 3 (7 NMEs + 22 LCMs)					FILED (1 NME + 10 LCMs)	
ONCOLOGY	**EXKIVITY®** 1L NSCLC EGFR exon 20	**ICLUSIG®** 1L Ph+ ALL (US)	**CABOMETYX®** mCRPC combo w/atezolizumab (JP)	**ZEJULA®** Breast cancer (JP)			
	NINLARO® Maint. ND MM no SCT (US, EU, CN)	**NINLARO®** Maint. ND MM post-SCT (US, EU)	**relugolix** Prostate cancer (JP, CN)				
RARE GENETICS & HEMATOLOGY	**TAK-755** cTTP	**pabinafusp alfa** Hunter Syndrome	**LIVTENCITY®** 1L CMV infect. in HSCT	**LIVTENCITY®** Post-transplant CMV infection (JP)	**OBIZUR®** Recomb antihemophilic factor porcine (JP)	**OBIZUR®** Recomb antihemophilic factor porcine (CN)	**VONVENDI®** vWD on-demand & surgery (CN)
	TAKHZYRO® BMA	**VONVENDI®** vWD Adult Prophylaxis (EU, CN)	**VONVENDI®** vWD on-demand & surgery	**ADYNOVATE®** recombinant Factor VIII Pediatric HemA (EU)		**TAKHZYRO®** Pediatric HAE (US, EU)	
NEUROSCIENCE	**soticlestat** DS	**soticlestat** LGS					
GASTRO-ENTEROLOGY	**ENTYVIO®** SC CD (US)	**ENTYVIO®** SC UC (US)[1]	**ALOFISEL®** Perianal Fistulas in CD (US)	**ALOFISEL®** Pediatric perianal Fistulas in CD		**ENTYVIO®** SC UC (JP)	**ENTYVIO®** SC CD (JP)
	ENTYVIO® Pediatric UC	**ENTYVIO®** Pediatric CD	**ENTYVIO®** GvHD Prophylaxis			**VOCINTI®** *H. Pylori* (CN)	
PDT	**HYQVIA®** CIDP (US, EU)	**HYQVIA®** CIDP, MMN (JP)	**HYQVIA®** PID (JP)	**Prothromplex** DOAC Reversal (US)		**HYQVIA®** HyHub AVA Device (US)	**CUVITRU®** PID, SID (JP)
						HYQVIA® Pediatric PID (US)	**TAK-880** IgG – Low IgA
VACCINES	**Nuvaxovid®** COVID-19 Vaccine Booster (JP)	**QDENGA®** Dengue Vaccine Booster				**QDENGA®** Dengue Vaccine (EU + endemic countries)	**QDENGA®** Dengue Vaccine (US)

1. Currently undergoing development after receiving FDA CRL in 2019

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

APPROVED | NME | LCM

All timelines are approximate estimates as of February 2, 2023, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. For full glossary of abbreviations please refer to appendix.

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE

	PHASE 1 (16 NMEs + 1 LCM)	PHASE 2 (18 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 **TAK-500** Solid tumors **TAK-676** Solid tumors **TAK-280** B7-H3 Solid Tumor[1] **ICLUSIG®** Pediatric Ph+ ALL	★ **modakafusp alfa** R/R MM ★ **subasumstat** Multiple cancers ★ **TAK-007** CD19+ hematologic malignancies
RARE GENETICS & HEMATOLOGY	★ **TAK-755** SCD ★ **mezagitamab** IgAN	★ **mezagitamab** MG ★ **mezagitamab** ITP ★ **TAK-611** MLD (IT) ★ **TAK-755** iTTP
NEUROSCIENCE	★ **TAK-925** Post-anesthesia recovery ★ **TAK-594** Frontotemporal dementia[1] **TAK-920** Alzheimer's Disease	★ **TAK-861** NT1[2] **TAK-071** Parkinson's Disease **TAK-041** Anhedonia in MDD **TAK-653** Inadequate resp. in MDD ★ **TAK-861** NT2[2] ★ **TAK-341** MSA
GASTRO-ENTEROLOGY	**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 **zamaglutenase TAK-062** Celiac Disease **sibofimloc** Crohn's Disease (Post-op Ileitis)
PDT		**CEPROTIN®** SCPCD (JP) **TAK-881** Immunodeficiencies
VACCINES	**TAK-426** Zika Vaccine	

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

NME | LCM

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

All timelines are approximate estimates as of February 2, 2023, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. For full glossary of abbreviations please refer to appendix.

GLOSSARY OF ABBREVIATIONS

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

AATD	α1-antitrypsin deficiency
AATD-LD	α1-antitrypsin deficiency associated liver disease
ADAMTS13	a disintegrin-like and metalloproteinase with a thrombospondin type 1 motifs 13
ADHD	attention deficit hyperactivity disorder
ALK	anaplastic lymphoma kinase
ALCL	anaplastic large-cell lymphoma
ALL	acute lymphocytic leukemia
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
CRC	colorectal cancer
CRL	complete response letter
CRPC	castrate-resistant prostate cancer
cTTP	congenital thrombotic thrombocytopenic purpura
DEE	developmental and epileptic encephalopathies
DLBCL	diffuse large B-cell lymphoma
DOAC	direct oral anti-coagulation
DS	Dravet syndrome
EE H	erosive esophagitis healing
EE M	erosive esophagitis maintenance
EGFR	epidermal growth factor receptor
EMA	European Medicines Agency
EU-M4all	EU-Medicines for all
FDA	the U.S. Food & Drug Administration
FL	front line
FSI	first subject in
FY	fiscal year
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
LSD	lysosomal storage disorder
LCM	lifecycle management
LGS	Lennox-Gastaut syndrome
mAb	monoclonal antibody
mCRC	metastatic colorectal cancer
mCRPC	metastatic castrate-resistant prostate cancer
MAOB	monoamine oxidase B
MDD	major depressive disorder
MG	myasthenia gravis
MLD	metachromatic leukodystrophy
MM	multiple myeloma
MMN	multifocal motor neuropathy
mNSCLC	metastatic non-small cell lung cancer
MSA	multiple system atrophy
NBE	new biological entity
NCE	new chemical entity
ND	newly diagnosed
NDA	new drug application
NEJM	New England Journal of Medicine
NHL	non-Hodgkin lymphoma
NK	natural killer
NME	new molecular entity
NMPA	(China's) 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
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	post-operative 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
RTU	ready to use
sALCL	systemic anaplastic large cell lymphoma
SBS	short bowel syndrome
SC	subcutaneous formulation
SCD	sickle cell disease
SCPCD	severe congenital protein C deficiency
SCT	stem cell transplant
SID	secondary immunodeficiency
SLE	systemic lupus erythematosus
SOC	standard of care
STING	stimulator of interferon genes
SUMO	small ubiquitin-related modifier
TCE	T-cell engager
TE	treatment emergent
TKI	tyrosine kinase inhibitor
TREM2	triggering receptor expressed on myeloid cells 2
TTP	thrombotic thrombocytopenic purpura
TYK2	tyrosine kinase 2
UC	ulcerative colitis
VEGFR	vascular endothelial growth factor receptors
VCD	virologically confirmed dengue
vWD	von Willebrand disease
vWF	von Willebrand factor
WW	worldwide

FINANCIAL APPENDIX

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 Q3 YTD Reported Results with Actual and CER % Change

(Billion JPY)	FY2021 Q3 YTD	FY2022 Q3 YTD	vs. PY		
				ACTUAL % CHANGE	CER % CHANGE*1
Revenue	2,695.7	3,071.3	375.6	13.9%	(0.7)%
Cost of sales	(798.5)	(934.3)	(135.8)	(17.0)%	(3.4)%
Gross profit	1,897.3	2,137.0	239.8	12.6%	(2.4)%
Margin	*70.4 %*	*69.6 %*		*(0.8) pp*	*(1.2) pp*
SG&A expenses	(662.9)	(742.5)	(79.6)	(12.0)%	2.2%
R&D expenses	(382.5)	(472.4)	(89.9)	(23.5)%	(4.9)%
Amortization of intangible assets associated with products	(309.1)	(370.6)	(61.5)	(19.9)%	(0.4)%
Impairment losses on intangible assets associated with products	(14.6)	(38.6)	(24.0)	(165.0)%	(112.2)%
Other operating income	34.3	16.7	(17.6)	(51.3)%	(54.4)%
Other operating expenses	(100.0)	(127.6)	(27.6)	(27.6)%	(8.6)%
Operating profit	462.5	401.9	(60.5)	(13.1)%	(20.3)%
Margin	*17.2 %*	*13.1 %*		*(4.1) pp*	*(3.4) pp*
Finance income	42.9	55.1	12.2	28.4%	17.6%
Finance expenses	(143.5)	(126.8)	16.8	11.7%	16.9%
Share of profit (loss) of investments accounted for using the equity method	(5.3)	(3.1)	2.1	40.4%	58.1%
Profit before tax	356.6	327.2	(29.4)	(8.3)%	(16.5)%
Income tax expenses	(115.1)	(41.3)	73.8	64.1%	61.3%
Net profit for the period	241.5	285.9	44.4	18.4%	4.8%
Non-controlling interests	(0.1)	(0.0)	0.1	84.4%	87.8%
Net profit attributable to owners of the Company	241.4	285.9	44.5	18.4%	4.9%
Basic EPS (yen)	154.09	184.32	30.23	19.6%	5.9%

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

(Billion JPY)	FY2021 Q3 (Oct-Dec)	FY2022 Q3 (Oct-Dec)	vs. PY		
				ACTUAL % CHANGE	CER % CHANGE*1
Revenue	901.3	1,096.6	195.3	21.7%	2.6%
Cost of sales	(281.4)	(336.0)	(54.6)	(19.4)%	(2.3)%
Gross profit	619.9	760.6	140.7	22.7%	2.7%
Margin	*68.8 %*	*69.4 %*		*0.6 pp*	*0.1 pp*
SG&A expenses	(231.1)	(262.3)	(31.2)	(13.5)%	3.8%
R&D expenses	(128.4)	(174.6)	(46.3)	(36.0)%	(11.9)%
Amortization of intangible assets associated with products	(105.0)	(129.8)	(24.8)	(23.6)%	0.9%
Impairment losses on intangible assets associated with products	(13.1)	(5.8)	7.3	55.8%	65.1%
Other operating income	14.7	3.2	(11.5)	(78.3)%	(77.7)%
Other operating expenses	(40.6)	(44.3)	(3.7)	(9.1)%	11.2%
Operating profit	116.5	147.0	30.5	26.2%	10.8%
Margin	*12.9 %*	*13.4 %*		*0.5 pp*	*1.0 pp*
Finance income	4.1	41.7	37.5	905.5%	918.1%
Finance expenses	(46.7)	(79.7)	(33.0)	(70.7)%	(57.1)%
Share of profit (loss) of investments accounted for using the equity method	(1.7)	(1.8)	(0.0)	(2.1)%	20.3%
Profit before tax	72.2	107.2	35.0	48.4%	33.6%
Income tax expenses	(14.4)	12.0	26.4	—	—
Net profit for the period	57.8	119.1	61.3	106.1%	87.1%
Non-controlling interests	(0.1)	(0.0)	0.0	56.3%	65.2%
Net profit attributable to owners of the Company	57.8	119.1	61.4	106.2%	87.2%
Basic EPS (yen)	36.91	76.63	39.72	107.6%	88.5%

*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 Q3 YTD Core Results with Actual and CER % Change

(Billion JPY)	FY2021 Q3 YTD	FY2022 Q3 YTD	vs. PY		
				ACTUAL % CHANGE	CER % CHANGE*1
Revenue	2,562.7	3,071.3	508.6	19.8%	4.5%
Cost of sales	(764.7)	(901.7)	(137.0)	(17.9)%	(4.2)%
Gross profit	1,798.0	2,169.6	371.7	20.7%	4.6%
Margin	*70.2 %*	*70.6 %*		*0.5 pp*	*0.1 pp*
SG&A expenses	(659.1)	(742.9)	(83.8)	(12.7)%	1.6%
R&D expenses	(380.9)	(472.1)	(91.2)	(23.9)%	(5.3)%
Operating profit	757.9	954.7	196.7	26.0%	9.7%
Margin	*29.6 %*	*31.1 %*		*1.5 pp*	*1.5 pp*
Finance income	25.2	9.2	(16.0)	(63.7)%	(69.4)%
Finance expenses	(114.2)	(114.2)	0.0	0.0%	4.9%
Share of profit (loss) of investments accounted for using the equity method	3.8	2.5	(1.3)	(34.2)%	(29.6)%
Profit before tax	672.7	852.1	179.4	26.7%	9.0%
Income tax expenses	(151.1)	(144.9)	6.2	4.1%	15.1%
Net profit for the period	521.6	707.2	185.6	35.6%	15.9%
Non-controlling interests	(0.1)	(0.0)	0.1	84.4%	87.8%
Net profit attributable to owners of the Company	521.5	707.2	185.7	35.6%	15.9%
Basic EPS (yen)	333	456	123	37.0%	17.1%

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

(Billion JPY)	FY2021 Q3 (Oct-Dec)	FY2022 Q3 (Oct-Dec)		vs. PY	
				ACTUAL % CHANGE	CER % CHANGE*1
Revenue	901.3	1,096.6	195.3	21.7%	2.6%
Cost of sales	(270.6)	(330.1)	(59.5)	(22.0)%	(4.7)%
Gross profit	630.7	766.4	135.7	21.5%	1.7%
Margin	*70.0 %*	*69.9 %*		*(0.1) pp*	*(0.6) pp*
SG&A expenses	(230.4)	(262.4)	(32.0)	(13.9)%	3.5%
R&D expenses	(128.1)	(174.6)	(46.5)	(36.3)%	(12.1)%
Operating profit	272.2	329.5	57.3	21.0%	1.1%
Margin	*30.2 %*	*30.0 %*		*(0.2) pp*	*(0.4) pp*
Finance income	1.6	39.5	37.9	2,333.4%	2,395.0%
Finance expenses	(32.2)	(76.2)	(44.0)	(136.8)%	(119.3)%
Share of profit (loss) of investments accounted for using the equity method	0.9	(0.2)	(1.1)	—	—
Profit before tax	242.6	292.5	50.0	20.6%	1.0%
Income tax expenses	(56.9)	(32.0)	24.9	43.7%	56.7%
Net profit for the period	185.6	260.5	74.9	40.3%	18.7%
Non-controlling interests	(0.1)	(0.0)	0.0	56.3%	65.2%
Net profit attributable to owners of the Company	185.6	260.5	74.9	40.4%	18.7%
Basic EPS (yen)	119	168	49	41.3%	19.5%

*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 Q3 YTD 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	3,071.3					3,071.3
Cost of sales	(934.3)				32.6	(901.7)
Gross profit	2,137.0				32.6	2,169.6
SG&A expenses	(742.5)				(0.4)	(742.9)
R&D expenses	(472.4)				0.3	(472.1)
Amortization of intangible assets associated with products	(370.6)	370.6				—
Impairment losses on intangible assets associated with products	(38.6)		38.6			—
Other operating income	16.7			(16.7)		—
Other operating expenses	(127.6)			127.6		—
Operating profit	401.9	370.6	38.6	111.0	32.5	954.7
Margin	13.1 %					31.1%
Finance income and (expenses), net	(71.6)				(33.4)	(105.0)
Share of profit (loss) of investments accounted for using the equity method	(3.1)				5.6	2.5
Profit before tax	327.2	370.6	38.6	111.0	4.8	852.1
Tax expenses	(41.3)	(79.4)	(8.2)	(24.1)	8.0	(144.9)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	285.9	291.2	30.4	86.9	12.8	707.2
EPS (yen)	184					456
Number of shares (millions)	1,551					1,551

FY2022 Q3 (Oct-Dec) 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	1,096.6					1,096.6
Cost of sales	(336.0)				5.9	(330.1)
Gross profit	760.6				5.9	766.4
SG&A expenses	(262.3)				(0.1)	(262.4)
R&D expenses	(174.6)				0.1	(174.6)
Amortization of intangible assets associated with products	(129.8)	129.8				—
Impairment losses on intangible assets associated with products	(5.8)		5.8			—
Other operating income	3.2			(3.2)		—
Other operating expenses	(44.3)			44.3		—
Operating profit	147.0	129.8	5.8	41.1	5.8	329.5
Margin	13.4 %					30.0%
Finance income and (expenses), net	(38.1)				1.3	(36.8)
Share of profit (loss) of investments accounted for using the equity method	(1.8)				1.6	(0.2)
Profit before tax	107.2	129.8	5.8	41.1	8.7	292.5
Tax expenses	12.0	(27.9)	(1.2)	(11.0)	(4.0)	(32.0)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	119.1	101.9	4.6	30.1	4.7	260.5
EPS (yen)	77					168
Number of shares (millions)	1,555					1,555

FY2021 Q3 YTD 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	TEVA JV related accounting adjustments	Others	
Revenue	2,695.7				(133.0)				2,562.7
Cost of sales	(798.5)				0.6			33.1	(764.7)
Gross profit	1,897.3				(132.4)			33.1	1,798.0
SG&A expenses	(662.9)				1.0			2.8	(659.1)
R&D expenses	(382.5)							1.6	(380.9)
Amortization of intangible assets associated with products	(309.1)	309.1							—
Impairment losses on intangible assets associated with products	(14.6)		14.6						—
Other operating income	34.3			(33.2)			(1.1)		—
Other operating expenses	(100.0)			100.0					—
Operating profit	462.5	309.1	14.6	66.9	(131.4)		(1.1)	37.5	757.9
Margin	17.2 %								29.6%
Finance income and (expenses), net	(100.6)							11.6	(89.0)
Share of profit (loss) of investments accounted for using the equity method	(5.3)						6.6	2.4	3.8
Profit before tax	356.6	309.1	14.6	66.9	(131.4)		5.5	51.5	672.7
Tax expenses	(115.1)	(68.9)	(3.6)	(17.5)	40.2	64.6	(1.7)	(49.1)	(151.1)
Non-controlling interests	(0.1)								(0.1)
Net profit attributable to owners of the Company	241.4	240.2	10.9	49.4	(91.2)	64.6	3.8	2.3	521.5
EPS (yen)	154								333
Number of shares (millions)	1,567								1,567

*1 Tax charges of 64.6 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 Q3 (Oct-Dec) 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	TEVA JV related accounting adjustments	Others	
Revenue	901.3								901.3
Cost of sales	(281.4)							10.8	(270.6)
Gross profit	619.9							10.8	630.7
SG&A expenses	(231.1)							0.7	(230.4)
R&D expenses	(128.4)							0.3	(128.1)
Amortization of intangible assets associated with products	(105.0)	105.0							—
Impairment losses on intangible assets associated with products	(13.1)		13.1						—
Other operating income	14.7			(14.4)			(1.1)	0.7	—
Other operating expenses	(40.6)			40.6					—
Operating profit	116.5	105.0	13.1	26.2			(1.1)	12.5	272.2
Margin	12.9 %								30.2%
Finance income and (expenses), net	(42.6)							12.0	(30.6)
Share of profit (loss) of investments accounted for using the equity method	(1.7)						6.6	(4.0)	0.9
Profit before tax	72.2	105.0	13.1	26.2			5.5	20.5	242.6
Tax expenses	(14.4)	(23.4)	(3.1)	(6.0)		0.9	(1.7)	(9.2)	(56.9)
Non-controlling interests	(0.1)								(0.1)
Net profit attributable to owners of the Company	57.8	81.6	10.0	20.2		0.9	3.8	11.3	185.6
EPS (yen)	37								119
Number of shares (millions)	1,565								1,565

*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 Q3 YTD	FY2022 Q3 YTD	Change versus the previous year	
Net profit	241.5	285.9	44.4	18.4%
Depreciation, amortization and impairment loss	445.5	545.0	99.4	
Decrease (increase) in trade working capital	41.2	(172.4)	(213.5)	
Income taxes paid	(107.2)	(173.4)	(66.1)	
Tax refunds and interest on tax refunds received	6.1	8.3	2.2	
Other	120.3	190.0	69.7	
Net cash from operating activities	747.5	683.5	(64.1)	(8.6)%
Adjustment for cash temporarily held by Takeda on behalf of third parties*1	47.0	76.2	29.2	
Acquisition of PP&E	(87.7)	(104.9)	(17.2)	
Proceeds from sales of PP&E	0.4	0.1	(0.3)	
Acquisition of intangible assets	(46.5)	(84.7)	(38.2)	
Acquisition of investments	(7.6)	(5.4)	2.2	
Proceeds from sales and redemption of investments	16.1	20.6	4.5	
Proceeds from sales of business, net of cash and cash equivalents divested	2.1	—	(2.1)	
Free Cash Flow	671.3	585.2	(86.1)	(12.8)%

*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 Q3 YTD Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2022 Q3 YTD
Cash and cash equivalents*1	553.8
Book value debt on consolidated statements of financial position	(4,286.9)
Hybrid bond 50% equity credit	250.0
FX adjustment*2	67.4
Gross debt*3	(3,969.5)
Net cash (debt)	**(3,415.7)**
Net debt/Adjusted EBITDA ratio	**2.5 x**
Adjusted EBITDA (LTM)*4	**1,381.2**

NET INCREASE (DECREASE) IN CASH

(Billion JPY)	FY2021 Q3 YTD	FY2022 Q3 YTD	Change versus the previous year	
Net cash from operating activities	747.5	683.5	(64.1)	(8.6)%
Acquisition of PP&E	(87.7)	(104.9)		
Proceeds from sales of PP&E	0.4	0.1		
Acquisition of intangible assets	(46.5)	(84.7)		
Acquisition of investments	(7.6)	(5.4)		
Proceeds from sales and redemption of investments	16.1	20.6		
Acquisition of business, net of cash and cash equivalents acquired	(49.7)	—		
Proceeds from sales of business, net of cash and cash equivalents divested	2.1	—		
Net decrease in short-term loans and commercial papers	(0.0)	—		
Repayment of long-term loans	(414.1)	(0.1)		
Proceeds from issuance of bonds	249.3	—		
Repayment of bonds	(220.9)	(281.5)		
Purchase of treasury shares	(52.5)	(26.9)		
Interest paid	(84.9)	(86.6)		
Dividends paid	(273.0)	(269.0)		
Others	(29.9)	(32.7)		
Net increase (decrease) in cash	(251.4)	(187.7)	63.7	(25.3)%

*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.

*4 LTM represents Last Twelve Months (January 2022 - December 2022). Calculated by subtracting FY2021 Q3 YTD from FY2021 Full Year and adding FY2022 Q3 YTD.

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 Q3 YTD and FY2021 Q3 YTD Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2021 Q3 YTD	FY2022 Q3 YTD	Change versus the previous year	
Net profit	241.5	285.9	44.4	18.4%
Income tax expenses	115.1	41.3		
Depreciation and amortization	430.9	503.0		
Interest expense, net	86.7	86.0		
EBITDA	874.2	916.2	42.0	4.8%
Impairment losses	14.7	42.0		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	59.5	105.4		
Finance expense (income), net, excluding interest income and expense, net	13.9	(14.4)		
Share of loss on investments accounted for under the equity method	5.3	3.1		
Other adjustments:	(46.6)	77.2		
Non-core expense related to COVID-19	7.2	8.4		
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	24.8	24.9		
Other costs*1	52.9	43.9		
Adjusted EBITDA	920.9	1,129.5	208.6	22.7%

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

FY2022 Q3 YTD Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2021 Full Year (Apr-Mar)	FY2021 Q3 YTD (Apr - Dec)	FY2022 Q3 YTD (Apr - Dec)	FY2022 Q3 YTD LTM*1 (Jan-Dec)
Net profit	230.2	241.5	285.9	274.5
Income tax expenses	72.4	115.1	41.3	(1.4)
Depreciation and amortization	583.2	430.9	503.0	655.3
Interest expense, net	117.8	86.7	86.0	117.2
EBITDA	1,003.6	874.2	916.2	1,045.6
Impairment losses	54.5	14.7	42.0	81.8
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	106.3	59.5	105.4	152.1
Finance expense (income), net, excluding interest income and expense, net	25.1	13.9	(14.4)	(3.2)
Share of loss on investments accounted for under the equity method	15.4	5.3	3.1	13.2
Other adjustments:	(30.2)	(46.6)	77.2	93.6
Non-core expense related to COVID-19	10.4	7.2	8.4	11.6
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	24.8	24.9	32.0
Other costs*2	72.4	52.9	43.9	63.4
Adjusted EBITDA	1,174.5	920.9	1,129.5	1,383.2
EBITDA from divested products*3	(6.6)			(1.9)
Adjusted EBITDA (LTM)	1,168.0			1,381.2

*1 LTM represents Last Twelve Months (January 2022 - December 2022). Calculated by subtracting FY2021 Q3 YTD from FY2021 Full Year and adding FY2022 Q3 YTD.

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

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

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-Dec)	FY2022 Actual (Apr-Dec)	FY2022 Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	111	136	132	1% depreciation	86.9	14.0	10.5	31.4
				1 yen depreciation	66.1	10.7	8.0	23.9
EUR	131	140	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	2.2	2.1	1% depreciation	2.9	1.6	1.6	1.8
CNY	17.2	19.8	19.8		8.6	5.1	5.1	5.1
BRL	20.7	26.5	26.4		3.9	2.4	2.4	2.5

CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2021	FY2021 Q3 YTD	FY2022 Q3 YTD	vs. PY		FY2022 Latest Forecast (Oct 27, 2022)
Capital expenditures*1	186.0	134.2	189.6	55.4	41.3%	260.0 to 310.0
Tangible assets	123.3	87.7	104.9	17.2	19.6%	
Intangible assets	62.8	46.5	84.7	38.2	82.0%	
*1 Cash flow base						
Depreciation and amortization	579.8	428.4	500.5	72.2	16.8%	640.0
Depreciation of tangible assets*2 (A)	132.4	99.6	110.8	11.2	11.3%	
Amortization of intangible assets (B)	447.4	328.8	389.7	60.9	18.5%	
Of which Amortization associated with products (C)	418.8	309.1	370.6	61.5	19.9%	480.0
Of which Amortization excluding intangible assets associated with products (D)	28.6	19.7	19.1	(0.6)	(3.2)%	
*2 Excluding depreciation from investment properties						
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	161.0	119.3	129.9	10.6	8.9%	160.0
Impairment losses	54.5	14.7	38.9	24.2	165.3%	
Impairment losses associated with products	54.1	14.6	38.6	24.0	165.0%	50.0
Amortization and impairment losses on intangible assets associated with products	472.9	323.6	409.2	85.6	26.4%	530.0

* Capital expenditures in the latest forecast do not include the impact of acquisitions that have been announced but not completed yet, including the upfront cash payment for the acquisition of NDI-034858 from Nimbus Therapeutics, LLC, for 4 billion USD, as the exact timing of cash payment is dependent upon deal close.

FY2022 Detailed Forecast

(BN JPY)	FY2021 Actual	FY2022 Latest Forecast (Oct 27, 2022)	FY2022 Latest Forecast % change vs. PY
Revenue	3,569.0	3,930.0	10.1%
R&D expenses	(526.1)	(620.0)	(17.9)%
Amortization of intangible assets associated with products	(418.8)	(480.0)	(14.6)%
Impairment losses on intangible assets associated with products	(54.1)	(50.0)	7.6%
Other operating income	43.1	13.0	(69.9)%
Other operating expenses	(159.1)	(100.0)	37.1%
Operating profit	460.8	530.0	15.0%
Finance income (expenses), net	(142.9)	(105.0)	26.5%
Profit before tax	302.6	426.0	40.8%
Net profit attributable to owners of the Company	230.1	307.0	33.4%
Basic EPS (yen)	147	198	34.4%
Core Revenue*1	3,420.5	3,930.0	14.9%
Core Operating Profit*1	955.2	1,180.0	23.5%
Core EPS (yen)	425	525	23.6%
USD/JPY (yen)	112	132	18.3%
EUR/JPY (yen)	131	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 Q3 YTD	FY2022 Latest Forecast (Oct 27, 2022)
Amortization of intangible assets associated with products	370.6	480.0
Of which Shire-acquisition related	*300.9*	*390.0*
Impairment losses on intangible assets associated with products	38.6	50.0
Other operating income	(16.7)	(13.0)
Other operating expenses	127.6	100.0
Other Core Operating Profit adjustments	32.5	33.0
Of which Shire-acquisition related to unwind of inventories step-up	*24.9*	*25.0*
Total core operating profit adjustments	552.7	650.0

CASH FLOW GUIDANCE

(Billion JPY)	FY2022 Q3 YTD	FY2022 Latest Forecast (Oct 27, 2022)
Free cash flow*1	585.2	650.0 to 750.0
CAPEX (cash flow base)*1	(189.6)	(260.0) to (310.0)
Depreciation and amortization (excluding intangible assets associated with products)	(129.9)	(160.0)
Cash tax rate on adjusted EBITDA (excluding divestitures)	N/A	mid-teen %

*1 Free cash flow and capital expenditures in the latest forecast do not include the impact of acquisitions that have been announced but not completed yet, including the upfront cash payment for the acquisition of NDI-034858 from Nimbus Therapeutics, LLC, for 4 billion USD, as the exact timing of cash payment is dependent upon deal close.

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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