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Committed to Growth & Shareholder Returns

FY2023 Q2 Earnings Announcement

October 26th, 2023

Better Health, Brighter Future

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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.

FY2023 H1 Results: Steady Progress Towards Management Guidance; Non-Cash Impairment of Intangible Assets Impacting Reported Profit

Topline Driven by Growth & Launch Products

- H1 revenue growth **+1.4% at CER**[1] driven by Growth & Launch products **+13% at CER**
- VYVANSE U.S. generic impact to date in-line with expectations
- Core Operating Profit reflects loss of exclusivity of high margin products and investment in R&D and Data & Technology
- Reported Operating Profit and EPS also impacted by non-Core items booked in Q2 including impairment of intangible assets

No Change to Full-Year Management Guidance

- Reported forecasts updated to reflect non-Core items booked in Q2 and revised FX rate assumptions
- Core EPS forecast raised to **447 yen**
- No change to full-year Management Guidance for CER change, reflecting significant loss of exclusivity impact and lower coronavirus vaccines revenue vs prior year, and investment in R&D and Data & Technology to secure long-term competitiveness

FY2023 H1 RESULTS SUMMARY

(BN YEN, except EPS)	REPORTED		CORE[2]		
	FY2023 H1	ACTUAL % CHANGE	FY2023 H1	ACTUAL % CHANGE	CER[1] % CHANGE
REVENUE	2,101.7	+6.4%	2,101.7	+6.4%	+1.4%
OPERATING PROFIT	119.2	-53.2%	588.8	-5.8%	-9.5%
EPS	27 yen	-75.4%	261 yen	-9.4%	-14.4%

FY2023 FULL-YEAR MANAGEMENT GUIDANCE

(UNCHANGED FROM MAY 2023)

	CORE CHANGE AT CER
REVENUE	Low-single-digit % decline
OPERATING PROFIT	Low-10s % decline
EPS (JPY)	Low-20s % decline

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.

FY2023 Q2 Business Updates: Executing Strategy for Long-Term Growth

Maximizing Value of Existing Portfolio

Entyvio vedolizumab

- Subcutaneous (SC) administration approved by U.S. FDA in ulcerative colitis[1]; submission under review for SC administration in Crohn's disease

Qdenga Dengue Tetravalent Vaccine (Live, Attenuated)

- Recommended by WHO's Strategic Advisory Group of Experts (SAGE) for introduction in high dengue burden and transmission areas in children ages six to 16 years

Cuvitru [Immune Globulin Subcutaneous (Human)] 20%

- Approved as Takeda's first subcutaneous immunoglobulin therapy for patients in Japan[2]

ADCETRIS brentuximab vedotin

- 1L Hodgkin lymphoma label extension approved in Europe to include Stage III patients

Driving Progress in Innovative Pipeline

- TAK-721 resubmitted to U.S. FDA for treatment of Eosinophilic Esophagitis
- TAK-279 positive Ph2b data in psoriatic arthritis; full results to be presented at ACR Convergence in November
- Fruquintinib filed in Japan for previously treated mCRC
- TAK-755 filed in Japan for cTTP
- Exclusive licensing agreement with ImmunoGen to develop and commercialize mirvetuximab soravtansine-gynx in Japan for FRα-positive ovarian cancer

- Based on the outcome of the EXCLAIM-2 confirmatory trial, Takeda intends to initiate voluntary global withdrawal of EXKIVITY
- ALOFISEL Phase 3 ADMIRE-CD II study to support U.S. filing did not meet primary endpoint; safety consistent with previous trials.

1. For full details of approved indication, please refer to press release.
2. For full details of approved indication, please refer to press release

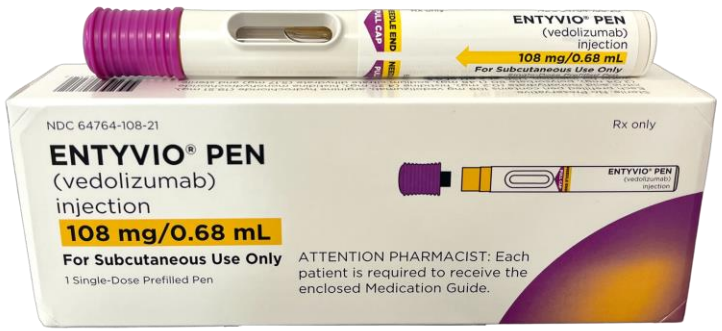
ACR: American College of Rheumatology

ENTYVIO Pen Launch is a Significant Milestone to Drive Further Growth

Maintaining #1 Market Position

ENTYVIO maintains the lead as #1 in IBD overall and IBD bio-naïve new starts in the U.S. and continues to increase share globally

- In the EU, ENTYVIO volume growth remains strong at ~15% out-performing the overall IBD advanced therapy market despite pricing headwinds
- In the U.S., while the IBD market is growing, diagnosis and advanced therapy initiations remain suppressed relative to 2016-2019.
- The advanced therapy market still presents significant opportunities given that the majority of moderate-to-severe patients remain untreated or on a conventional therapy.



Continued Growth Outlook Fueled by Targeted Investments

Near-term focus on Entyvio Pen subcutaneous (SC) opportunity in U.S.

- SC approval in Sept 2023: ENTYVIO is the only FDA-approved biologic for maintenance therapy in Ulcerative Colitis with both IV and SC options
- SC BLA submission for Crohn's Disease also accepted by FDA in Sept 2023
- SC therapies estimated to represent approx. 35-40% of total U.S. IBD market

New & ongoing lifecycle management to enhance long-term growth

- Significant investment in both UC and CD studies to support targets of disease clearance and transmural healing
- Newly initiated studies supporting scientific community to investigate potential role of combination therapies to break efficacy ceiling with vedolizumab as backbone

BLA: Biologics License Application

Positive Momentum for QDENGA in Endemic and Travel Markets; Recommended by WHO's Strategic Advisory Group of Experts (SAGE)

Positive Uptake in Endemic Market Private Sectors; Strong Launch in Travel Markets Led by the EU

- Endemic: Launched in Indonesia, Brazil and Thailand with strong initial demand in private markets. Recently approved in Colombia. Launch expected in Argentina in Q3 FY23
- Travel: Available in 16 European countries*; various travel recommendations issued to date support the use of QDENGA to help protect travelers to dengue endemic areas
- Pursuing private and public partnerships with governments, institutional businesses, NGOs and manufacturers to expand access

Qdenga™
Dengue Tetravalent Vaccine (Live, Attenuated)

SAGE Recommendation Could Accelerate Public Vaccination Program Decisions

- Experts from the WHO's SAGE on Immunization recommended QDENGA for public vaccination programs in high dengue burden and transmission areas in children aged six to 16 years.
- Evaluation based on data from QDENGA's clinical program across 19 trials with more than 28,000 participants

World Health Organization

*Germany, Finland, Sweden, Norway, Denmark, Austria, The Netherlands, Belgium, UK, Ireland, Portugal, Spain, Slovakia, Italy, Luxembourg and Czech Republic

Committed to Growth & Shareholder Returns

Near-term *(FY2024-2025)*

Medium-term *(FY2026 - early 2030s)*

Long-term *(FY2030s and beyond)*

Return to sales, profit & margin growth

Continued expansion of Growth & Launch Products

Further launches from innovative late-stage pipeline

Limited Loss of Exclusivity exposure until Entyvio biosimilars launch

Additional contribution from robust R&D strategy, including clinical pipeline of ~40 NMEs

- **Returning to low-to-mid 30% Core Operating Profit margins**
- **Increasing productivity enabled by Data, Digital & Technology**
- **Continuing to pursue asset-specific business development to enhance pipeline**
- **Progressive dividend policy of increasing or maintaining dividend each year**

AGENDA

Introduction ..... Christophe Weber
President & CEO

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

Financials ..... Costa Saroukos
Chief Financial Officer

Q&A Session

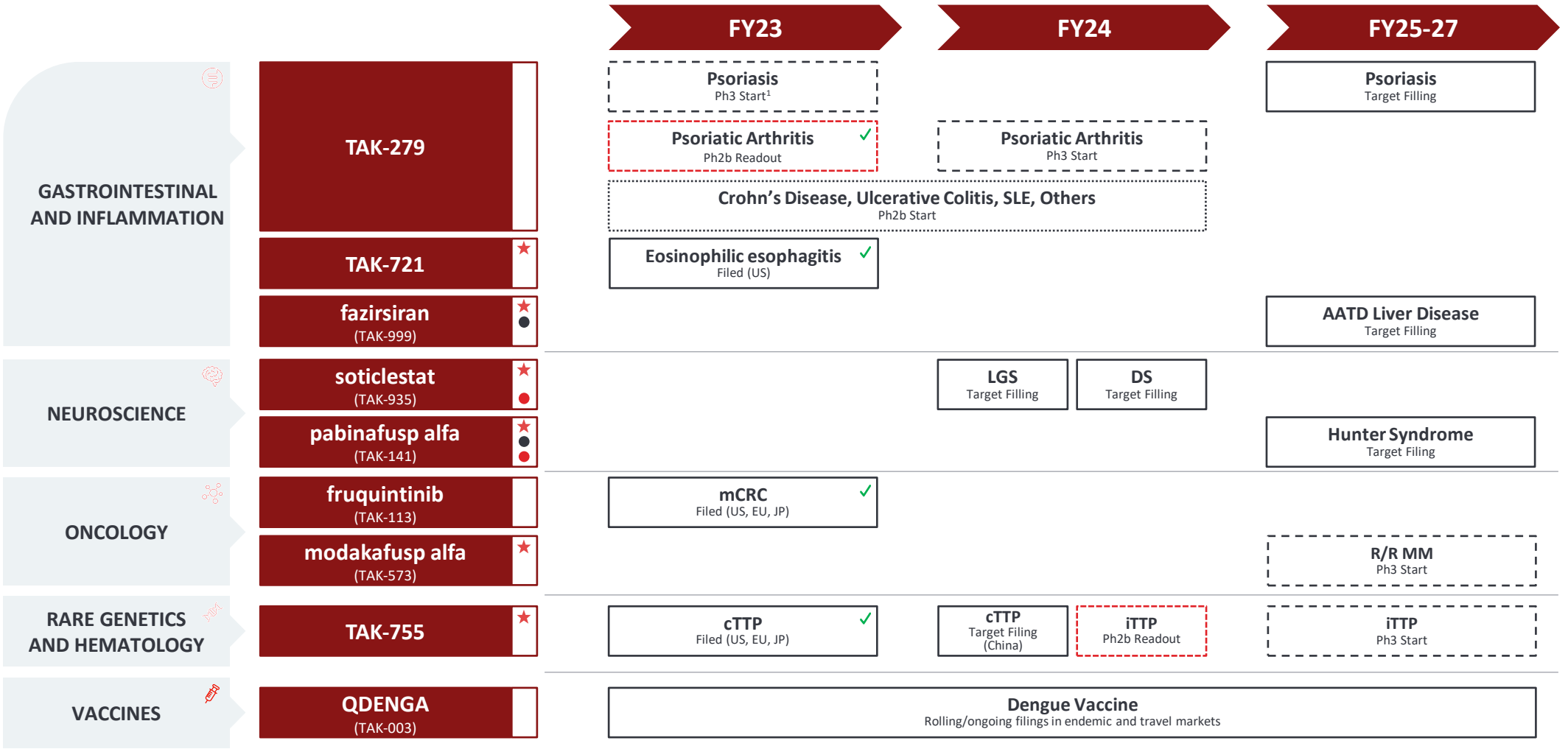
Major Updates to Our Pipeline Since Q1 FY23

PIPELINE	TAK-279	• Positive Phase 2b study for the treatment of Active Psoriatic Arthritis to be presented at the American College of Rheumatology in November • Target Phase 3 study start in Psoriasis FY23 • Target Phase 3 study start in Psoriatic Arthritis early FY24
	Orexin	• Phase 1 TAK-861 data in healthy volunteers presented at ANHS[1] and World Sleep medical meetings
	TAK-721	• Resubmission of TAK-721 (budesonide oral suspension) for eosinophilic esophagitis in the U.S.
GROWTH & LAUNCH PRODUCTS	ENTYVIO SC	• Approved by the FDA in the U.S. for the use in Ulcerative Colitis • Filed in the U.S. for the use in Crohn's Disease • Approved in Japan by the Ministry of Health, Labor and Welfare for Crohn's Disease (UC approved March 2023)
	QDENGA	• Recommended by World Health Organization's Advisory Group for public vaccination programs in high dengue burden and transmission areas in children ages 6 to 16 years
	ALOFISEL	• Phase 3 ADMIRE CD-II study did not meet primary endpoint; safety consistent with previous trials
	EXKIVITY	• Initiating voluntary global withdrawal; confirmatory trial in locally advanced or metastatic 1L EGFR Exon20 insertion+ NSCLC did not meet primary endpoint
Business Development	AS-202/TAK-212	• Global licensing agreement with AcuraStem to develop and commercialize PIKFYVE[2] targeted therapeutics. First program: AS-202 an intrathecal antisense oligonucleotide (ASO) to treat Amyotrophic Lateral Sclerosis (ALS).
	Mirvetuximab soravtansine	• Licensing agreement with ImmunoGen to develop and commercialize for folate receptor-alpha (FRalpha) positive ovarian cancer in Japan. First antibody drug conjugate (ADC) developed for the treatment of ovarian cancer.

1. ANHS: Asian Narcolepsy & Hypersomnolence Society Meeting, Sept 2023, Yokohama, Japan
2. PIKFYVE: phosphoinositide kinase, FYVE-type zinc finger containing

For full glossary of abbreviations please refer to appendix.

Promising Late-stage Development Programs with Upcoming Inflections



★ Orphan drug designations in at least one indication

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

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

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

✓ Milestone achieved

Phase 2 study start

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

Targeted pivotal study start

Target Filing, anticipated year of filing for regulatory approval

Approved

1. TAK-279 Phase 3 on clinicaltrials.gov: NCT06088043

All timelines are approximate estimates as of October 26, 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-721: Potential First Oral Treatment Option for Eosinophilic Esophagitis (EoE)

Eosinophilic Esophagitis

- Rare, inflammatory disease of the esophagus, often resulting in dysphagia in adults and children
- ~1 in 2000 people in the US live with EoE[1]
- Unmet need remains for an oral, topical, locally administered steroid for the acute treatment of EoE despite recent advances

TAK-721 Resubmission (budesonide oral suspension)

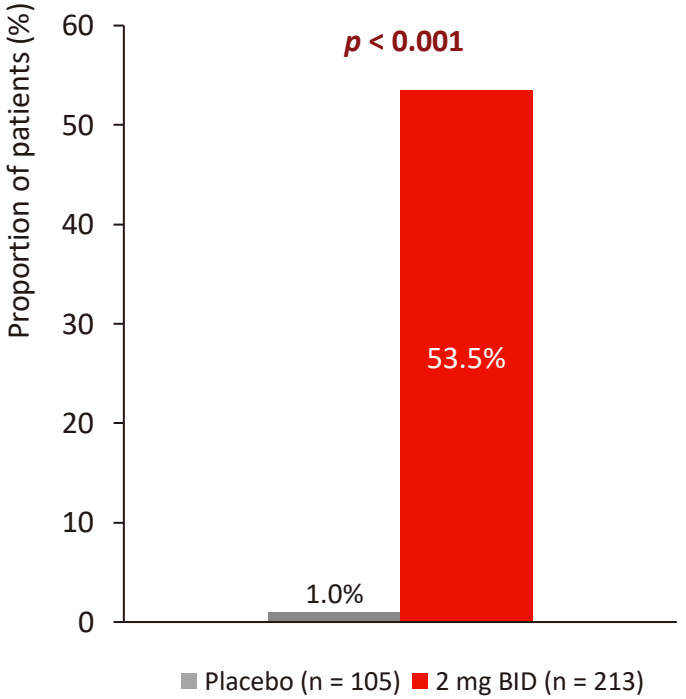
- Revised NDA submission to the FDA for treatment of EoE
- Significant grass roots support for resubmission of TAK-721 from the GI and EoE community
- Clinical data supports use for the treatment of EoE [2]

Co-Primary Endpoints of Pivotal Trial[2]

Histologic Response at 12 Weeks

(peak ≤ 6 eosinophils/hpf on biopsy)

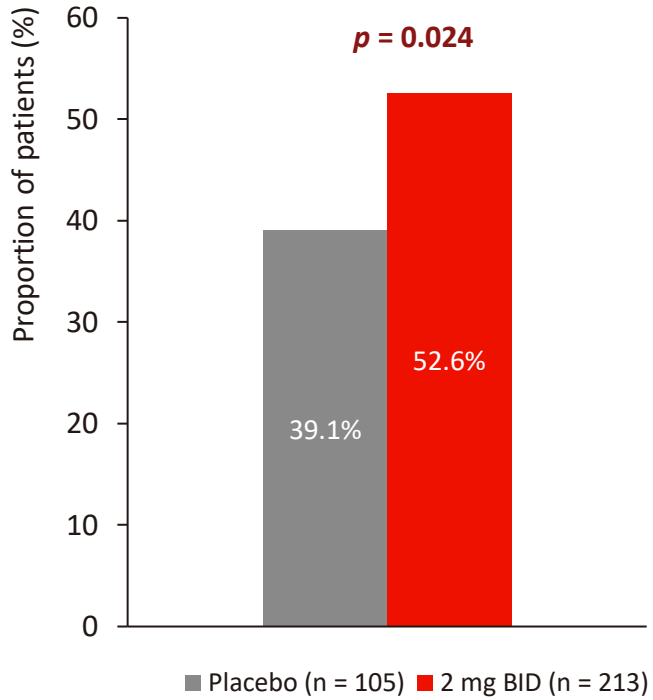
Declare statistical significance if p < 0.05



Symptom Response at 12 Weeks

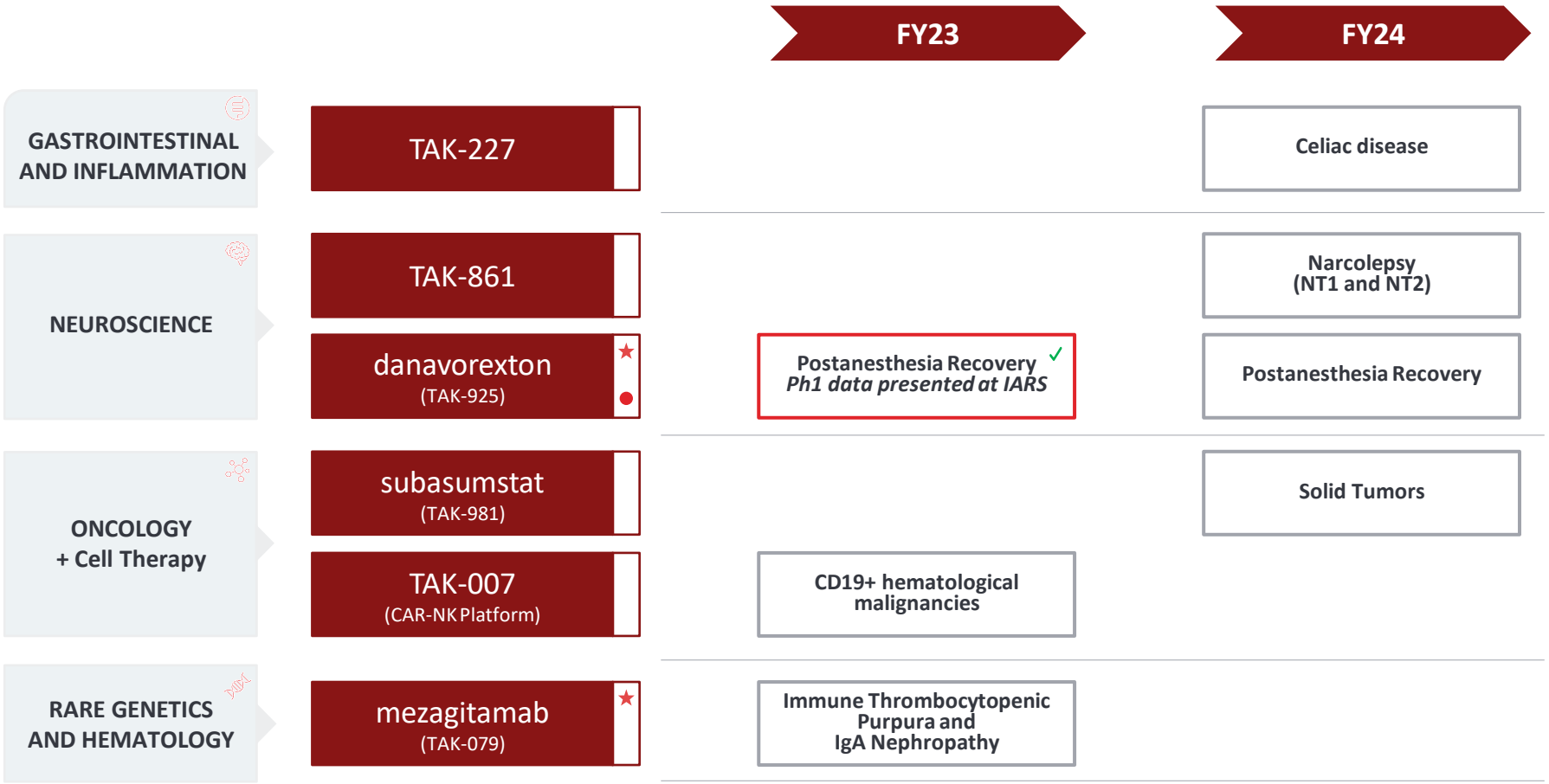
(≥ 30% reduction in DSQ score[3])

Declare statistical significance if p < 0.05



1. Dellon ES, et al. Clin Gastroenterol Hepatol. 2014;12(4):589-596
2. Hirano I, et al. Clin Gastroenterol Hepatol. 2022;20:525-534
3. DSQ: Dysphagia Symptom Questionnaire

Data-driven Decisions Will Further Inform Mid-stage Pipeline Development



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.

- Key early-stage milestone
- Target proof-of-concept readout
- ★ Orphan drug designations in at least one indication
- ● Japan SAKIGAKE and/or China Breakthrough designations in at least one indication
- ✓ Milestone achieved

All timelines are approximate estimates as of October 26, 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.

FY2023: Multiple Potential Approvals for NMEs and Indication Expansions

KEY POTENTIAL REGULATORY APPROVALS	ENTYVIO SC	UC CD	U.S. approval Japan approval	✓ ✓
	QDENGA	Dengue vaccine	U.S. approval[1] Endemic countries[2]	✗ ✓
	TAK-755	cTTP	U.S. approval	
	fruquintinib	mCRC	U.S. approval	
	TAK-721	Eosinophilic esophagitis	U.S. approval	
	TAKHZYRO	Pediatric HAE	EU approval	
	HYQVIA	CIDP	U.S. approval EU approval	
	HYQVIA	HyHub AVA[3] device	U.S. clearance[4]	→
	HYQVIA	Pediatric PID	U.S. approved	✓
	GAMMAGARD LIQUID	CIDP	U.S. approval	
KEY PHASE 3 / PIVOTAL READOUTS	ALOFISEL	Complex Perianal Fistulas	Phase 3 (U.S.)	✗
	maralixibat	Alagille syndrome (ALGS) Progressive familial intrahepatic cholestasis (PFIC)	Phase 3 (Japan) Phase 3 (Japan)	

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

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

✓ Milestone achieved
→ Milestone delayed
✗ Milestone not achieved

All timelines are approximate estimates as of October 26, 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.

AGENDA

Introduction — Christophe Weber, President & CEO

Pipeline Update — Andy Plump, President, R&D

Financials — **Costa Saroukos**, Chief Financial Officer

Q&A Session

FY2023 H1 Results: Steady Progress Towards Management Guidance; Non-Cash Impairment of Intangible Assets Impacting Reported Profit

FY2023 H1 (APR-SEP)

TOPLINE

- **Revenue JPY 2,101.7B (USD 14.1B)[1] grew +1.4% at CER[2]**, or +6.4% at actual exchange rates
- **Growth & Launch Products +12.7% at CER**, represent 42% of total revenue

PROFIT & MARGINS

- **Core Operating Profit JPY 588.8B (USD 3.9B)[1,3]** with Core Operating Profit margin 28.0%
- **Reported Operating Profit JPY 119.2B (USD 0.8B)[1]** reflects non-cash impairment of intangible assets
- **Core EPS 261 yen** with reported EPS of 27 yen benefitting from tax expense reduction due to settlement with Irish Revenue

CASH FLOW

- **Operating Cash Flow JPY 291.3B (USD 1.9B)[1]**
- **Free Cash Flow JPY -71.1B[4]** reflects JPY 255.5B cash out for acquisitions and in-licensing (incl. TAK-279, fruquintinib)
- **Continued Debt Reduction** with $1B payment of bond maturing in Q2; 100% of debt at fixed rate with 2% weighted avg. interest

FY2023 OUTLOOK

- Reported forecasts updated to reflect non-Core items booked in Q2 and revised FX rate assumptions
- No change to full-year Management Guidance for Core CER change or full year Free Cash Flow outlook of JPY 400-500B

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

Growth & Launch Products Driving H1 Revenue Growth of +1.4% at CER; Reported Operating & Net Profit Impacted by Large Non-Core Items in Q2

FY2023 H1 (APR-SEP) FINANCIAL RESULTS (SUMMARY)

(BN YEN, except EPS)	REPORTED		CORE[1]		
	FY2023 H1	ACTUAL % CHANGE	FY2023 H1	ACTUAL % CHANGE	CER % CHANGE[2]
REVENUE	2,101.7	+6.4%	2,101.7	+6.4%	**+1.4%**
OPERATING PROFIT	119.2	-53.2%	588.8	-5.8%	**-9.5%**
Margin	*5.7%*	*-7.2pp*	*28.0%*	*-3.6pp*	
NET PROFIT	41.4	-75.2%	407.7	-8.7%	**-13.8%**
EPS (JPY)	27 yen	-75.4%	261 yen	-9.4%	**-14.4%**

OPERATING CASH FLOW	291.3	-4.6%
FREE CASH FLOW[3]	-71.1	N/A

- Free Cash Flow reflects JPY 255.5B cash out for acquisitions and in-licensing of intangible assets (incl. TAK-279, fruquintinib)

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

Growth & Launch Products +13% at CER; Represent 42% of Total Revenue

FY2023 H1 REVENUE	GI % of Sales: 28% Growth: +3%	RARE DISEASES % of Sales: 18% Growth: +2%	PLASMA-DERIVED THERAPIES (PDT) IMMUNOLOGY % of Sales: 18% Growth: +17%	ONCOLOGY % of Sales: 11% Growth: -3%	NEUROSCIENCE % of Sales: 16% Growth: +3%	OTHER % of Sales: 9% Growth: -23%
GROWTH & LAUNCH PRODUCTS	Entyvio vedolizumab +6% ALOFISEL +24%	TAKHZYRO (lanadelumab-flyo) injection +13% LIVTENCITY (maribavir) tablets 200mg +83%	GAMMAGARD LIQUID, HyQvia, Cuvitru IMMUNOGLOBULIN +19% Flexbumin, HUMANALBUMIN ALBUMIN +11%	ALUNBRIG BRIGATINIB +36% EXKIVITY[2] mobocertinib 40 mg capsules +131%		Qdenga Dengue Tetravalent Vaccine (Live, Attenuated) *New Launch*
OTHER KEY PRODUCTS	Takecab/Vocinti® Gattex/Revestive®	Advate® Adynovate/Adynovi® Vonvendi® Elaprase® Vpriv® Replagal®(EU,JP)	Glassia® Aralast®	Ninlaro® Iclusig® Adcetris® (ex-N. America) Leuprorelin Zejula®(JP) Cabometyx®(JP) Vectibix®(JP)	Vyvanse® Trintellix®(US,JP)	Azilva® (JP) Spikevax® (JP) Nuvaxovid® (JP)

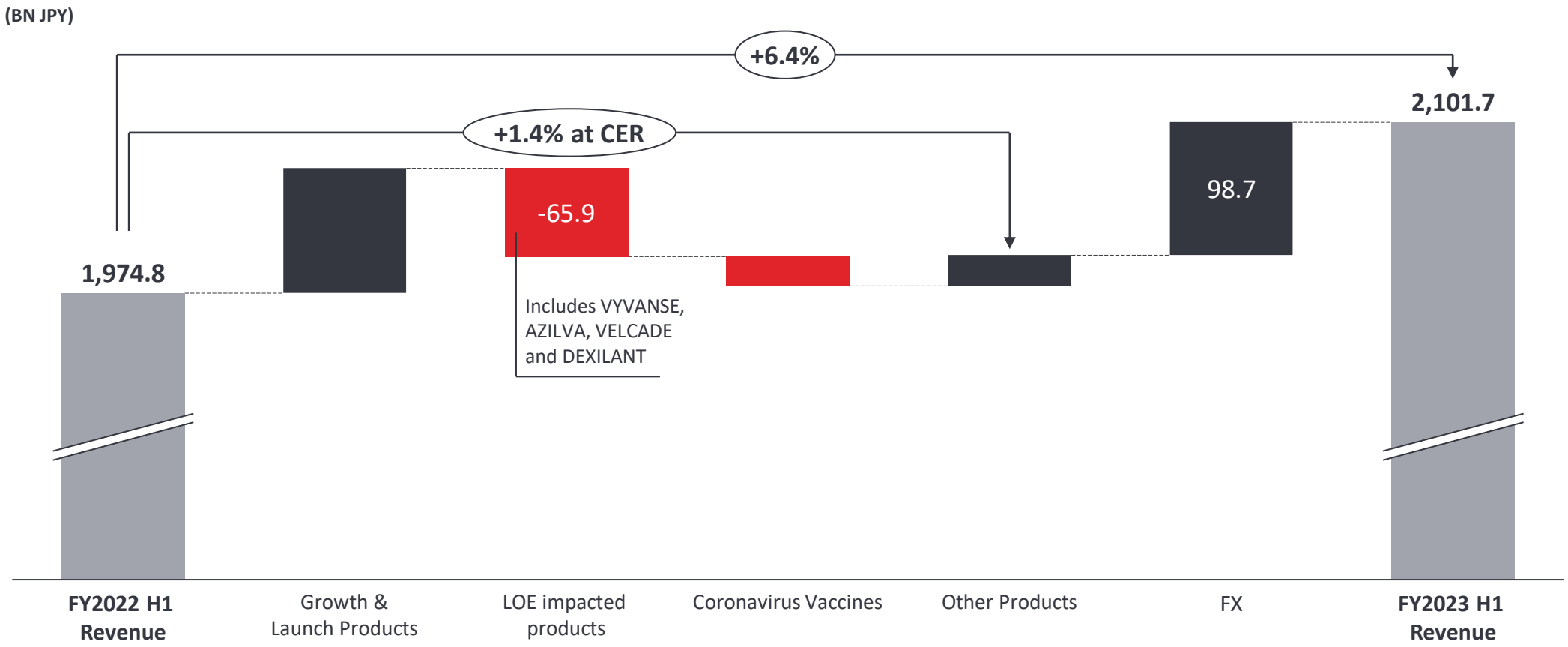
Total JPY 875.9B (USD 5.9B[1]); year-over-year growth +JPY 143.1B (USD 1.0B[1])

All growth rates indicate FY2023 H1 revenue growth at Constant Exchange Rate rounded to the nearest whole number. Please refer to appendix slide A-1 for definition.

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

Delivered H1 Topline Growth of +1.4% as Growth & Launch Products More Than Offset Impact of LOE and Lower Coronavirus Vaccines Revenue

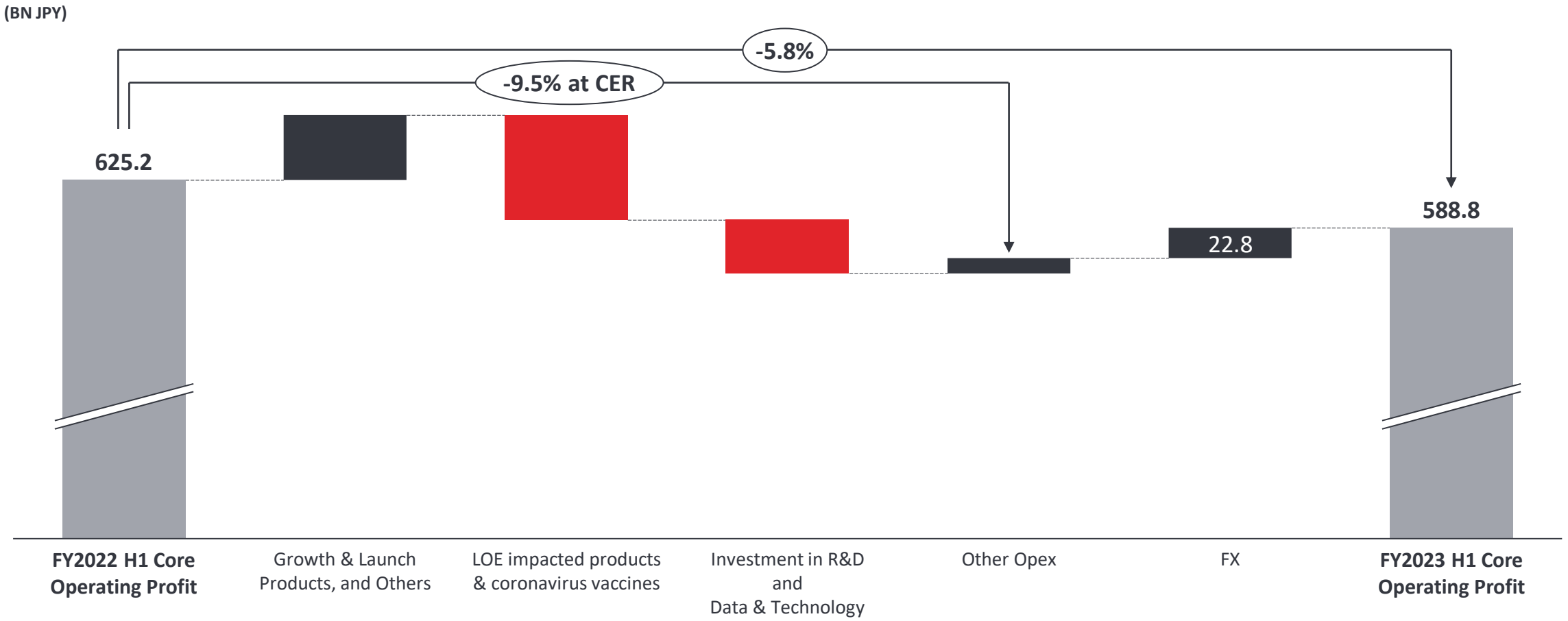
FY2023 H1 REVENUE VS PRIOR YEAR



Graphs are illustrative
LOE: Loss of Exclusivity
For FY2023 H1 versus FY2022 H1 comparison, Reported Revenue and Core Revenue are equivalent, as no Core adjustment was made to revenue in either year.

Core Operating Profit Impacted by LOE of Higher Margin Products, Decline in Coronavirus Vaccines Revenue, and Investment in R&D and Data & Technology

FY2023 H1 CORE OPERATING PROFIT VS PRIOR YEAR

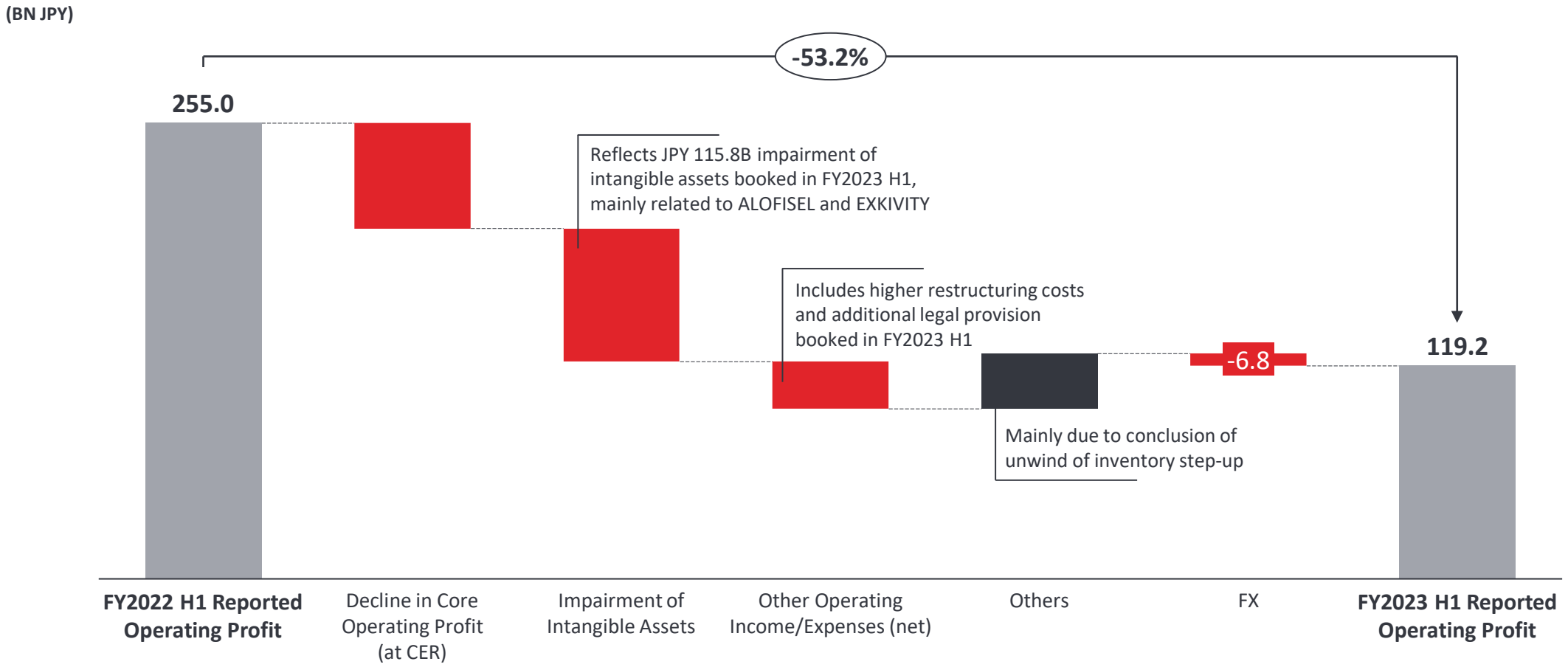


Graphs are illustrative

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

Reported Operating Profit Impacted by Large Non-Core Items in Q2

FY2023 H1 REPORTED OPERATING PROFIT VS PRIOR YEAR



Graphs are illustrative

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

FY2023 Forecasts Reflect Updated FX Assumptions and Non-Core Items in Q2; No Change to Management Guidance

- **Management Guidance reflects significant loss of exclusivity impact and lower coronavirus vaccines revenue, and investment in R&D and Data & Technology to secure long-term competitiveness**
- **Core Operating Profit expected to exceed JPY 1trn**

(BN YEN, except per-share data)	REPORTED			CORE			CORE CHANGE AT CER
	PREVIOUS FORECAST (MAY 2023)	**REVISED FORECAST (OCT 2023)**	REVISED FORECAST VS. PRIOR YEAR	PREVIOUS FORECAST (MAY 2023)	**REVISED FORECAST (OCT 2023)**	REVISED FORECAST VS. PRIOR YEAR	**FY2023 MANAGEMENT GUIDANCE** (UNCHANGED FROM MAY 2023)
REVENUE	3,840.0	**3,980.0**	-1.2%	3,840.0	**3,980.0**	-1.2%	**Low-single-digit % decline**
OPERATING PROFIT	349.0	**225.0**	-54.1%	1,015.0	**1,015.0**	-14.6%	**Low-10s % decline**
EPS	91 yen	**59 yen**	-70.9%	434 yen	**447 yen**	-19.9%	**Low-20s % decline**

FREE CASH FLOW	400.0 – 500.0
ANNUAL DIVIDEND PER SHARE	188 yen

- FCF forecast reflects cash expenditures related to acquisition of TAK-279 from Nimbus (JPY 134.1B)[1] and in-licensing of fruquintinib from Hutchmed (JPY 55.1B)

Key assumptions in FY2023 forecast:

- Forecast assumes 137 JPY/USD and 145 JPY/EUR. Please refer to appendix slide A-19 for more details on FX assumptions and sensitivity.

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.
Please refer to appendix slide A-17 for more details of the FY2023 forecast
1. This represents the portion of the 4.0 billion USD upfront payment related to the acquisition of TAK-279 paid in FY2023.

FY2023 H1 Results: Steady Progress Towards Management Guidance; Non-Cash Impairment of Intangible Assets Impacting Reported Profit

FY2023 H1 (APR-SEP)

TOPLINE

- **Revenue JPY 2,101.7B (USD 14.1B)[1] grew +1.4% at CER[2]**, or +6.4% at actual exchange rates
- **Growth & Launch Products +12.7% at CER**, represent 42% of total revenue

PROFIT & MARGINS

- **Core Operating Profit JPY 588.8B (USD 3.9B)[1,3]** with Core Operating Profit margin 28.0%
- **Reported Operating Profit JPY 119.2B (USD 0.8B)[1]** reflects non-cash impairment of intangible assets
- **Core EPS 261 yen** with reported EPS of 27 yen benefitting from tax expense reduction due to settlement with Irish Revenue

CASH FLOW

- **Operating Cash Flow JPY 291.3B (USD 1.9B)[1]**
- **Free Cash Flow JPY -71.1B[4]** reflects JPY 255.5B cash out for acquisitions and in-licensing (incl. TAK-279, fruquintinib)
- **Continued Debt Reduction** with $1B payment of bond maturing in Q2; 100% of debt at fixed rate with 2% weighted avg. interest

FY2023 OUTLOOK

- Reported forecasts updated to reflect non-Core items booked in Q2 and revised FX rate assumptions
- No change to full-year Management Guidance for Core CER change or full year Free Cash Flow outlook of JPY 400-500B

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

Upcoming Takeda Investor Events

PLASMA-DERIVED THERAPIES INVESTOR CALL	**DECEMBER 5TH, 2023** TUESDAY (6pm ET start) **DECEMBER 6TH, 2023** WEDNESDAY (8am JST start)
FY2023 Q3 EARNINGS CONFERENCE CALL	**FEBRUARY 1ST, 2024** 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

RAMONA SEQUEIRA
President,
Global Portfolio Division

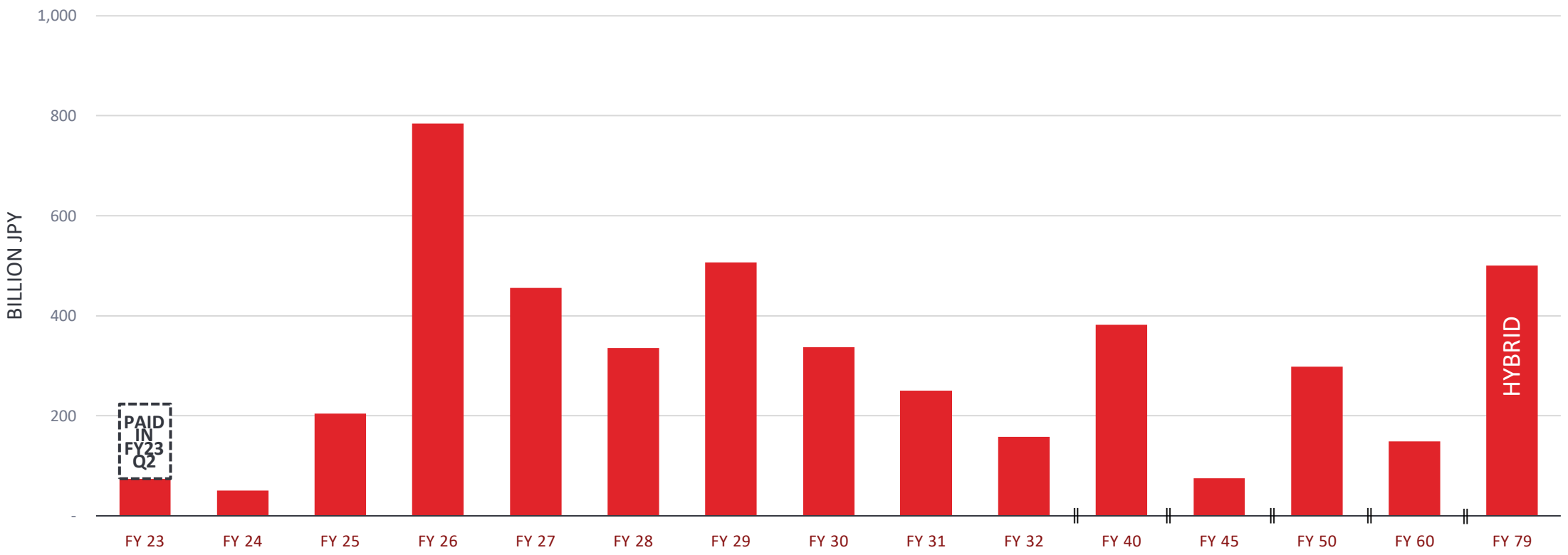
JULIE KIM
President,
US Business Unit

MILANO FURUTA
President, Japan
Pharma Business Unit

APPENDIX

Continued Debt Reduction with $1B Payment of Bond Maturing in Q2; 100% of Outstanding Debt at Fixed Rates with ~2% Weighted Average Interest

MATURITY LADDER AS OF 30 SEPTEMBER 2023

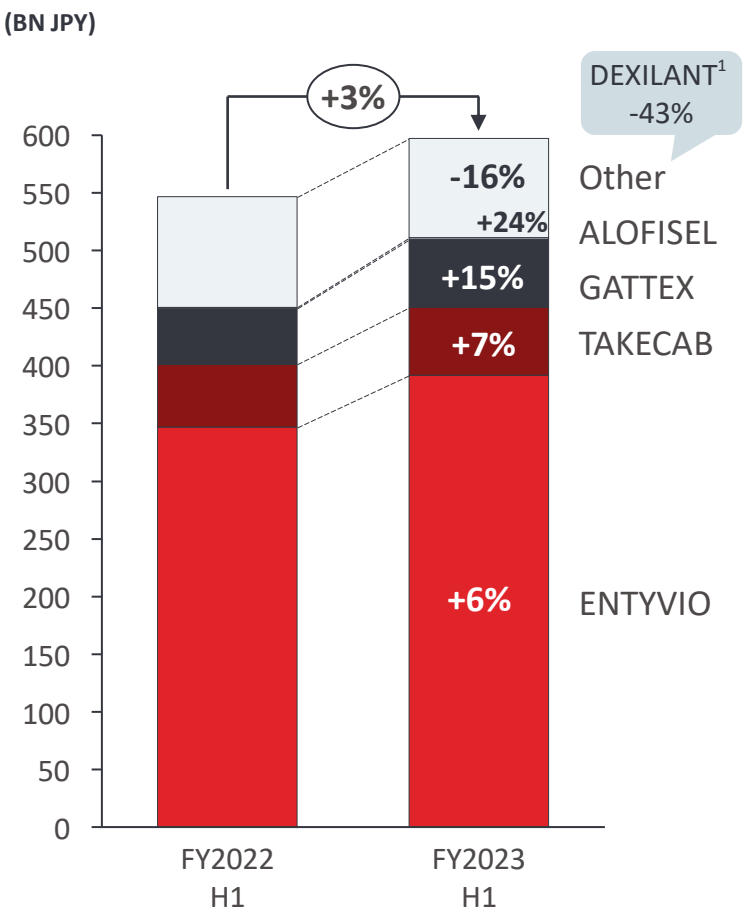


Non-JPY debt principal calculated as at end of September 2023 FX Rates (149.1 JPY/USD and 158.2 JPY/EUR). This reflects the actual conversion rate used for reporting purposes.

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

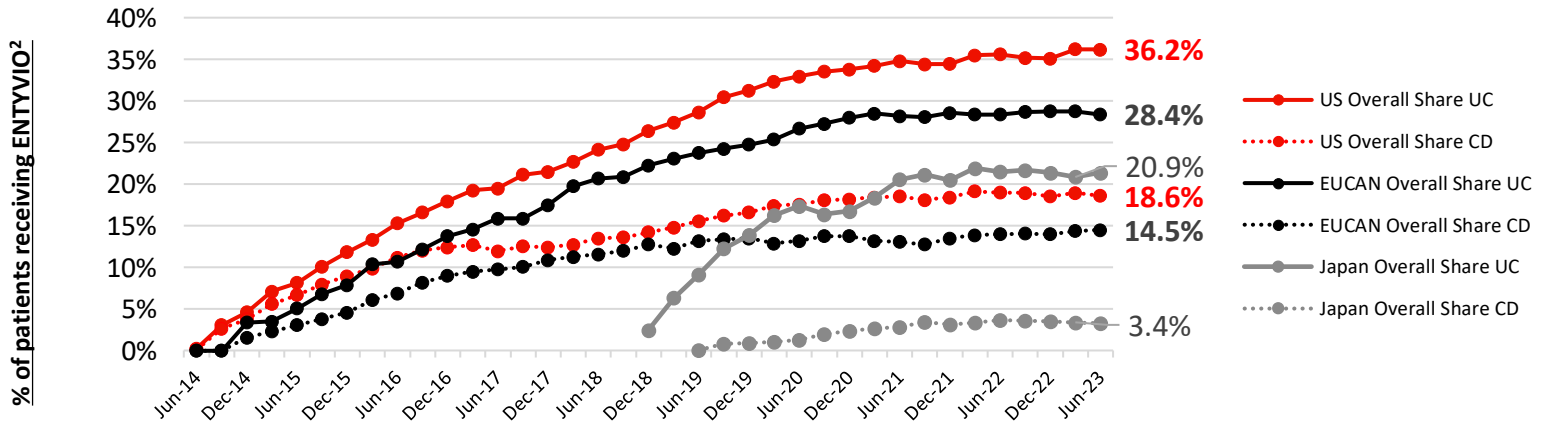
GI PORTFOLIO

FY2023 H1 REVENUE



Entyvio vedolizumab — FY2023 H1 Revenue JPY 391.7B (+5.8% growth)

- FY23 H1 net sales were +5.8% reflecting single-digit market growth, impact of shipment timing in the U.S. in prior year, increasing global competitive intensity, and pricing headwinds in EUCAN.
  - In the U.S., Entyvio maintains the lead as #1 in both IBD overall as well as IBD bio-naïve new starts.
  - In EUCAN, Entyvio volume growth remains strong and patient growth continues at ~15%, out-performing the overall IBD advanced therapies market.



Gattex (teduglutide) for injection — FY2023 H1 Revenue JPY 58.9B (+15.5% growth)

- Strong growth driven by early diagnosis, improved treatment continuity, and expansion activities: Infant indication label expansion, and geographic expansion (including Japan).

EUCAN: Europe & Canada
1. Generic entrants into U.S. market began January 2023.
2. Source: US: SHA Medical and Pharmacy Claims data; EUCAN: Internal estimate; Japan: Japan Medical Data Center

Note: Methodology for calculating EUCAN market share has been updated since prior quarters to more accurately reflect patient split across UC/CD indications.

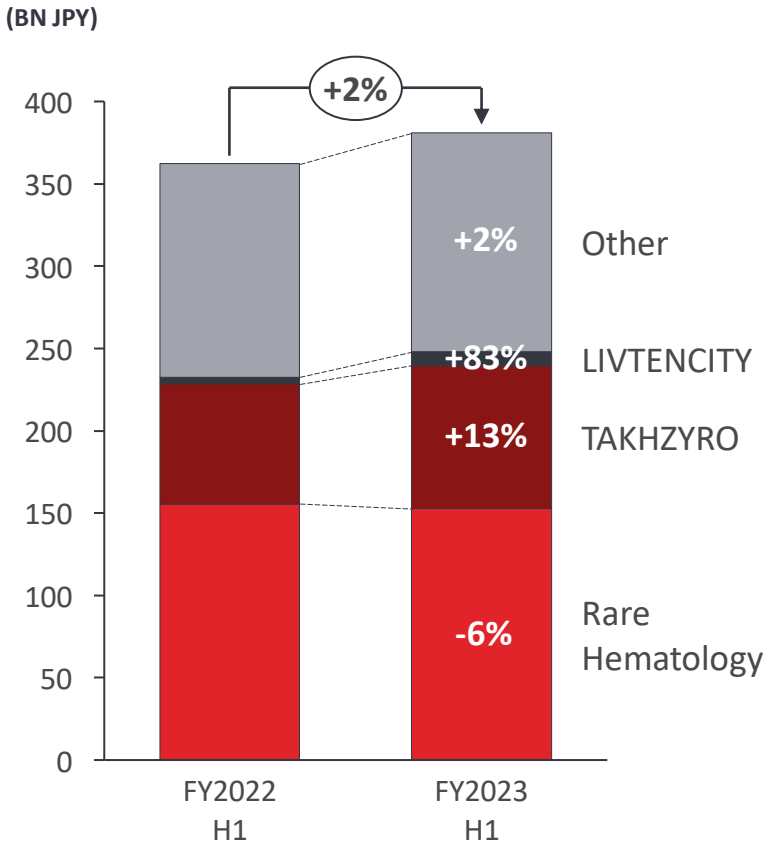
Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

RARE DISEASES

TAKHZYRO Continues its Strong Growth with New Patient Reach LIVTENCITY Strong Market Penetration in U.S. & Rapid Geographical Expansion

RARE DISEASES PORTFOLIO

FY2023 H1 REVENUE



TAKHZYRO (lanadelumab-flyo) injection

FY2023 H1 Revenue JPY 87.1B (+13.1% growth)

- TAKHZYRO continues its strong momentum driven by successful launches in 50+ countries with expansion into new patient populations, fueled by rising diagnosis and prophylactic market growth.
- TAKHZYRO received a positive CHMP Opinion recommending approval for routine prevention of recurrent HAE attacks in patients aged 2 years and older. European Commission approval anticipated Nov 2023. If approved, would be the first Long-Term Prophylactic HAE treatment available in the EU for patients under the age of six.
- Robust real-world evidence >2 years for reduction of attacks, consistent safety, and improvement in Quality of Life from EMPOWER and ENABLE, consistent with HELP and HELP-OLE.

LIVTENCITY™ (maribavir) tablets 200mg

FY2023 H1 Revenue JPY 8.3B (+83.2% growth)

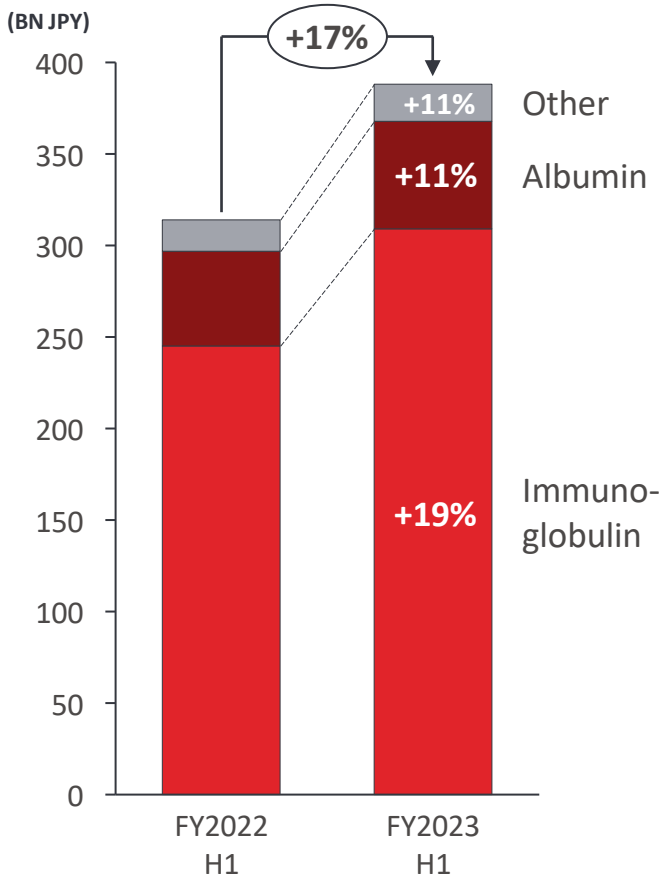
- LIVTENCITY continuously shows strong launch performance driven by fast uptake, increased depth of activated centers (gaining utilization across all departments) leading to growth in new patient starts, new prescribers and repeat prescribers as well as positive market access trends indicating high unmet needs.
- Real world utilization at physicians' discretion has demonstrated highly individualized duration of treatment, with some patients being treated longer than the 8 week period studied in the SOLSTICE trial, and a potential broader patient base due to heterogeneity of definition of refractoriness and in utilization patterns in post-transplant CMV.
- Rapid geographic expansion beyond the U.S. and EU ongoing with approvals in Australia, South Korea, Taiwan, and Brazil; LIVTENCITY is commercially available with national or partial reimbursement including Individual Funding Requests in 19 countries across Europe.

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 PORTFOLIO

FY2023 H1 REVENUE



Immunoglobulin

FY23 H1 Revenue JPY 309.2B (+19.0% growth)

- Strong demand globally, especially in the U.S., coupled with steady and growing supply.
- Continued expansion of SCIG portfolio; double-digit percentage revenue growth, and CUVITRU approved as Takeda's first SCIG therapy for patients in Japan.

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

Albumin

FY23 H1 Revenue JPY 58.9B (+10.9% growth)

- Solid growth building on last year's momentum, with particularly strong demand for albumin products in China.

Flexbumin (Human Albumin) | HUMANALBUMIN SOLUTION FOR INFUSION

CONTINUING TO INVEST IN PLASMA DONATION AND IN GREEN CENTERS

- On track to deliver 10 – 20 % plasma volume growth by end of FY2023.
- Global plasma donation center footprint now 243 centers; on track to expand our network by >20 centers during FY2023.
- The first ever BioLife zero greenhouse gas emission plasma donation center opened on October 4 in Linz, Austria, utilizing CO_2 freezer technology.
- Targeted investments across the manufacturing network to increase yield, expand capacity and create efficiencies, leveraging data, digital & technology capabilities.

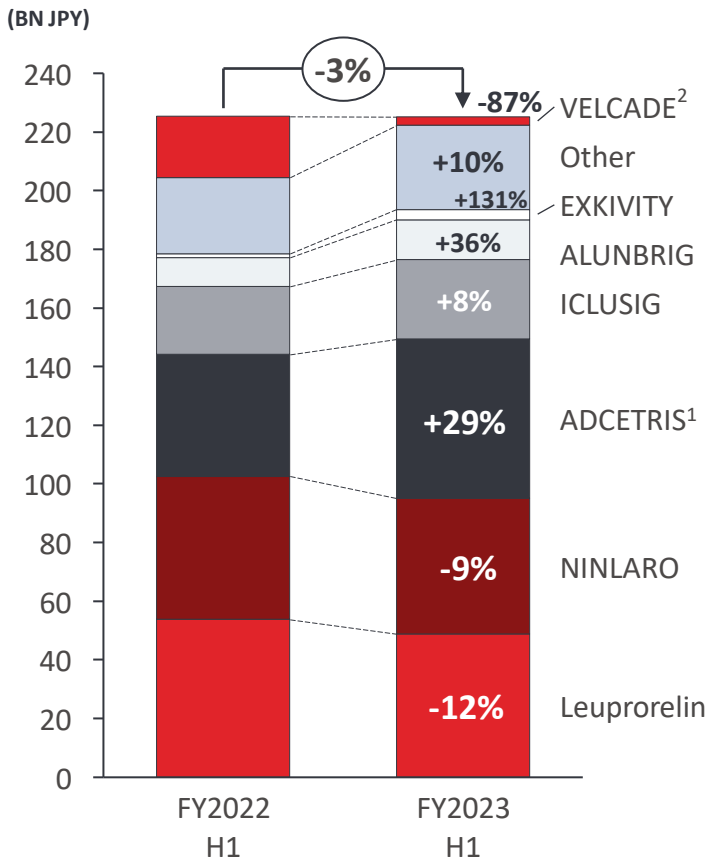
Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

ONCOLOGY

Oncology Growth Impacted by VELCADE Generics; Portfolio Excluding VELCADE Grew +6% at CER

ONCOLOGY PORTFOLIO

FY2023 H1 REVENUE



EXKIVITY mobocertinib 40 mg capsules

- Takeda intends to initiate voluntary global withdrawal: confirmatory trial in locally advanced or metastatic 1L EGFR Exon20 insertion+ NSCLC did not meet primary endpoint.

ADCETRIS brentuximab vedotin

- Continue to see strong growth in 1L Hodgkin lymphoma in EUCAN, Japan and GEM regions. Growth in the 1L HL is driven by 6-yr ECHELON-1 OS data.
- European Commission has approved expansion of the 1L HL label from Stage IV HL only to Stage III & IV.

ALUNBRIG BRIGATINIB

- Achieved double-digit growth in Q2 FY'23 led by an increase in US sales and continued growth in EUCAN and Japan.

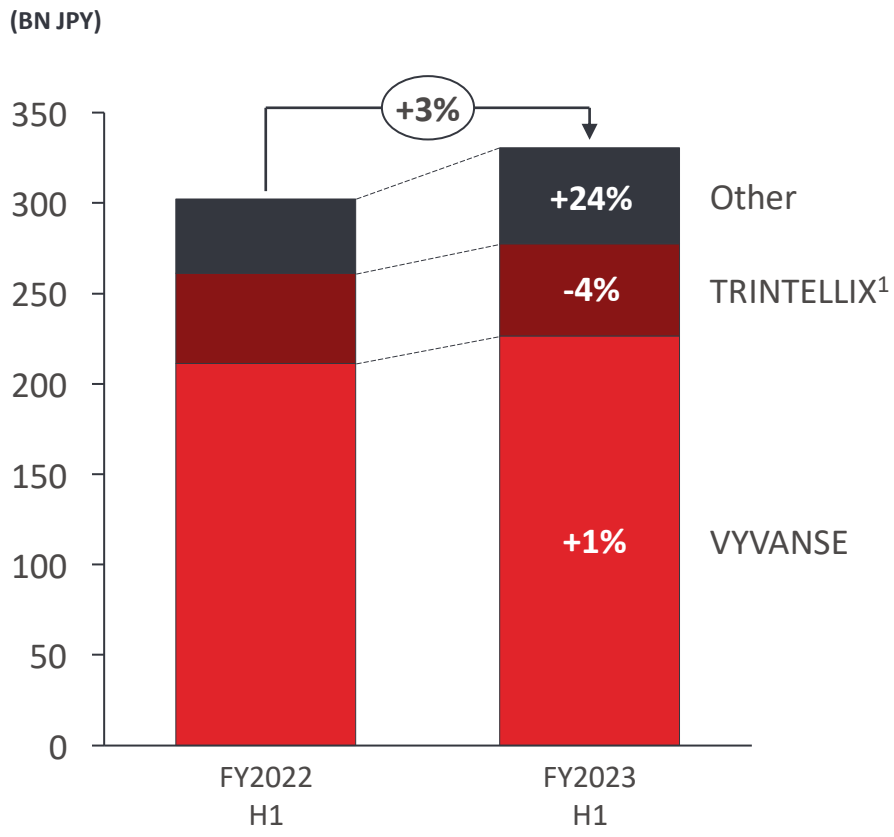
Absolute values are presented on an IFRS (reported) basis; Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).
For full glossary of abbreviations please refer to appendix.

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

VYVANSE U.S. Loss of Exclusivity Impacting from August as Expected

NEUROSCIENCE PORTFOLIO

FY2023 H1 REVENUE



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

Vyvanse® (lisdexamfetamine dimesylate) ONCE-DAILY 10 • 20 • 30 • 40 • 50 • 60 • 70 mg capsules 10 • 20 • 30 • 40 • 50 • 60 mg chewable tablets

FY2023 H1 Revenue JPY 226.3B (+0.7% growth)

- Strong performance in April-August ahead of Loss of Exclusivity driven by expanding ADHD adult population and by lower U.S. supply of other ADHD medications.
- Latest market intelligence indicates 8 generics have launched to date since LOE on August 24th.
- FY2023 full-year forecast assumes rapid brand share erosion in the U.S. due to generics; impact to date is in-line with expectations.
- Continuing to deliver growth ex-U.S., including buy-back of marketing rights in Japan in April 2023.

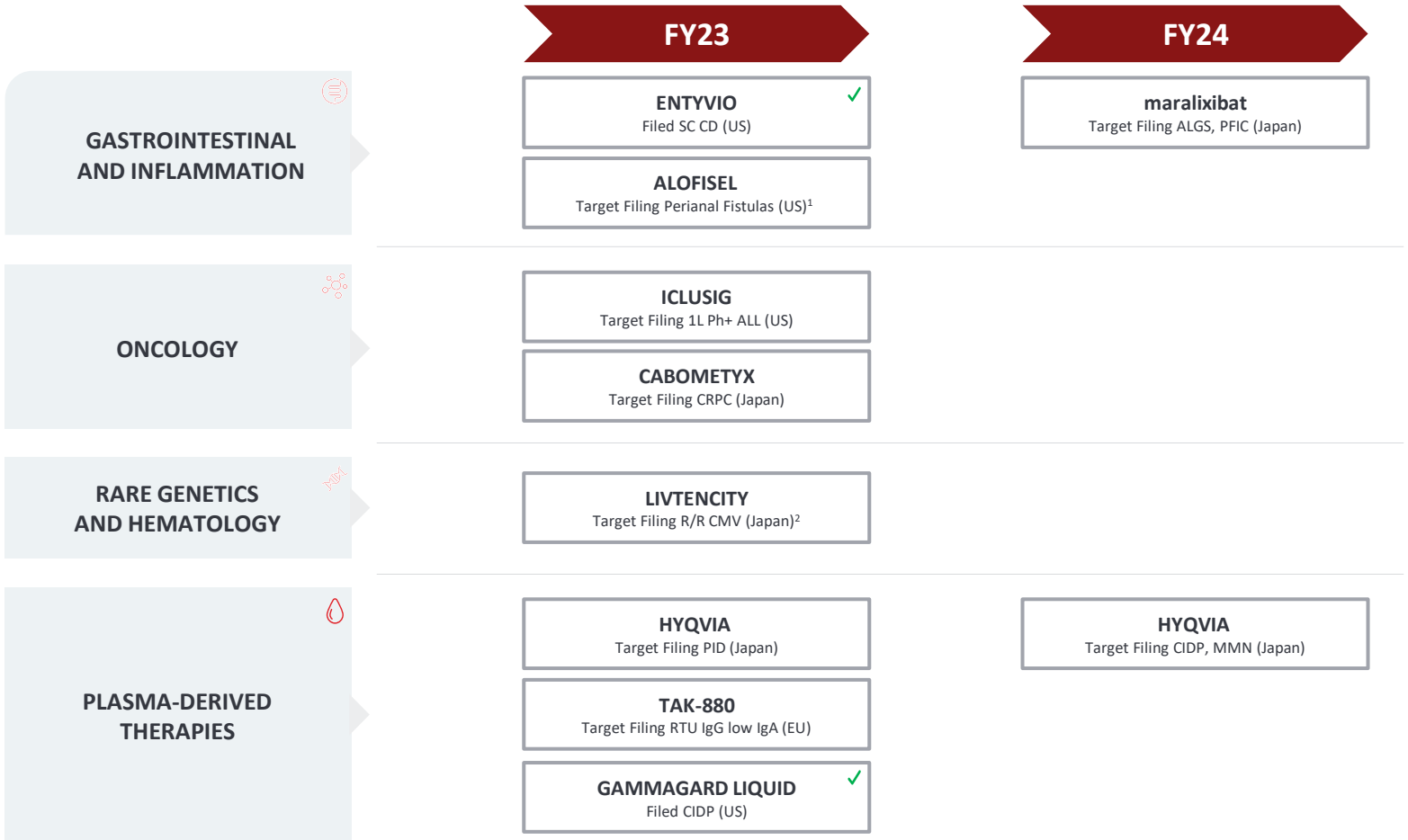
Trintellix vortioxetine

FY2023 H1 Revenue JPY 51.0B (-3.5% change)

- Year-over-year revenue decline driven primarily by higher utilization and rates in government channels. Overall demand decline driven by the compounding impact of slower new patient starts.
- In the U.S., strategic focus on TRINTELLIX efficacy story, inclusive of Speed of Processing (an aspect of cognition that may be impaired in MDD), along with field force and omnichannel execution, is expected to improve new patient starts.
- Pediatric exclusivity granted in the U.S., extending anticipated loss of exclusivity to December 2026.
- In Japan, FY23 H1 net sales shows continuously strong momentum with +35.6% growth. 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).

Important Near-Term LCM Expansions Represent Significant Growth Opportunities



1. ALOFISEL Phase 3 ADMIRE-CD II study to support U.S. filing did not meet primary endpoint
2. Post-transplant CMV infection/disease

Approved | Target Filing | ✓ Milestone achieved

All timelines are approximate estimates as of October 26, 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.

Entyvio: Continuing Evidence Generation and Indication Expansion

	PHASE 3	PUBLISHED/PRESENTED	FILED	APPROVED
Ulcerative colitis	ENTYVIO® IV, Pediatric (Global)	ENTYVIO® IV, H2H vs. adalimumab (VARSITY)[1]		ENTYVIO® IV (Global) ENTYVIO® SC (US, EU, JP)
Crohn's disease	ENTYVIO® IV, Pediatric (Global)		ENTYVIO® SC (US)	ENTYVIO® IV (Global) ENTYVIO® SC (EU, JP)
Pouchitis				ENTYVIO® IV (EU)
Graft-versus-host disease		ENTYVIO® IV (Global)[2] ★		
Real-World Evidence	Additional trials planned			

Approved | Published/presented | Ongoing study or filing

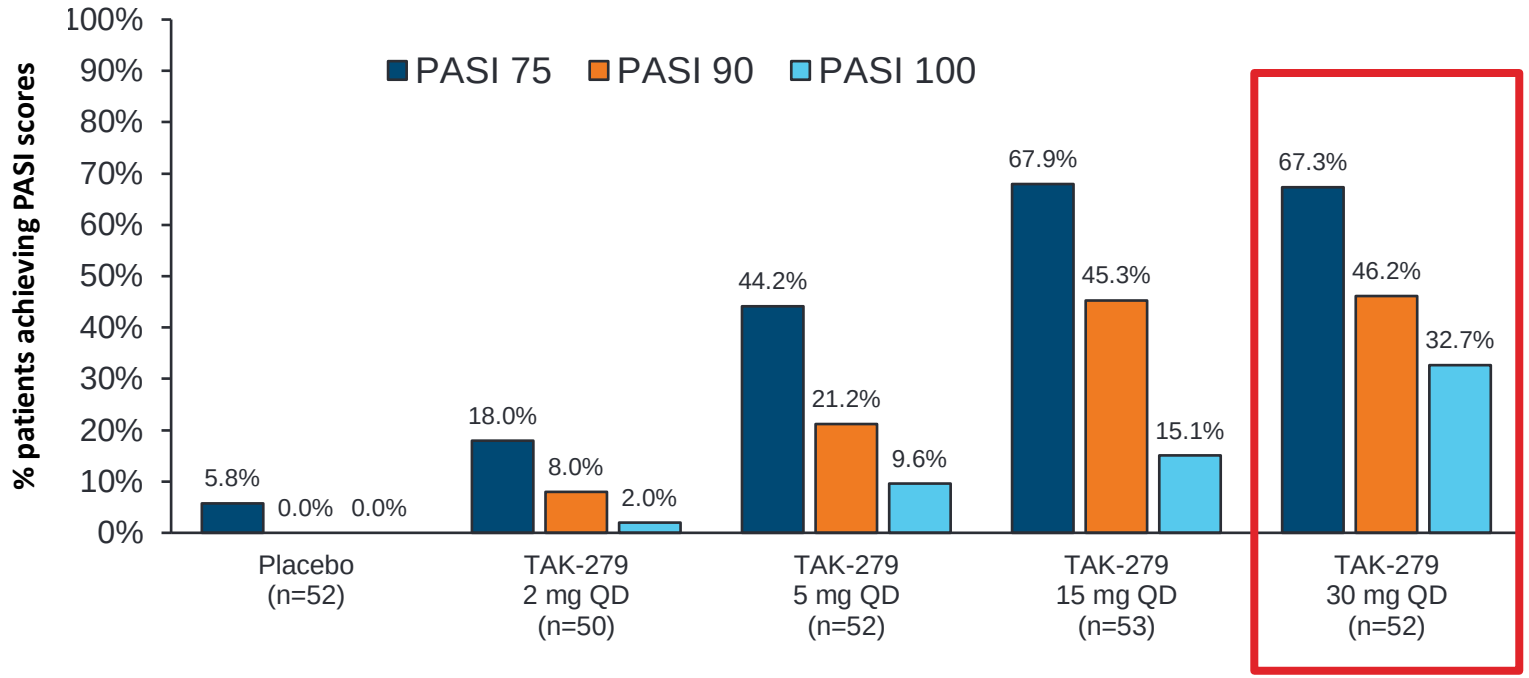
★ Orphan Drug Designation potential

1. Sands BE et al. N Engl J Med 2019;381:1215-26.
2. Chen YB et al., presented at the Transplantation & Cellular Therapy Meetings of ASTCT and CIBMTR, February 18th, 2023

All timelines are approximate estimates as of October 26, 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.

TAK-279: Phase 2B Indicates Potential for Best-in-class Oral Treatment Option for Psoriasis

Patients achieving PASI 75, 90 or 100 at Week 12[1]



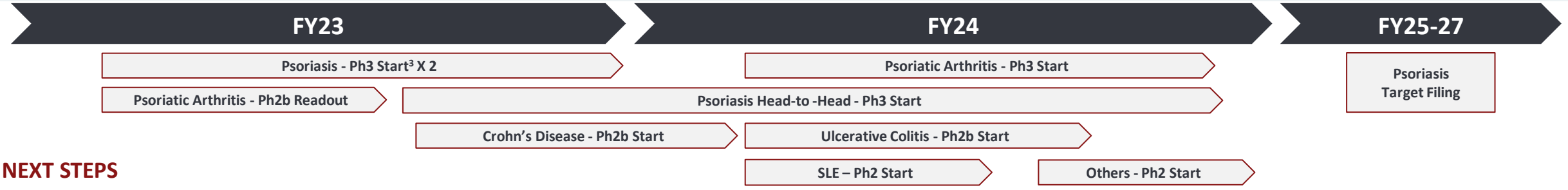
Summary

- Robust efficacy: 33% of patients on 30mg achieving clear skin at 12 weeks (PASI 100)
- Generally low rates of TEAEs
  - Most common: COVID-19, acne, acneiform dermatitis and diarrhea
- High selectivity for TYK2 over JAKs
  - 1.5 million times
  - Well tolerated, once daily oral dosing

Estimated market size in 2028[2]

- Psoriasis $30B
- IBD $30B
- Psoriatic arthritis $7B

NEXT STEPS



1. Armstrong et al., presentation at AAD, March 15th, 2023
2. Evaluate Pharma
3. TAK-279 Phase 3 on clinicaltrials.gov: NCT06088043

Consolidated Development Pipeline by Phase

	PHASE 1 (12 NMEs + 1 LCM)	PHASE 2 (18 NMEs + 1 LCM)
GASTROINTESTINAL AND INFLAMMATION	**TAK-647** NASH	**TAK-279** Psoriasis; **TAK-101** Celiac Disease; **TAK-951** Nausea & vomiting; **TAK-279** Psoriatic Arthritis; **TAK-227** Celiac Disease; **zamaglutenase**[1] Celiac Disease
NEUROSCIENCE		**TAK-861** NT1 ★; **TAK-041** Anhedonia in MDD; **TAK-653** Inadequate resp. in MDD; **TAK-071** Parkinson's Disease; **TAK-861** NT2 ★; **danavorexton**[2] ★ Postanesthesia recovery; **TAK-341** MSA ★; **TAK-594** Frontotemporal dementia ★
ONCOLOGY + Cell Therapy	**TAK-012** Acute myeloid leukemia; **TAK-102** Solid tumors; **TAK-103** Solid tumors; **TAK-186** EGFR Solid Tumor[3]; **modakafusp alfa** ★ Solid tumors; **TAK-940** CD19+ hematologic malignancies; **TAK-500** Solid tumors; **TAK-280** B7-H3 Solid Tumor[3]; **ICLUSIG**® Pediatric Ph+ ALL	**modakafusp alfa** ★ R/R MM; **subasumstat** Multiple cancers; **TAK-007** ★ CD19+ hematologic malignancies; **dazostinag TAK-676** Solid tumors[4]
RARE GENETICS AND HEMATOLOGY	**TAK-755** ★ SCD; **mezagitamab** ★ IgAN	**mezagitamab** ★ MG; **mezagitamab** ★ ITP; **TAK-755** ★ iTTP
PLASMA-DERIVED THERAPIES		**TAK-881** Immunodeficiencies
VACCINES	**TAK-426** Zika Vaccine	

1. Zamaglutenase is the INN for TAK-062
2. Danavorexton is the INN for TAK-925
3. Currently in phase 1 of a phase 1/2 trial
4. Currently in phase 2 of a phase 1/2 trial

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

NME | LCM

All timelines are approximate estimates as of October 26, 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 3 (5 NMEs + 21 LCMs)	FILED (3 NME + 18 LCMs)
GASTROINTESTINAL AND INFLAMMATION	fazirsiran ★ AATD Liver Disease ENTYVIO® ★ GvHD Prophylaxis ENTYVIO® Pediatric UC ENTYVIO® Pediatric CD ALOFISEL® ★ Perianal Fistulas in CD (US)[1] ALOFISEL® ★ Pediatric perianal Fistulas in CD maralixibat ★ ALGS (JP) maralixibat ★ PFIC (JP)	ENTYVIO® SC UC (US) ENTYVIO® SC CD (JP) VOCINTI® *H. Pylori* (CN) ENTYVIO® SC CD (US) TAK-721 ★ Eosinophilic esophagitis (US)
NEUROSCIENCE	soticlestat ★ DS soticlestat ★ LGS pabinafusp alfa ★ Hunter Syndrome	
ONCOLOGY + Cell Therapy	CABOMETYX® mCRPC combo w/atezolizumab (JP) NINLARO® ★ Maint. ND MM post-SCT (US, EU) ICLUSIG® 1L Ph+ ALL (US) relugolix Prostate cancer (JP, CN)	fruquintinib mCRC (US) fruquintinib mCRC (EU) fruquintinib mCRC (JP) ADCETRIS® ★ FL PTCL-NOS (EU) ADCETRIS® FL HL Stage III (EU) ADCETRIS® ★ R/R CTCL (JP)
RARE GENETICS AND HEMATOLOGY	TAK-755 ★ cTTP (CN) VONVENDI® ★ vWD Adult Prophylaxis (CN) LIVTENCITY® ★ Post-transplant CMV infection (JP) VONVENDI® ★ vWD Pediatric On-demand & Surgery ADYNOVATE® recombinant Factor VIII HemA (CN) ADYNOVATE® recombinant Factor VIII Pediatric HemA (EU)	TAK-755 ★ cTTP (US) TAK-755 ★ cTTP (EU) TAK-755 ★ cTTP (JP) TAKHZYRO® ★ Pediatric HAE (EU) OBIZUR® ★ Recomb antihemophilic factor porcine (JP) OBIZUR® ★ Recomb antihemophilic factor porcine (CN) VONVENDI® ★ vWD On-demand & Surgery (CN) VONVENDI® ★ vWD Adult Prophylaxis (EU)
PLASMA-DERIVED THERAPIES	HYQVIA® ★ CIDP, MMN (JP) TAK-880 IgG – Low IgA (US, EU) HYQVIA® PID (JP) Glovenin-I ★ Autoimmune Encephalitis (JP) Prothrombplex DOAC Reversal (US)	HYQVIA® ★ CIDP (US) HYQVIA® ★ CIDP (EU) HYQVIA® ★ Pediatric PID (US) GAMMAGARD LIQUID® CIDP (US) CUVITRU® PID, SID (JP) CEPROTIN® SCPCD (JP)
VACCINES	QDENGA® Dengue Vaccine Booster	

1. ALOFISEL Study did not meet primary endpoint; further analysis ongoing.

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

APPROVED | NME | LCM

All timelines are approximate estimates as of October 26, 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.

Clinical Development Pipeline Changes in FY23

New To Phase 1

- **TAK-012** Acute myeloid leukemia
- **TAK-647** NASH

New To Phase 2

- **danavorexton** Postanesthesia recovery
- **dazostinag TAK-676** Solid tumors[1]

New To Phase 3

- **ADYNOVATE®** recombinant Factor VIII HemA (CN)

New Regulatory Filings

- **TAK-721** ★ Eosinophilic esophagitis (US)
- **ENTYVIO®** SC CD (US)
- **fruquintinib** mCRC (EU, JP)
- **ADCETRIS®** ★ FL PTCL-NOS (EU)
- **TAK-755** ★ cTTP (US, EU, JP)
- **OBIZUR®** ★ Recomb antihemophilic factor porcine (JP)
- **CEPROTIN®** SCPCD (JP)
- **GAMMAGARD LIQUID®** CIDP (US)

Removed From Phase 1

- **TAK-105** Nausea & vomiting
- **TAK-920** Alzheimer's Disease

Removed From Phase 2

- **TAK-611** MLD (intrathecal)

Removed From Phase 3

- **EXKIVITY®** 1L NSCLC EGFR exon 20
- **ZEJULA®** Breast cancer (JP)
- **Nuvaxovid®** COVID-19 Vaccine Booster (JP)[2]

New Regulatory Approvals

- **ENTYVIO®** SC UC (US)
- **ENTYVIO®** SC CD (JP)
- **ADCETRIS®** FL HL Stage III (EU)
- **HYQVIA®** ★ Pediatric PID (US)
- **CUVITRU®** PID, SID (JP)

1. Currently in phase 2 of a phase 1/2 trial.
2. Nuvaxovid booster Phase 3 trial completed.

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

APPROVED | NME | LCM

All timelines are approximate estimates as of October 26, 2023, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. Only major regions (U.S., EU, Japan, China). For full glossary of abbreviations please refer to appendix.

Glossary of Abbreviations

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

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

FINANCIAL APPENDIX

Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations

Core 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.

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

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.

U.S. Dollar Convenience Translations

In Financial Appendix, certain amounts presented in Japanese yen have been translated to U.S. dollars solely for the convenience of the reader at an exchange rate of 1USD = 149.43 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 29, 2023. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the condensed interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

Definition of EBITDA/Adjusted EBITDA and Net Debt

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

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

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

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

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

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

We define Net Debt first by calculating the sum of the current and non-current portions of bonds and loans as shown on our consolidated statement of financial position, which is then adjusted to reflect (i) the use of prior 12-month average exchange rates for non-JPY debt outstanding at the beginning of the period and the use of relevant spot rates for new non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period, which reflects the methodology our management uses to monitor our leverage, and (ii) a 50% equity credit applied to our aggregate principal amount of 500.0 billion hybrid (subordinated) bonds issued in June 2019 by S&P Global Rating Japan in recognition of the equity-like features of those bonds pursuant to such agency's ratings methodology. To calculate Net Debt, we deduct from this figure cash & cash equivalents, excluding cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

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

FY2023 H1 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2022 H1	FY2023 H1	vs. PY			(Million USD, except EPS) FY2023 H1 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,974.8	2,101.7	126.9	6.4%	1.4%	14,065
Cost of sales	(598.3)	(664.7)	(66.4)	(11.1)%	(6.0)%	(4,448)
Gross profit	1,376.4	1,437.0	60.6	4.4%	(0.5)%	9,617
Margin	*69.7 %*	*68.4 %*		*(1.3) pp*	*(1.4) pp*	*68.4 %*
SG&A expenses	(480.2)	(501.1)	(20.9)	(4.3)%	0.8%	(3,353)
R&D expenses	(297.8)	(346.7)	(48.9)	(16.4)%	(9.6)%	(2,320)
Amortization of intangible assets associated with products	(240.8)	(253.9)	(13.1)	(5.4)%	1.5%	(1,699)
Impairment losses on intangible assets associated with products	(32.8)	(115.8)	(82.9)	(252.5)%	(226.2)%	(775)
Other operating income	13.5	9.9	(3.6)	(26.7)%	(27.6)%	66
Other operating expenses	(83.4)	(110.2)	(26.9)	(32.2)%	(27.1)%	(738)
Operating profit	255.0	119.2	(135.7)	(53.2)%	(50.6)%	798
Margin	*12.9 %*	*5.7 %*		*(7.2) pp*	*(6.6) pp*	*5.7 %*
Finance income	75.7	24.3	(51.4)	(67.9)%	(68.3)%	163
Finance expenses	(109.3)	(106.1)	3.2	2.9%	1.9%	(710)
Share of profit (loss) of investments accounted for using the equity method	(1.4)	1.6	3.0	—	—	11
Profit before tax	220.0	39.1	(181.0)	(82.3)%	(79.8)%	261
Income tax (expenses) benefit	(53.3)	2.4	55.7	—	86.0%	16
Net profit for the period	166.8	41.4	(125.3)	(75.2)%	(77.8)%	277
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	166.8	41.4	(125.4)	(75.2)%	(77.8)%	277
Basic EPS (JPY or USD)	107.62	26.51	(81.12)	(75.4)%	(78.0)%	0.18

When comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations, for the definition of the “Constant Exchange Rate change”.

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

FY2023 Q2 (Jul-Sep) Reported Results with CER % Change

(Billion JPY, except EPS)	FY2022 Q2 (Jul-Sep)	FY2023 Q2 (Jul-Sep)	vs. PY			(Million USD, except EPS) FY2023 Q2 (Jul-Sep) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,002.3	1,043.1	40.8	4.1%	(0.8)%	6,980
Cost of sales	(305.4)	(343.6)	(38.1)	(12.5)%	(7.3)%	(2,299)
Gross profit	696.9	699.5	2.6	0.4%	(4.3)%	4,681
Margin	*69.5 %*	*67.1 %*		*(2.5) pp*	*(2.5) pp*	*67.1 %*
SG&A expenses	(248.7)	(253.0)	(4.2)	(1.7)%	3.4%	(1,693)
R&D expenses	(154.1)	(183.9)	(29.8)	(19.3)%	(12.4)%	(1,231)
Amortization of intangible assets associated with products	(123.8)	(130.7)	(6.9)	(5.6)%	1.1%	(875)
Impairment losses on intangible assets associated with products	(18.6)	(109.5)	(90.9)	(489.0)%	(444.0)%	(733)
Other operating income	8.0	5.7	(2.3)	(29.1)%	(31.4)%	38
Other operating expenses	(55.2)	(77.4)	(22.2)	(40.2)%	(35.9)%	(518)
Operating profit	104.4	(49.3)	(153.8)	—	—	(330)
Margin	*10.4 %*	*(4.7)%*		*(15.2) pp*	*(14.4) pp*	*(4.7)%*
Finance income	14.8	9.4	(5.4)	(36.7)%	(25.7)%	63
Finance expenses	(53.8)	(58.1)	(4.2)	(7.8)%	(16.1)%	(389)
Share of profit (loss) of investments accounted for using the equity method	(0.9)	2.0	2.9	—	—	14
Profit before tax	64.5	(96.0)	(160.5)	—	—	(642)
Income tax (expenses) benefit	(2.8)	48.0	50.8	—	—	321
Net profit for the period	61.7	(48.0)	(109.7)	—	—	(321)
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	61.7	(48.0)	(109.8)	—	—	(321)
Basic EPS (JPY or USD)	39.77	(30.68)	(70.46)	—	—	(0.21)

When comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations, for the definition of the “Constant Exchange Rate change”.

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

FY2023 H1 Core Results with CER % Change

(Billion JPY, except EPS)	FY2022 H1	FY2023 H1	vs. PY			(Million USD, except EPS) FY2023 H1 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,974.8	2,101.7	126.9	6.4%	1.4%	14,065
Cost of sales	(571.6)	(664.8)	(93.3)	(16.3)%	(10.9)%	(4,449)
Gross profit	1,403.2	1,436.9	33.7	2.4%	(2.4)%	9,616
Margin	*71.1 %*	*68.4 %*		*(2.7) pp*	*(2.7) pp*	*68.4 %*
SG&A expenses	(480.5)	(501.4)	(20.9)	(4.3)%	0.8%	(3,356)
R&D expenses	(297.5)	(346.7)	(49.2)	(16.5)%	(9.7)%	(2,320)
Operating profit	625.2	588.8	(36.4)	(5.8)%	(9.5)%	3,940
Margin	*31.7 %*	*28.0 %*		*(3.6) pp*	*(3.4) pp*	*28.0 %*
Finance income	32.6	24.0	(8.6)	(26.4)%	(27.2)%	161
Finance expenses	(100.8)	(87.8)	13.0	12.9%	18.9%	(588)
Share of profit (loss) of investments accounted for using the equity method	2.7	2.3	(0.4)	(14.4)%	(13.7)%	15
Profit before tax	559.6	527.2	(32.4)	(5.8)%	(8.8)%	3,528
Income tax (expenses) benefit	(112.9)	(119.4)	(6.6)	(5.8)%	(11.0)%	(799)
Net profit for the period	446.7	407.8	(38.9)	(8.7)%	(13.8)%	2,729
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	446.7	407.7	(39.0)	(8.7)%	(13.8)%	2,728
Basic EPS (JPY or USD)	288	261	(27)	(9.4)%	(14.4)%	1.75

When comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations, for the definition of the “Constant Exchange Rate change”.

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

FY2023 Q2 (Jul-Sep) Core Results with CER % Change

(Billion JPY, except EPS)	FY2022 Q2 (Jul-Sep)	FY2023 Q2 (Jul-Sep)	vs. PY			(Million USD, except EPS) FY2023 Q2 (Jul-Sep) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,002.3	1,043.1	40.8	4.1%	(0.8)%	6,980
Cost of sales	(293.3)	(343.6)	(50.3)	(17.1)%	(11.7)%	(2,299)
Gross profit	709.0	699.5	(9.5)	(1.3)%	(5.9)%	4,681
Margin	*70.7 %*	*67.1 %*		*(3.7) pp*	*(3.7) pp*	*67.1 %*
SG&A expenses	(248.8)	(253.1)	(4.3)	(1.7)%	3.3%	(1,694)
R&D expenses	(154.0)	(183.9)	(29.9)	(19.4)%	(12.6)%	(1,231)
Operating profit	306.1	262.4	(43.7)	(14.3)%	(17.3)%	1,756
Margin	*30.5 %*	*25.2 %*		*(5.4) pp*	*(5.1) pp*	*25.2 %*
Finance income	8.9	9.2	0.3	3.2%	21.6%	61
Finance expenses	(50.0)	(44.5)	5.6	11.1%	12.7%	(298)
Share of profit (loss) of investments accounted for using the equity method	1.7	1.5	(0.2)	(11.6)%	(11.1)%	10
Profit before tax	266.7	228.7	(38.0)	(14.3)%	(16.8)%	1,530
Income tax (expenses) benefit	(44.2)	(54.3)	(10.1)	(22.9)%	(42.9)%	(363)
Net profit for the period	222.5	174.4	(48.2)	(21.6)%	(28.6)%	1,167
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	222.5	174.3	(48.2)	(21.7)%	(28.6)%	1,167
Basic EPS (JPY or USD)	143	111	(32)	(22.3)%	(29.2)%	0.75

When comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations, for the definition of the “Constant Exchange Rate change”.

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

FY2023 H1 Reconciliation from Reported to Core

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

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

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

FY2022 H1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	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
Margin	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
Income tax (expenses) benefit	(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 (JPY)	108					288
Number of shares (millions)	1,549					1,549

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

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,002.3					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
Margin	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
Income tax (expenses) benefit	(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 (JPY)	40					143
Number of shares (millions)	1,552					1,552

FY2023 H1 Free Cash Flow

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY		(Million USD) FY2023 H1 Convenience USD Translation
Net profit	166.8	41.4	(125.3)	(75.2)%	277
Depreciation, amortization and impairment loss	362.1	480.9	118.8		3,218
Decrease (increase) in trade working capital	(159.0)	(200.7)	(41.7)		(1,343)
Income taxes paid	(115.4)	(129.0)	(13.6)		(864)
Tax refunds and interest on tax refunds received	6.2	10.1	3.9		68
Other	44.6	88.6	44.0		593
Net cash from operating activities (Operating Cash Flow)	305.2	291.3	(13.9)	(4.6)%	1,949
Adjustment for cash temporarily held by Takeda on behalf of third parties*1	116.8	(30.2)	(147.1)		(202)
Acquisition of PP&E	(71.4)	(83.8)	(12.4)		(561)
Proceeds from sales of PP&E	0.1	8.3	8.2		56
Acquisition of intangible assets	(67.6)	(255.5)	(187.9)		(1,710)
Acquisition of investments	(4.7)	(2.3)	2.4		(15)
Proceeds from sales and redemption of investments	18.4	0.6	(17.8)		4
Proceeds from sales of business, net of cash and cash equivalents divested	—	0.4	0.4		2
Free Cash Flow	296.9	(71.1)	(368.0)	—	(476)

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

FY2023 H1 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2023 H1
Cash & cash equivalents and Level 1 debt investments [*1]	162.0
Book value debt on consolidated statements of financial position	(4,679.2)
Hybrid bond 50% equity credit	250.0
FX adjustment [*2]	216.7
Gross debt [*3]	(4,212.5)
Net cash (debt)	**(4,050.5)**
Net debt/Adjusted EBITDA ratio	**2.9x**
Adjusted EBITDA	**1,406.2**

NET INCREASE (DECREASE) IN CASH

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY	
Net cash from operating activities	305.2	291.3	(13.9)	(4.6)%
Acquisition of PP&E	(71.4)	(83.8)		
Proceeds from sales of PP&E	0.1	8.3		
Acquisition of intangible assets	(67.6)	(255.5)		
Acquisition of investments	(4.7)	(2.3)		
Proceeds from sales and redemption of investments	18.4	0.6		
Proceeds from sales of business, net of cash and cash equivalents divested	—	0.4		
Net increase in short-term loans and commercial papers	—	110.0		
Proceeds from long-term loans	—	100.0		
Repayment of long-term loans	(0.1)	(100.2)		
Repayment of bonds	(26.8)	(145.9)		
Proceeds from the settlement of cross currency interest rate swaps related to bonds	—	60.1		
Purchase of treasury shares	(26.9)	(2.3)		
Interest paid	(52.7)	(49.7)		
Dividends paid	(140.0)	(139.8)		
Others	(17.8)	(25.5)		
Net increase (decrease) in cash	(84.3)	(234.2)	(150.0)	(177.9)%

*1 Represents cash & cash equivalents, excluding cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.
For the calculation of net debt, starting from the quarter ended June 30, 2023, debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets are included in the items deducted from gross debt. Had the same methodology been used for the calculation of net debt as of March 31, 2023 and prior periods, net debt would have remained unchanged.

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

*3 Bonds and loans of current and non-current liabilities. JPY 250.0 billion reduction in debt due to JPY 500.0 billion hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes non-cash adjustments related to debt amortization and FX impact.

FY2022 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2022
Cash and cash equivalents *1	407.7
Book value debt on consolidated statements of financial position	(4,382.3)
Hybrid bond 50% equity credit	250.0
FX adjustment *2	8.5
Gross debt *3	(4,123.9)
Net cash (debt)	**(3,716.1)**
Upfront payment related to the acquisition of TAK-279 *4	400.4
Net cash (debt) excluding upfront payment related to the acquisition of TAK-279	**(3,315.7)**
Net debt/Adjusted EBITDA ratio	**2.6 x**
Net debt/Adjusted EBITDA ratio excluding upfront payment related to the acquisition of TAK-279	**2.3 x**
Adjusted EBITDA	**1,421.8**

NET INCREASE (DECREASE) IN CASH

(Billion JPY)	FY2021	FY2022	vs. PY	
Net cash from operating activities	1,123.1	977.2	(145.9)	(13.0)%
Acquisition of PP&E	(123.3)	(140.7)		
Proceeds from sales of PP&E	1.8	1.0		
Acquisition of intangible assets	(62.8)	(493.0)		
Acquisition of investments	(8.3)	(10.2)		
Proceeds from sales and redemption of investments	16.9	22.3		
Acquisition of business, net of cash and cash equivalents acquired	(49.7)	—		
Proceeds from sales of business, net of cash and cash equivalents divested	28.2	8.0		
Net decrease in short-term loans and commercial papers	(0.0)	40.0		
Proceeds from long-term loans	—	75.0		
Repayment of long-term loans	(414.1)	(75.2)		
Proceeds from issuance of bonds	249.3	—		
Repayment of bonds	(396.0)	(281.5)		
Purchase of treasury shares	(77.5)	(26.9)		
Interest paid	(108.2)	(108.6)		
Dividends paid	(283.7)	(279.4)		
Others	(41.1)	(47.0)		
Net increase (decrease) in cash	(145.3)	(339.1)	(193.8)	(133.4)%

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

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

*3 Bonds and loans of current and non-current liabilities. JPY 250.0 billion reduction in debt due to JPY 500.0 billion hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes non-cash adjustments related to debt amortization and FX impact.

*4 This represents the portion of the USD 4.0 billion upfront payment related to the acquisition of TAK-279 paid in February 2023 (such portion totaling USD 3.0 billion), converted to JPY using the Japanese yen – U.S. dollar exchange rate of 133.48, which is applicable to translation of foreign currency denominated cash as of March 31, 2023.

FY2023 H1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY	
Net profit	166.8	41.4	(125.3)	(75.2)%
Income tax expenses	53.3	(2.4)		
Depreciation and amortization	326.1	354.2		
Interest expense, net	57.5	54.0		
EBITDA	603.7	447.2	(156.5)	(25.9)%
Impairment losses	36.0	126.7		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	65.4	89.6		
Finance expense (income), net, excluding interest income and expense, net	(24.0)	27.8		
Share of loss on investments accounted for under the equity method	1.4	(1.6)		
Other adjustments:	55.5	32.5		
Non-core expense related to COVID-19	5.6	—		
Impact on profit related to fair value step up of inventory in Shire acquisition	21.9	—		
Other costs*1	28.0	32.5		
Adjusted EBITDA	737.9	722.2	(15.6)	(2.1)%

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

FY2023 H1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2022 Full Year (Apr - Mar)	FY2022 H1 (Apr - Sep)	FY2023 H1 (Apr - Sep)	FY2023 H1 LTM*1 (Oct - Sep)
Net profit	317.0	166.8	41.4	191.7
Income tax expenses	58.1	53.3	(2.4)	2.4
Depreciation and amortization	664.4	326.1	354.2	692.5
Interest expense, net	111.5	57.5	54.0	107.9
EBITDA	1,151.0	603.7	447.2	994.5
Impairment losses	64.4	36.0	126.7	155.1
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	109.0	65.4	89.6	133.3
Finance expense (income), net, excluding interest income and expense, net	(4.7)	(24.0)	27.8	47.1
Share of loss on investments accounted for under the equity method	8.6	1.4	(1.6)	5.7
Other adjustments:	93.5	55.5	32.5	70.5
Non-core expense related to COVID-19	9.9	5.6	—	4.3
Impact on profit related to fair value step up of inventory in Shire acquisition	24.9	21.9	—	3.0
Other costs*2	58.7	28.0	32.5	63.1
Adjusted EBITDA	1,421.8	737.9	722.2	1,406.2

*1 LTM represents Last Twelve Months (October 2022 - September 2023). Calculated by subtracting FY2022 H1 from FY2022 Full Year and adding FY2023 H1.

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

FY2023 H1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY		FY2023 Revised Forecast (October 26, 2023)
Capital expenditures*1	139.0	339.3	200.3	144.1%	480.0 - 530.0*3
Tangible assets	71.4	83.8	12.4	17.3%	
Intangible assets	67.6	255.5	187.9	278.1%	
Depreciation and amortization	326.1	354.2	28.1	8.6%	680.0
Depreciation of tangible assets*2 (A)	73.4	84.8	11.4	15.5%	
Amortization of intangible assets (B)	252.7	269.4	16.7	6.6%	
Of which Amortization associated with products (C)	240.8	253.9	13.1	5.4%	500.0
Of which Amortization excluding intangible assets associated with products (D)	11.9	15.5	3.6	30.2%	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	85.3	100.3	15.0	17.6%	180.0
Impairment losses	36.0	126.7	90.8	252.4%	
Impairment losses associated with products	32.8	115.8	82.9	252.5%	120.0
Amortization and impairment losses on intangible assets associated with products	273.6	369.7	96.0	35.1%	620.0

*1 Cash flow base

*2 Including depreciation of investment properties

*3 FY2023 Revised Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (JPY 134.1 billion) and in-licensing of fruquintinib from HUTCHMED (JPY 55.1 billion).

FY2023 Full Year Detailed Forecast

	(BN JPY)	FY2023 Original Forecast (May 11, 2023)	FY2023 Revised Forecast (October 26, 2023)	vs. Original Forecast		Reason for Variances
REPORTED	Revenue	3,840.0	3,980.0	140.0	3.6 %	Predominantly due to change in FX rate assumptions
	R&D expenses	(643.0)	(680.0)	(37.0)	(5.8)%	Updated for FX
	Amortization of intangible assets associated with products	(480.0)	(500.0)	(20.0)	(4.2)%	Updated for FX
	Impairment losses on intangible assets associated with products	(50.0)	(120.0)	(70.0)	(140.0)%	Revised to reflect impairment losses already booked in H1 (e.g. ALOFISEL, EXKIVITY)
	Other operating income	14.0	14.0	—	— %	
	Other operating expenses	(150.0)	(180.0)	(30.0)	(20.0)%	Revised to include provisions booked in H1 that were not in the original forecast
	Operating profit	349.0	225.0	(124.0)	(35.5)%	Predominantly due to impairment and provisions listed above; also updated for FX
	Finance income (expenses), net	(165.0)	(157.0)	8.0	4.8 %	
	Profit before tax	185.0	70.0	(115.0)	(62.2)%	Reflects items impacting Reported Operating Profit
	Net profit attributable to owners of the Company	142.0	93.0	(49.0)	(34.5)%	Updated tax rate assumption, reflects JPY 63.5B tax expense reduction booked in H1
	Basic EPS (JPY)	91	59	(31)	(34.5)%	
	Core Revenue[*1]	3,840.0	3,980.0	140.0	3.6 %	Predominantly due to change in FX rate assumptions
	Core Operating Profit[*1]	1,015.0	1,015.0	—	— %	
	Core EPS (JPY)	434	447	13	3.1 %	Updated core tax rate assumption
	Free cash flow	400.0 to 500.0	400.0 to 500.0			FY2023 Revised Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (JPY 134.1 BN) and in-licensing of fruquintinib from HUTCHMED (JPY 55.1 BN)
	CAPEX (cash flow base)	(480.0) to (530.0)	(480.0) to (530.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(170.0)	(180.0)	(10.0)	(5.9)%	Updated for FX
	Cash tax rate on adjusted EBITDA (excl. divestitures)	Mid-to-high teen %	Mid-to-high teen %			
	USD/JPY	131	137	6	4.6 %	
	EUR/JPY	141	145	4	2.8 %	

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations, for the definition and A-18 FY2023 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast, for reconciliation.

FY2023 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast

(Billion JPY)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income (expenses)	Others	
Revenue	3,980.0					3,980.0
Cost of sales						
Gross Profit						
SG&A and R&D expenses					4.0	
Amortization of intangible assets associated with products	(500.0)	500.0				—
Impairment losses on intangible assets associated with products	(120.0)		120.0			—
Other operating income	14.0			(14.0)		—
Other operating expenses	(180.0)			180.0		—
Operating profit	225.0	500.0	120.0	166.0	4.0	1,015.0

FY2023 Full Year FX Rates Assumptions and Currency Sensitivity

Average Exchange Rates vs. JPY				Impact of depreciation of yen from October 2023 to March 2024 (100 million JPY)				
	FY2022 H1 Actual (Apr-Sep)	FY2023 H1 Actual (Apr-Sep)	FY2023 Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	131	140	137	1% depreciation	95.2	3.5	(0.5)	24.8
				1 yen depreciation	69.5	2.6	(0.4)	18.1
EUR	138	153	145	1% depreciation	27.4	(18.8)	(15.3)	(14.3)
				1 yen depreciation	18.9	(12.9)	(10.5)	(9.9)
RUB	2.1	1.6	1.6	1% depreciation	2.1	1.1	0.9	1.3
CNY	19.7	19.8	19.8		9.9	5.8	4.4	5.8
BRL	26.3	28.5	28.5		5.4	3.3	2.5	3.3

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