



News Release

Notice of the Revised Forecast of Consolidated Financials for FY2024 (IFRS)

OSAKA, Japan, October 31, 2024 – Takeda (TSE:4502/NYSE:TAK) today announced the revised forecast of the full year consolidated financials for the fiscal year ending March 31, 2025 (FY2024), as below.

1. Revised Forecast for Full Year Consolidated Financials for the Fiscal Year Ending March 31, 2025

(millions JPY)

	Revenue	Operating profit	Profit before income taxes	Net profit attributable to owners of the Company	Basic earnings per share
Original Forecast (A)*	4,350,000	225,000	55,000	58,000	36.70 JPY
Revised Forecast (B)	4,480,000	265,000	93,000	68,000	43.03 JPY
Discrepancy (B-A)	130,000	40,000	38,000	10,000	—
Change %	3.0%	17.8%	69.1%	17.2%	—

* Announced on May 9, 2024.

(millions JPY)

	Core Revenue	Core Operating Profit	Core EPS
Original Forecast (A)*	4,350,000	1,000,000	431 JPY
Revised Forecast (B)	4,480,000	1,050,000	456 JPY
Discrepancy (B-A)	130,000	50,000	—
Change %	3.0%	5.0%	—

* Announced on May 9, 2024.

(Note) For the definition of Core financial measures, please refer to the “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix attached to the Earnings Report.

2. Reasons for Revision

Takeda expects FY2024 revenue to be JPY 4,480.0 billion, an increase of JPY 130.0 billion, or 3.0%, from the original forecast. This is primarily attributable to milder than anticipated generic erosion of VYVANSE after the loss of exclusivity in the U.S. and other business momentum as well as favorable overall changes in the assumptions of foreign exchange rates.

The Core Revenue forecast has been revised in the same way as the Revenue forecast.

Operating Profit is expected to increase by JPY 40.0 billion, or 17.8%, from the original forecast to JPY

265.0 billion, reflecting the positive impact from VYVANSE due to milder than anticipated generic erosion in the U.S. This increase is partially offset by unfavorable impacts from other products, incremental operating expenses and foreign currency exchanges.

Core Operating Profit, which excludes impacts unrelated to the underlying trends and business performance of Takeda’s core operations, is expected to be JPY 1,050.0 billion, an increase of JPY 50.0 billion, or 5.0%.

Net profit for the year (attributable to owners of the Company) is expected to be JPY 68.0 billion JPY, an increase of JPY 10.0 billion, or 17.2%, from the original forecast. Profit Before Tax is expected to increase by JPY 38.0 billion, or 69.1%, to JPY 93.0 billion, mainly reflecting the increase in Operating Profit. This increase in Profit Before Tax is expected to be partially offset by higher tax charges, mainly due to the write-down of deferred tax assets, resulting in an assumed effective tax rate of approximately 27%.

Reported EPS is expected to be JPY 43.03, an increase of JPY 6.33, or 17.2%, and Core EPS is expected to be JPY 456, an increase of JPY 26, or 5.9%.

3. Management Guidance for the Fiscal Year Ending March 31, 2025

Takeda uses change in Core Revenue, Core Operating Profit and Core EPS at Constant Exchange Rate (CER) basis as its Management Guidance. The full year management guidance for the fiscal year ending March 31, 2025 (FY2024) has been revised from the original management guidance announced on May 9, 2024, as follows:

	Original Management Guidance (May 9, 2024)	Revised Management Guidance (October 31, 2024)	CER % Change
Core Revenue	Flat to slightly declining	Flat to slightly increasing	
Core Operating Profit	Approx 10% decline	Mid-single-digit % decline	
Core EPS	Mid-10s% decline	Approx 10% decline	

About Takeda

Takeda is focused on creating better health for people and a brighter future for the world. We aim to discover and deliver life-transforming treatments in our core therapeutic and business areas, including gastrointestinal and inflammation, rare diseases, plasma-derived therapies, oncology, neuroscience and vaccines. Together with our partners, we aim to improve the patient experience and advance a new frontier of treatment options through our dynamic and diverse pipeline. As a leading values-based, R&D-driven biopharmaceutical company headquartered in Japan, we are guided by our commitment to patients, our people and the planet. Our employees in approximately 80 countries and regions are driven by our purpose and are grounded in the values that have defined us for more than two centuries. For more information, visit www.takeda.com.

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The companies in which Takeda directly and indirectly owns investments are separate entities. In this press release, “Takeda” is sometimes used for convenience where references are made to Takeda and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

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Forward-Looking Statements

This press release and any materials distributed in connection with this press release may contain forward-looking statements, beliefs or opinions regarding Takeda’s future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “ensures”, “will”, “may”, “should”, “would”, “could”, “anticipates”, “estimates”, “projects”, “forecasts”, “outlook” or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda’s global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations; challenges inherent in new product development, including uncertainty of clinical success and decisions of regulatory authorities and the timing thereof; uncertainty of commercial success for new and existing products; manufacturing difficulties or delays; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic; the success of our environmental sustainability efforts, in enabling us to reduce our greenhouse gas emissions or meet our other environmental goals; the extent to which our efforts to increase efficiency, productivity or cost-savings, such as the integration of digital technologies, including artificial intelligence, in our business or other initiatives to restructure our operations will lead to the expected benefits; and other factors identified in Takeda’s most recent Annual Report on Form 20-F and Takeda’s other reports filed with the U.S. Securities and Exchange Commission, available on

Takeda's website at: <https://www.takeda.com/investors/sec-filings-and-security-reports/> or at www.sec.gov. Takeda does not undertake to update any of the forward-looking statements contained in this press release or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this press release may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda's future results.

Financial Information and Non-IFRS Measures

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

This press release and materials distributed in connection with this press release include certain financial measures not presented in accordance with IFRS, such as Core Revenue, Core Operating Profit, Core Net Profit for the year attributable to owners of the Company, Core EPS, Constant Exchange Rate ("CER") change, Net Debt, Adjusted Net Debt, EBITDA, Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow. Takeda's management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this press release. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. Takeda's non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as "reported" measures). Investors are encouraged to review the definitions and reconciliations of non-IFRS measures to their most directly comparable IFRS measures, which are in the Financial Appendix appearing at the end of our investor presentation of our Q2 FY2024 financial results (available at www.takeda.com/investors).

The usefulness of Core Financial Measures to investors has significant limitations including, but not limited to, (i) they are not necessarily identical to similarly titled measures used by other companies, including those in the pharmaceutical industry, (ii) they exclude financial information and events, such as the effects of non-cash expenses such as dispositions or amortization of intangible assets, that some may consider important in evaluating Takeda's performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future (however, it is Takeda's policy not to adjust out normal, recurring cash operating expenses necessary to operate our business) and (iv) they may not include all items which investors may consider important to an understanding of our results of operations, or exclude all items which investors may not consider to be so.

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