Earnings Report (*Kessan Tanshin*) for the Fiscal Year Ended March 31, 2025 (IFRS, Consolidated)

May 8, 2025

Takeda Pharmaceutical Company Limited | Stock exchange listings: Tokyo, Nagoya, Sapporo, Fukuoka

TSE Code: 4502 | URL: https://www.takeda.com

Representative: Christophe Weber, President & CEO

Contact: Christopher O'Reilly, Global Head of IR, Global Finance | Telephone: +81-3-3278-2306 | Email: takeda.ir.contact@takeda.com

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Scheduled date of securities report submission: June 25, 2025
Scheduled date of dividend payment commencement: June 26, 2025
Supplementary materials for the financial statements: Yes
Presentation to explain for the financial statements: Yes

(Million JPY, rounded to the nearest million)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentage figures represent changes over the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Net profit for the year		Net profit attributable to owners of the Company	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
For the Fiscal Year Ended March 31, 2025	4,581,551	7.5	342,586	60.0	175,084	231.7	108,143	(25.0)	107,928	(25.1)
For the Fiscal Year Ended March 31, 2024	4,263,762	5.9	214,075	(56.4)	52,791	(85.9)	144,197	(54.5)	144,067	(54.6)

	Total comprehensive income for the year		Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the Company	Ratio of profit before income taxes to total assets
	(Million JPY)	(%)	(JPY)	(JPY)	(%)	(%)
For the Fiscal Year Ended March 31, 2025	(57,698)	-	68.36	67.23	1.5	1.2
For the Fiscal Year Ended March 31, 2024	1,139,206	25.0	92.09	91.16	2.1	0.4

	Ratio of operating profit to revenue	Core Revenue		Core Operating Profit		Core EPS
	(%)	(Billion JPY)	(%)	(Billion JPY)	(%)	(JPY)
For the Fiscal Year Ended March 31, 2025	7.5	4,579.8	7.4	1,162.6	10.2	491
For the Fiscal Year Ended March 31, 2024	5.0	4,263.8	5.9	1,054.9	(11.2)	484

(Reference) Share of profit (loss) of investments accounted for using the equity method:
For the Fiscal Year Ended March 31, 2025 JPY -3,986 million For the Fiscal Year Ended March 31, 2024 JPY 6,473 million

(2) Consolidated Financial Position

	Total assets (Million JPY)	Total equity (Million JPY)	Equity attributable to owners of the Company (Million JPY)	Ratio of equity attributable to owners of the Company to total assets (%)	Equity attributable to owners of the Company per share (JPY)
As of March 31, 2025	14,248,344	6,935,979	6,935,084	48.7	4,407.01
As of March 31, 2024	15,108,792	7,274,005	7,273,264	48.1	4,635.56

(3) Consolidated Cash Flows

	Net cash from (used in) operating activities (Million JPY)	Net cash from (used in) investing activities (Million JPY)	Net cash from (used in) financing activities (Million JPY)	Cash and cash equivalents at the end of the year (Million JPY)
For the Fiscal Year Ended March 31, 2025	1,057,182	(367,060)	(751,425)	385,113
For the Fiscal Year Ended March 31, 2024	716,344	(463,862)	(354,416)	457,800

2. Dividends

	Annual dividends per share (JPY)					Total Dividends (Million JPY)	Dividend Pay-out ratio (%) (Consolidated)	Ratio of dividends to net assets (%) (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total			
For the Fiscal Year Ended March 31, 2024	—	94.00	—	94.00	188.00	296,078	204.2	4.3
For the Fiscal Year Ended March 31, 2025	—	98.00	—	98.00	196.00	310,656	286.7	4.3
For the Fiscal Year Ending March 31, 2026 (Projection)	—	100.00	—	100.00	200.00		—	

3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentage figures represent changes over the previous fiscal year)

	Revenue		Operating profit		Profit before taxes		Net profit attributable to owners of the Company		Basic earnings per share
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)
For the Fiscal Year Ending March 31, 2026	4,530,000	(1.1)	475,000	38.7	307,000	75.3	228,000	111.3	144.81

Forecasts for Core financial measures are shown below.

(Percentage figures represent changes over the previous fiscal year)

	Core Revenue		Core Operating Profit		Core EPS
	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)
For the Fiscal Year Ending March 31, 2026	4,530,000	(1.1)	1,140,000	(1.9)	485

The definition of Core financial measures is stated in “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix.

4. Management Guidance (Constant Exchange Rate basis) for the Fiscal Year Ending March 31, 2026

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

Change at CER	Core Revenue	Core Operating Profit	Core EPS
	(%)	(%)	(%)
For the Fiscal Year Ending March 31, 2026	Broadly Flat	Broadly Flat	Broadly Flat

The definition of Constant Exchange Rate change is stated in “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix.

- **Additional Information**

(1) Significant changes in the scope of consolidation during the period : No

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS : No

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock) at year end:

March 31, 2025	1,590,949,609 shares
March 31, 2024	1,582,418,725 shares

2) Number of shares of treasury stock at year end:

March 31, 2025	17,299,963 shares
March 31, 2024	13,405,261 shares

3) Average number of outstanding shares (for the fiscal year ended March 31):

March 31, 2025	1,578,872,987 shares
March 31, 2024	1,564,450,432 shares

(Reference) Summary of Unconsolidated Results

Summary of Unconsolidated Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Unconsolidated Operating Results

(Percentage figures represent changes over the previous fiscal year)

	Net sales		Operating income		Ordinary income	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
For the Fiscal Year Ended March 31, 2025	580,360	(2.6)	36,897	(23.2)	86,594	(69.8)
For the Fiscal Year Ended March 31, 2024	595,575	(5.8)	48,070	(64.7)	286,399	(15.8)

	Net income		Earnings per share	Fully diluted earnings per share
	(Million JPY)	(%)	(JPY)	(JPY)
For the Fiscal Year Ended March 31, 2025	152,820	(54.9)	96.79	96.78
For the Fiscal Year Ended March 31, 2024	338,874	2.5	216.60	216.56

(2) Unconsolidated Financial Position

	Total assets (Million JPY)	Net assets (Million JPY)	Shareholders' equity ratio (%)	Shareholders' equity per share (JPY)
As of March 31, 2025	9,489,375	3,989,355	42.0	2,534.39
As of March 31, 2024	9,756,319	4,088,198	41.9	2,604.87

(Reference) Shareholders' equity As of March 31, 2025 JPY 3,988,249 million

As of March 31, 2024 JPY 4,087,087 million

- **Earnings report (*Kessan Tanshin*) is exempt from audit conducted by certified public accountants or an audit firm**
- **Note to ensure appropriate use of forecasts and guidance, and other noteworthy items**

  - Takeda has adopted International Financial Reporting Standards (IFRS), and the disclosure information in this document is based on IFRS.
  - All forecasts and management guidance in this document are based on information and assumptions currently available to management, and do not represent a promise or guarantee to achieve these forecasts. Various uncertain factors could cause actual results to differ, such as changes in the business environment and fluctuations in foreign exchange rates. Should any significant event occur which requires the forecasts or guidance to be revised, Takeda will disclose it in a timely manner.
  - For details of the forecasts for consolidated operating results and the management guidance, please refer to "1. Financial Highlights for the Fiscal Year Ended March 31, 2025 (5) Outlook for the Fiscal Year Ending March 31, 2026" on page 13.
  - Supplementary materials for the financial statements including the Quarterly Financial Report and Earnings Presentation of the conference call on May 8, 2025 and its audio will be promptly posted on Takeda's website.

  (Takeda Website):
  https://www.takeda.com/investors/financial-results/

Attachment Index

1. Financial Highlights for the Fiscal Year Ended March 31, 2025 2
(1) Business Performance 2
(2) Consolidated Financial Position 9
(3) Consolidated Cash Flow 11
(4) Other 12
(5) Outlook for the Fiscal Year Ending March 31, 2026 13
(6) Capital Allocation Policy and Dividends for the Fiscal Year Ended March 31, 2025 and Ending March 31, 2026 15

2. Management Policy 15
(1) Basic Management Policy 15
(2) Business Environment, Mid- to Long-term Business Strategy and Issues to Be Addressed 16

3. Basic Approach to the Section of Accounting Standards 19

4. Consolidated Financial Statements [IFRS] and Major Notes 20
(1) Consolidated Statements of Profit or Loss 20
(2) Consolidated Statements of Comprehensive Income 21
(3) Consolidated Statements of Financial Position 22
(4) Consolidated Statements of Changes in Equity 24
(5) Consolidated Statements of Cash Flows 26
(6) Notes to Consolidated Financial Statements 28
(Going Concern Assumption) 28
(Significant Items that Form the Basis of Preparing the Consolidated Financial Statements) 28
(Operating Segment Information) 28
(Earnings Per Share) 29
(Significant Subsequent Events) 29

[Financial Appendix]

1. Financial Highlights for the Fiscal Year Ended March 31, 2025

(1) Business Performance

(i) Business Overview

Takeda is a global, values-based, R&D-driven biopharmaceutical company with a diverse portfolio, engaged primarily in the research, development, production and global commercialization of pharmaceutical products. Takeda's business is grouped into six key business areas: Gastroenterology ("GI"), Rare Diseases, Plasma-Derived Therapies ("PDT"), Oncology, Vaccines and Neuroscience. Our R&D efforts focus on three core therapeutic areas: Gastrointestinal and Inflammation, Neuroscience, and Oncology. We also make targeted R&D investments in PDT. We focus on developing innovative medicines that make a difference in people's lives by advancing the frontier of new treatment options and leveraging our collaborative R&D engine and capabilities to create a robust, modality-diverse pipeline. We focus on high unmet medical needs, both in rare and more prevalent conditions, to deliver high-quality medicines to patients and communities as quickly as possible. We have a presence in approximately 80 countries and regions, a network of manufacturing sites around the world, and major research centers in Japan and the United States. Commercially, we have a very significant presence in the United States, Japan, Europe, as well as a fast-growing business in China. We have also accelerated our focus on data, digital and technology to make our business operations more effective and efficient, increase innovation and better serve our stakeholders.

(ii) Consolidated Financial Results (April 1, 2024 to March 31, 2025)

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	**2025**	Amount of Change	% Change	% Change
Revenue	4,263.8	4,581.6	317.8	7.5 %	2.9 %
Cost of sales	(1,426.7)	(1,580.2)	(153.5)	10.8 %	6.5 %
Selling, general and administrative expenses	(1,053.8)	(1,104.8)	(50.9)	4.8 %	0.6 %
Research and development expenses	(729.9)	(730.2)	(0.3)	0.0 %	(4.5)%
Amortization and impairment losses on intangible assets associated with products	(652.1)	(643.2)	8.9	(1.4)%	(6.0)%
Other operating income	19.4	26.2	6.8	35.3 %	30.8 %
Other operating expenses	(206.5)	(206.7)	(0.2)	0.1 %	(3.6)%
Operating profit	214.1	342.6	128.5	60.0 %	51.2 %
Finance income and (expenses), net	(167.8)	(163.5)	4.2	(2.5)%	(5.7)%
Share of profit (loss) of investments accounted for using the equity method	6.5	(4.0)	(10.5)	—	—
Profit before tax	52.8	175.1	122.3	231.7 %	206.4 %
Income tax (expenses) benefit	91.4	(66.9)	(158.3)	—	—
Net profit for the year	144.2	108.1	(36.1)	(25.0)%	(33.1)%
Net profit for the year attributable to owners of the Company	144.1	107.9	(36.1)	(25.1)%	(33.2)%

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

Revenue

Revenue for the fiscal year ended March 31, 2025 was JPY 4,581.6 billion (JPY +317.8 billion and +7.5% AER, +2.9% CER). The increase is attributable to favorable foreign exchange rates and growth from business momentum of Gastroenterology ("GI"), Rare Diseases, Plasma-Derived Therapies ("PDT"), Oncology and Vaccines. Among our six key business areas, the increase of these business areas was offset in part by a decrease in Neuroscience. The decrease in Neuroscience, which was partially mitigated by favorable foreign exchange rates, was largely attributable to continued generic erosion of sales of VYVANSE (for attention deficit hyperactivity disorder ("ADHD")) in the U.S., which began following loss of exclusivity in August 2023. In addition, revenue outside of our six key business areas decreased mainly due to the decline in sales of AZILVA (for hypertension), which were JPY 11.8 billion (JPY -21.8 billion and -64.9% AER, -64.9% CER) following the entry of generic competitors in Japan beginning in June 2023.

Revenue by Geographic Region

The following shows revenue by geographic region:

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
Revenue:	2024	2025	Amount of Change	% Change	% Change
Japan	451.4	418.5	(32.9)	(7.3)%	(7.4)%
United States	2,195.7	2,379.7	183.9	8.4 %	2.5 %
Europe and Canada	966.8	1,055.3	88.4	9.1 %	4.1 %
Latin America	198.1	235.8	37.7	19.1 %	19.7 %
China	174.8	191.7	16.9	9.7 %	4.8 %
Asia (excluding Japan & China)	86.4	99.4	13.0	15.1 %	11.6 %
Russia/CIS	72.6	72.4	(0.2)	(0.3)%	(1.0)%
Other*	117.9	128.8	10.9	9.3 %	4.7 %
Total	4,263.8	4,581.6	317.8	7.5 %	2.9 %

* Other includes the Middle East, Oceania and Africa.

Revenue by Business Area

The following shows revenue by business area:

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
Revenue:	2024	2025	Amount of Change	% Change	% Change
GI	1,216.2	1,357.0	140.8	11.6 %	6.8 %
Rare Diseases	688.4	752.8	64.4	9.4 %	4.6 %
PDT	903.7	1,032.7	129.0	14.3 %	8.6 %
Oncology	462.4	560.4	98.1	21.2 %	17.2 %
Vaccines	50.4	55.4	5.1	10.0 %	7.5 %
Neuroscience	627.0	565.8	(61.2)	(9.8)%	(14.1)%
Other	315.7	257.4	(58.3)	(18.5)%	(20.0)%
Total	4,263.8	4,581.6	317.8	7.5 %	2.9 %

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

GI

In GI, revenue was JPY 1,357.0 billion (JPY +140.8 billion and +11.6% AER, +6.8% CER).

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease (“CD”)) were JPY 914.1 billion (JPY +113.2 billion and +14.1% AER, +8.5% CER). Sales in the U.S. were JPY 619.2 billion (JPY +73.1 billion and +13.4% AER). The increase was due to maintaining strong demand in the first line biologic inflammatory bowel disease (“IBD”) population and continued patient gains after the launch of the subcutaneous formulation, as well as favorable foreign exchange rates. Sales in Europe and Canada were JPY 227.4 billion (JPY +31.6 billion and +16.1% AER). The increase was primarily due to continued patient gains by an increased use of the subcutaneous formulation and favorable foreign exchange rates.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 146.3 billion (JPY +27.0 billion and +22.7% AER, +17.2% CER). The increase was primarily due to increased demand in the U.S., expansion activities (pediatric indication label expansion), and favorable exchange rates.

Rare Diseases

In Rare Diseases, revenue was JPY 752.8 billion (JPY +64.4 billion and +9.4% AER, +4.6% CER).

Sales of TAKHZYRO (for hereditary angioedema) were JPY 223.2 billion (JPY +44.5 billion and +24.9% AER, +18.9% CER). The increase was primarily due to higher demand in the U.S., Europe and Canada supported by strong patient persistency and prophylactic market growth, as well as favorable foreign exchange rates.

Sales of LIVTENCITY (for post-transplant cytomegalovirus ("CMV") infection/disease) were JPY 33.0 billion (JPY +13.9 billion and +72.9% AER, +64.5% CER). The increase was primarily attributable to continued performance in the U.S. market reflecting strong market penetration, complemented by continued geographical expansion in Europe and the Growth and Emerging Markets.

Sales of enzyme replacement therapy ELAPRASE (for Hunter syndrome) were JPY 97.2 billion (JPY +5.7 billion and +6.2% AER, +2.1% CER). The increase was primarily due to favorable foreign exchange rates, and strong demand in the Growth and Emerging Markets.

Sales of enzyme replacement therapy REPLAGAL (for Fabry disease) were JPY 77.9 billion (JPY +4.3 billion and +5.8% AER, +2.1% CER). The increase was due to favorable foreign exchange rates, and increased demand in the Growth and Emerging Markets.

Sales of ADVATE (for hemophilia A) were JPY 111.8 billion (JPY -11.2 billion and -9.1% AER, -13.4% CER). The decrease was primarily due to competitor pressure in the U.S., as well as lower demand in China, with the decline partially offset by favorable foreign exchange rates.

PDT

In PDT, revenue was JPY 1,032.7 billion (JPY +129.0 billion and +14.3% AER, +8.6% CER).

Aggregate sales of immunoglobulin products were JPY 757.8 billion (JPY +113.2 billion and +17.6% AER, +11.5% CER). Sales of each of our three global immunoglobulin brands experienced double digit percentage sales growth, due to continued strong demand globally and growing supply, as well as favorable foreign exchange rates. Those include GAMMAGARD LIQUID/KIOVIG (for the treatment of primary immunodeficiency ("PID") and multifocal motor neuropathy ("MMN")), and subcutaneous immunoglobulin therapies (CUVITRU and HYQVIA), sales of which are growing at a fast pace due to their benefit to patients and convenience in administration compared to intravenous therapies.

Aggregate sales of albumin products including HUMAN ALBUMIN and FLEXBUMIN (both primarily used for hypovolemia and hypoalbuminemia) were JPY 141.4 billion (JPY +7.4 billion and +5.5% AER, +1.1% CER). The increase was primarily driven by favorable foreign exchange rates.

Oncology

In Oncology, revenue was JPY 560.4 billion (JPY +98.1 billion and +21.2% AER, +17.2% CER).

Sales of FRUZAQLA (for colorectal cancer) were JPY 48.0 billion (JPY +37.9 billion and +375.7% AER, +351.3% CER). The increase was due to momentum from launch in the U.S. in November 2023, followed by several other countries, as it addressed a need for new treatment options in metastatic colorectal cancer.

Sales of ADCETRIS (for malignant lymphomas) were JPY 129.0 billion (JPY +19.6 billion and +17.9% AER, +14.8% CER). The increase was led by strong demand in the Growth and Emerging Markets and Europe, primarily driven by increased use as a first line treatment for Hodgkin lymphoma, complemented by favorable foreign exchange rates.

Sales of ICLUSIG (for leukemia) were JPY 70.7 billion (JPY +16.0 billion and +29.3% AER, +23.0% CER). The increase was due to the U.S. label expansion for newly diagnosed Philadelphia chromosome-positive acute lymphoblastic leukemia (Ph+ ALL) in combination with chemotherapy in March 2024, complemented by favorable foreign exchange rates.

Sales of LEUPLIN/ENANTONE (for endometriosis, uterine fibroids, premenopausal breast cancer, prostate cancer, and other certain indications) were JPY 119.3 billion (JPY +11.9 billion and +11.1% AER, +8.2% CER). The increase was primarily due to a sales increase in the U.S. and in Growth and Emerging Markets, as well as favorable foreign exchange rates.

Vaccines

In Vaccines, revenue was JPY 55.4 billion (JPY +5.1 billion and +10.0% AER, +7.5% CER).

Sales of QDENGA (for prevention of dengue) were JPY 35.6 billion (JPY +26.0 billion and +272.3% AER, +259.0% CER). The increase was due to the expansion of QDENGA availability in endemic countries, with the vaccine now available in approximately 30 countries including both endemic and non-endemic countries.

Sales of other vaccine products in aggregate decreased primarily due to the termination of the distribution contract of SPIKEVAX, a COVID-19 vaccine in Japan in March 2024.

Neuroscience

In Neuroscience, revenue was JPY 565.8 billion (JPY -61.2 billion and -9.8% AER, -14.1% CER).

Sales of VYVANSE/ELVANSE (for ADHD) were JPY 350.6 billion (JPY -72.6 billion and -17.2% AER, -21.6% CER). The decrease was due to the impact of multiple generic entrants in the U.S. starting from August 2023, partially offset by favorable foreign exchange rates.

Sales of ADDERALL XR (for ADHD) were JPY 28.4 billion (JPY -13.3 billion and -31.9% AER, -35.3% CER). The decrease was primarily due to an increase in the availability of generic versions of the instant release formulation in the U.S., which negatively impacted ADDERALL XR.

Sales of TRINTELLIX (for major depressive disorder ("MDD")) were JPY 125.7 billion (JPY +20.9 billion, and +20.0% AER, +14.2% CER). The increase was primarily due to improved commercial terms related to pricing in the U.S., complemented by favorable foreign exchange rates.

Cost of Sales

Cost of Sales was JPY 1,580.2 billion (JPY +153.5 billion and +10.8% AER, +6.5% CER). The increase was primarily due to revenue growth in our key business areas with a change in product mix and the depreciation of the Japanese yen as compared to the fiscal year ended March 31, 2024.

Selling, General and Administrative (SG&A) Expenses

SG&A Expenses were JPY 1,104.8 billion (JPY +50.9 billion and +4.8% AER, +0.6% CER). The increase was mainly due to the depreciation of the Japanese yen, with efficiency gains largely offsetting incremental investments in Data, Digital and Technology (“DD&T”) and the impact of inflation.

Research and Development (R&D) Expenses

R&D Expenses were JPY 730.2 billion (JPY +0.3 billion and +0.0% AER, -4.5% CER), essentially flat compared to the fiscal year ended March 31, 2024, reflecting the depreciation of the Japanese yen offset by lower expenses attributable to efficiency gains and termination of development programs in the fiscal year ended March 31, 2024, such as modakafusp alfa (TAK-573) and EXKIVITY (for non-small cell lung cancer).

Amortization and Impairment Losses on Intangible Assets Associated with Products

Amortization and Impairment Losses on Intangible Assets Associated with Products were JPY 643.2 billion (JPY -8.9 billion and -1.4% AER, -6.0% CER). The decrease resulted from lower impairment charges related to in-process R&D and marketed products (JPY -35.5 billion), partially offset by higher amortization expenses (JPY +26.7 billion) due to the depreciation of the Japanese yen. The decrease in impairment charges was due to the larger impairment charges recorded in the fiscal year ended March 31, 2024, compared with those recorded in the fiscal year ended March 31, 2025. The impairment charges in the fiscal year ended March 31, 2024 primarily include JPY 74.0 billion impairment charges for ALOFISEL (for complex Crohn's perianal fistulas), JPY 28.5 billion impairment charges for EXKIVITY (for non-small cell lung cancer), and impairment charges related to the decision to terminate development of certain in-progress R&D assets in Oncology, which were partially offset by a reversal of impairment loss of JPY 35.7 billion for EOHILIA (for eosinophilic esophagitis). The impairment charges in the fiscal year ended March 31, 2025 include JPY 27.8 billion resulting from the decision to terminate the development of TAK-186 and TAK-280 acquired through Maverick Therapeutics Inc. and JPY 21.5 billion as a result of the Phase 3 studies for soticlestat (TAK-935) failing to meet their primary endpoints.

Other Operating Income

Other Operating Income was JPY 26.2 billion (JPY +6.8 billion and +35.3% AER, +30.8% CER). The increase was mainly due to a JPY 6.1 billion gain recognized on completion of the sale of TACHOSIL (fibrin sealant patch), including a related manufacturing facility, during the fiscal year ended March 31, 2025.

Other Operating Expenses

Other Operating Expenses were JPY 206.7 billion (JPY +0.2 billion and +0.1% AER, -3.6% CER), essentially flat compared to the fiscal year ended March 31, 2024, reflecting an increase in restructuring expenses (JPY +46.8 billion) mainly due to the enterprise-wide efficiency program during the fiscal year ended March 31, 2025 being offset by higher provisions for legal proceedings primarily as a result of the supply agreement litigation of AbbVie, Inc. ("AbbVie") and higher charges on the fair value of financial assets and liabilities associated with contingent consideration arrangements mainly from XIIDRA and EOHILIA recorded in the fiscal year ended March 31, 2024, as well as the effect of a reversal of valuation reserve for pre-launch inventory recorded in the fiscal year ended March 31, 2025.

Operating Profit

As a result of the above factors, Operating Profit was JPY 342.6 billion (JPY +128.5 billion and +60.0% AER, +51.2% CER).

Net Finance Expenses

Net Finance Expenses were JPY 163.5 billion (JPY -4.2 billion and -2.5% AER, -5.7% CER). The decrease in Net Finance Expenses was primarily due to a decrease of net loss from Gains and Losses on Foreign Currency Exchange and Derivative Financial Assets related to Foreign Currency Exchange, largely offset by an impairment loss of JPY 18.9 billion related to the sale of Teva Takeda Pharma Ltd. shares, which was completed in the fiscal year ended March 31, 2025.

Share of Profit (Loss) of Investments Accounted for Using the Equity Method

For the fiscal year ended March 31, 2025, Share of Loss of Investments Accounted for Using the Equity Method was JPY 4.0 billion (JPY -10.5 billion). For the fiscal year ended March 31, 2024, Share of Profit of Investments Accounted for Using the Equity Method was JPY 6.5 billion.

Income Tax (Expenses) Benefit

Income Tax Expenses were JPY 66.9 billion (JPY +158.3 billion, compared to Income Tax Benefit of JPY 91.4 billion for the fiscal year ended March 31, 2024). The increase was primarily due to a tax expense reduction of JPY 63.5 billion recorded during the fiscal year ended March 31, 2024 resulting from the reversal of the income taxes payable in excess of the settlement with Irish Revenue Commissioners with respect to a tax assessment related to the treatment of an acquisition break fee Shire received from AbbVie in 2014 and an increase in tax expenses due to the reassessment of recoverability of deferred tax assets as well as higher pretax earnings during the fiscal year ended March 31, 2025.

Net Profit for the Year

As a result of the above factors, Net Profit for the Year was JPY 108.1 billion (JPY -36.1 billion and -25.0% AER, -33.1% CER) and Net Profit for the Year attributable to owners of the Company was JPY 107.9 billion (JPY -36.1 billion and -25.1% AER, -33.2% CER).

(iii) Results of Core Financial Measures (April 1, 2024 to March 31, 2025)

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

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

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	2025	Amount of Change	% Change	% Change
Core revenue	4,263.8	4,579.8	316.1	7.4 %	2.8 %
Core operating profit	1,054.9	1,162.6	107.8	10.2 %	4.9 %
Core net profit for the year	756.9	775.8	18.9	2.5 %	(3.4)%
Core net profit for the year attributable to owners of the Company	756.8	775.6	18.8	2.5 %	(3.4)%
Core EPS (yen)	484	491	7	1.5 %	(4.3)%

Core Revenue

Core Revenue for the fiscal year ended March 31, 2025 was JPY 4,579.8 billion (JPY +316.1 billion and +7.4% AER, +2.8% CER). The increase is primarily attributable to favorable foreign exchange rates and growth from business momentum primarily led by Takeda's Growth and Launch Products* which totaled JPY 2,201.9 billion (JPY +375.9 billion and +20.6% AER, +14.7% CER), partially offset by lower sales of VYVANSE in the U.S. and AZILVA in Japan, which were impacted by generic competition following loss of exclusivities.

* Takeda's Growth and Launch Products for the fiscal year ended March 31, 2025

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

Core Operating Profit

Core Operating Profit for the fiscal year ended March 31, 2025 was JPY 1,162.6 billion (JPY +107.8 billion and +10.2% AER, +4.9% CER). The components of Core Operating Profit are as below:

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	2025	Amount of Change	% Change	% Change
Core revenue	4,263.8	4,579.8	316.1	7.4 %	2.8 %
Core cost of sales	(1,426.3)	(1,581.8)	(155.5)	10.9 %	6.6 %
Core selling, general and administrative (SG&A) expenses	(1,053.0)	(1,105.0)	(52.1)	4.9 %	0.7 %
Core research and development (R&D) expenses	(729.6)	(730.4)	(0.7)	0.1 %	(4.4)%
Core operating profit	1,054.9	1,162.6	107.8	10.2 %	4.9 %

During the periods presented, these items fluctuated as follows:

Core Cost of Sales

Core Cost of Sales was JPY 1,581.8 billion (JPY +155.5 billion and +10.9% AER, +6.6% CER). The increase was primarily due to revenue growth in our key business areas with a change in product mix and the depreciation of the Japanese yen as compared to the fiscal year ended March 31, 2024.

Core Selling, General and Administrative (SG&A) Expenses

Core SG&A Expenses were JPY 1,105.0 billion (JPY +52.1 billion and +4.9% AER, +0.7% CER). The increase was mainly due to the depreciation of the Japanese yen, with efficiency gains largely offsetting incremental investments in Data, Digital and Technology ("DD&T") and the impact of inflation.

Core Research and Development (R&D) Expenses

Core R&D Expenses were JPY 730.4 billion (JPY +0.7 billion and +0.1% AER, -4.4% CER), essentially flat compared to the fiscal year ended March 31, 2024, reflecting the depreciation of the Japanese yen offset by lower expenses attributable to efficiency gains and termination of development programs in the fiscal year ended March 31, 2024, such as modakafusp alfa (TAK-573) and EXKIVITY (for non-small cell lung cancer).

Core Net Profit for the Year

Core Net Profit for the Year was JPY 775.8 billion (JPY +18.9 billion and +2.5% AER, -3.4% CER) and Core Net Profit attributable to owners of the Company was JPY 775.6 billion (JPY +18.8 billion and +2.5% AER, -3.4% CER) and are calculated from Core Operating Profit as below:

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	**2025**	Amount of Change	% Change	% Change
Core operating profit	1,054.9	1,162.6	107.8	10.2 %	4.9 %
Core finance income and (expenses), net	(142.0)	(140.7)	1.3	(0.9)%	(4.5)%
Core share of profit of investments accounted for using the equity method	5.9	1.1	(4.8)	(81.2)%	(82.2)%
Core profit before tax	918.8	1,023.1	104.3	11.3 %	5.8 %
Core income tax expenses	(161.9)	(247.3)	(85.4)	52.7 %	48.7 %
Core net profit for the year	756.9	775.8	18.9	2.5 %	(3.4)%
Core net profit for the year attributable to owners of the Company	756.8	775.6	18.8	2.5 %	(3.4)%

During the periods presented, these items fluctuated as follows:

Core Net Finance Expenses

Core Net Finance Expenses were JPY 140.7 billion (JPY -1.3 billion and -0.9% AER, -4.5% CER).

Core Share of Profit of Investments Accounted for Using the Equity Method

Core Share of Profit of Investments Accounted for Using the Equity Method was JPY 1.1 billion (JPY -4.8 billion and -81.2% AER, -82.2% CER).

Core Profit Before Tax

Core Profit Before Tax was JPY 1,023.1 billion (JPY +104.3 billion and +11.3% AER, +5.8% CER).

Core Income Tax Expenses

Core Income Tax Expenses were JPY 247.3 billion (JPY +85.4 billion and +52.7% AER, +48.7% CER). The increase was primarily due to higher core pretax earnings and the reassessment of recoverability of deferred tax assets leading to higher core tax expenses during the fiscal year ended March 31, 2025 as well as a reduction of tax expense during the fiscal year ended March 31, 2024 due to a favorable resolution of tax contingencies.

Core EPS

Core EPS was JPY 491 (JPY +7 and +1.5% AER, -4.3% CER).

(2) Consolidated Financial Position

	As of March 31, 2024	As of March 31, 2025	Change
			Billion JPY
Total Assets	15,108.8	14,248.3	(860.4)
Total Liabilities	7,834.8	7,312.4	(522.4)
Total Equity	7,274.0	6,936.0	(338.0)

Assets
Total Assets as of March 31, 2025 were JPY 14,248.3 billion (JPY -860.4 billion). This decrease resulted from the decrease of Intangible Assets (JPY -643.1 billion) due to the effect of amortization and impairment and the effect of foreign currency translation partially offset by acquisition of certain intangible assets, the decrease of Goodwill (JPY -85.6 billion) primarily due to the effect of foreign currency translation, and the decrease of Investments Accounted for Using the Equity Method (JPY -79.0 billion) mainly due to the sale of Teva Takeda Pharma Ltd. shares.

Liabilities
Total Liabilities as of March 31, 2025 were JPY 7,312.4 billion (JPY -522.4 billion). Total Bonds and Loans were JPY 4,515.3 billion* (JPY -328.5 billion), which decreased primarily due to the prepayment of Syndicated Loans and the redemption of Unsecured Senior Notes partially offset by the issuance of Unsecured U.S. Dollar-Denominated Senior Notes during the fiscal year ended March 31, 2025. Deferred Tax Liabilities decreased (JPY -78.6 billion) primarily due to amortization of intangible assets in the U.S. Trade and Other Payables decreased (JPY -72.0 billion) primarily due to higher payables for upfront payments as of the fiscal year ended March 31, 2024, including those to Protagonist Therapeutics, Inc.

* The carrying amount of Bonds was JPY 4,190.6 billion and Loans was JPY 324.6 billion as of March 31, 2025. Breakdown of Bonds and Loans' carrying amount is as follows.

Bonds:

Name of Bond (Face Value if Denominated in Foreign Currency)	Issuance	Maturity	Carrying Amount (Billion JPY)
Unsecured US Dollar Denominated Senior Notes (USD 1,301 million)	June 2015	June 2025 ~ June 2045	195.3
Unsecured US Dollar Denominated Senior Notes (USD 1,500 million)	September 2016	September 2026	219.0
Unsecured Euro Denominated Senior Notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	482.2
Unsecured US Dollar Denominated Senior Notes (USD 1,750 million)	November 2018	November 2028	259.7
Unsecured US Dollar Denominated Senior Notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,037.0
Unsecured Euro Denominated Senior Notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	577.7
Unsecured JPY Denominated Senior Bonds	October 2021	October 2031	249.6
Hybrid Bonds (Subordinated Bonds)	June 2024	June 2084	458.0
Unsecured US Dollar Denominated Senior Notes (USD 3,000 million)	July 2024	July 2034 ~ July 2064	442.2
Commercial Paper	February 2025 ~ March 2025	April 2025 ~ June 2025	270.0
Total			4,190.6

Loans:

Name of Loan (Face Value if Denominated in Foreign Currency)	**Execution**	**Maturity**	**Carrying Amount** (Billion JPY)
Bilateral Loans	March 2016 ~ April 2024	April 2025 ~ April 2031	210.0
Bilateral Loans (USD 500 million)	March 2025	April 2025	74.5
Syndicated Hybrid Loans (Subordinated Loans)	October 2024	October 2084	40.0
Other			0.1
Total			324.6

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

On July 5, 2024, Takeda issued USD 3,000 million in Unsecured U.S. Dollar-Denominated Senior Notes with maturity dates ranging from July 5, 2034 to July 5, 2064. The proceeds of the USD bond issuance were efficiently deployed to fund a tender offer to redeem USD 1,500 million in Unsecured Senior Notes on July 12, 2024 in advance of their original maturity in September 2026, with the balance of proceeds deployed towards the reduction of Commercial Paper drawings in July 2024.

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

On March 31, 2025, Takeda prepaid JPY 313.5 billion and USD 1,500 million in Syndicated Loans in advance of their original maturity dates ranging from April 27, 2026 to April 26, 2030. To repay the Syndicated Loans, Takeda used cash on hand, Short Term Loan with an aggregated principal amount of USD 500 million, which was drawn down on March 31, 2025, as well as Short Term Commercial Paper drawings. The principal amount of Commercial Paper drawings outstanding was JPY 270.0 billion as at March 31, 2025.

Equity

Total Equity as of March 31, 2025 was JPY 6,936.0 billion (JPY -338.0 billion). The decrease in Retained Earnings (JPY -203.6 billion) was primarily due to the decrease of JPY 303.2 billion related to dividend payments offset by the increase of JPY 108.1 billion from Net Profit for the Year. The decrease of Other Components of Equity (JPY -157.4 billion) was mainly due to currency translation adjustments reflecting the depreciation of the Japanese yen.

(3) Consolidated Cash Flows

Billion JPY

	For the fiscal year ended March 31,		
	2024	2025	Change
Net cash from operating activities	716.3	1,057.2	340.8
Net cash used in investing activities	(463.9)	(367.1)	96.8
Net cash used in financing activities	(354.4)	(751.4)	(397.0)
Net decrease in cash and cash equivalents	(101.9)	(61.3)	40.6
Cash and cash equivalents at the beginning of the year	533.5	457.8	(75.7)
Effects of exchange rate changes on cash and cash equivalents	26.2	(11.4)	(37.6)
Cash and cash equivalents at the end of the year	457.8	385.1	(72.7)

Net Cash from Operating Activities

Net Cash from Operating Activities was JPY 1,057.2 billion (JPY +340.8 billion). The increase was mainly due to favorable impacts from Changes in Assets and Liabilities driven by changes in Provisions and Inventories, partially offset by a lower net profit for the year adjusted for non-cash items and other adjustments.

Net Cash used in Investing Activities

Net Cash used in Investing Activities was JPY 367.1 billion (JPY -96.8 billion). The decrease was mainly due to a decrease in Acquisition of Intangible Assets, as well as Proceeds from Sales of Shares in Associates primarily attributable to the sale of Teva Takeda Pharma Ltd. This was partially offset by other investing activities, including the investment in U.S. Treasury Marketable Securities (U.S. Treasuries), as well as the upfront payment to AC Immune SA and a minority equity investment in and acquisition of licensing options from Ascentage Pharma Group International.

***Net Cash used in Financing Activiti*es**

Net Cash used in Financing Activities was JPY 751.4 billion (JPY +397.0 billion). The increase was mainly due to a decrease in net cash inflow from short-term loans and commercial papers, repayments of Syndicated Loans and Hybrid Bonds, and an acquisition of treasury shares. This was partially offset by proceeds from issuance of bonds primarily driven by Hybrid Bonds and Unsecured U.S. Dollar-Denominated Senior Notes.

(4) Other

Proton Pump Inhibitor ("PPI") Product Liability Claims

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

In April 2024, Takeda reached an agreement in principle to resolve the U.S. cases and established a provision for a non-material amount. In November 2024, the final written settlement agreement was executed with lead plaintiffs' counsel for the same amount. The terms of the settlement are confidential. The settlement has no material impact on Takeda's consolidated statements of profit or loss for the fiscal year ended March 31, 2025.

Potential Implications and Impacts of Tariff Measures on Takeda's Business

Takeda's global manufacturing sites are centered in the U.S., Europe, Japan and Singapore. Strategic contract manufacturing organizations (CMOs) are also distributed across the U.S., Europe and Japan, with approximately 70% of the contract manufacturing spend is with U.S.-based CMOs.

Tariff exposure is determined by revenue contribution of imports, manufacturing location / country of origin, and transfer pricing policy. Based on current assumptions (as of April 2025), Takeda believes our likely potential exposure to U.S. and China tariffs is limited. Approximately 50% of Takeda's total revenue is from the U.S., with the value of imports primarily from Europe, Japan, and Singapore representing around 8 to 10% of total U.S. revenue. Approximately 4% of Takeda's total revenue is from China, with the value of imports from the U.S. representing approximately 12 to 15% of total China revenue.

For Takeda's imports that may be subject to potential tariff impacts, we are taking mitigation measures including inventory and supply chain management.

Acquisition of Own Shares

Takeda acquired a total of 11,544 thousand shares of its common stock for JPY 50.0 billion during the fiscal year ended March 31, 2025. in accordance with the resolution on the acquisition of its own shares at the Board of Directors Meeting held on January 30, 2025. Combined with its own shares acquired in April 2025, Takeda acquired a total of 23,367 thousand shares of its common stock for JPY 100.0 billion, and the acquisition in accordance with the resolution was completed in the same month.

(5) Outlook for the Fiscal Year Ending March 31, 2026

Consolidated forecast for the fiscal year ending March 31, 2026 (FY2025) is as below:

Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (FY2025)

Billion JPY or percentage

	FY2024 Actual Results	FY2025 Forecast	Change versus the previous year	
Revenue	4,581.6	4,530.0	(51.6)	(1.1)%
Operating profit	342.6	475.0	132.4	38.7 %
Profit before tax	175.1	307.0	131.9	75.3 %
Net profit for the year (attributable to owners of the Company)	107.9	228.0	120.1	111.3 %
EPS (JPY)	68.36	144.81	76.45	111.8 %
Core revenue*1	4,579.8	4,530.0	(49.8)	(1.1)%
Core operating profit*1	1,162.6	1,140.0	(22.6)	(1.9)%
Core EPS (JPY)*1	491	485	(6)	(1.2)%

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

[Revenue]

Takeda expects FY2025 revenue to be JPY 4,530.0 billion, a decrease of JPY 51.6 billion, or 1.1%, from FY2024. Growth and Launch Products are expected to sustain their expansion, offsetting the carry-over impacts of products that have reached loss of exclusivity, primarily VYVANSE in the U.S., as well as the expected headwinds from drug pricing legislation, resulting in year-on-year revenue being broadly flat. The full year foreign exchange rate is assumed to be stronger for the yen compared to FY2024.

Because Takeda does not expect any significant non-core items that require adjustment, the Core Revenue forecast for FY2025 is the same as the Revenue forecast.

[Operating Profit]

Operating Profit is expected to increase by JPY 132.4 billion, or 38.7%, to JPY 475.0 billion. While we anticipate savings from the enterprise-wide efficiency program, operational expenses are expected to increase due to ongoing investments in R&D, particularly focusing on the late-stage pipeline launch, along with sustained support for data, digital, and technology initiatives. Conversely, restructuring expenses, including costs primarily related to the enterprise-wide efficiency program undertaken since FY2024, will significantly decrease, and amortization expenses of intangible assets for VYVANSE will conclude during FY2025, both contributing to the increase in Operating Profit. It is also expected to benefit from a lower assumption for impairment losses on intangible assets associated with products, with JPY 50.0 billion included in our FY2025 forecast compared to JPY 95.0 billion recorded in FY2024.

Core Operating Profit is expected to be JPY 1,140.0 billion, a decrease of JPY 22.6 billion, or 1.9%.

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

Net profit for the Year (attributable to owners of the Company) is expected to be JPY 228.0 billion, an increase of JPY 120.1 billion, or 111.3%. Profit Before Tax is expected to increase by JPY 131.9 billion, or 75.3%, to JPY 307.0 billion, reflecting increase in Operating Profit. The assumption for the effective tax rate would be approximately 26%, mainly due to lower derecognition of tax loss carry forward.

Reported EPS is expected to be JPY 144.81, an increase of JPY 76.45, or 111.8%, and Core EPS is expected to be JPY 485, a decrease of JPY 6, or 1.2%.

Major assumptions used in preparing the FY2025 Forecast

Billion JPY or percentage

	FY2024 Actual Results	**FY2025 Forecast**
FX rates	1 USD = 152 JPY 1 Euro = 163 JPY 1 RUB = 1.6 JPY 1 CNY = 21.1 JPY 1 BRL = 27.4 JPY	1 USD = 150 JPY 1 Euro = 160 JPY 1 RUB = 1.7 JPY 1 CNY = 20.5 JPY 1 BRL = 25.9 JPY
Cost of sales	(1,580.2)	(1,540.0)
SG&A expenses	(1,104.8)	(1,100.0)
R&D expenses	(730.2)	(750.0)
Amortization of intangible assets associated with products	(548.2)	(500.0)
Impairment of intangible assets associated with products*2	(95.0)	(50.0)
Other operating income	26.2	10.0
Other operating expenses*3	(206.7)	(125.0)
Other core operating profit adjustments	(2.0)	—
Finance income and (expenses), net	(163.5)	(167.0)
Adjusted free cash flow*1	769.0	750.0 - 850.0
Capital expenditures (cash flow base)	(347.8)	(270.0 - 320.0)
Depreciation and amortization (excluding intangible assets associated with products)	(213.2)	(216.0)
Cash tax rate on adjusted EBITDA (excluding divestitures) *1	Approx.10%	Mid teen%

*2 Includes in-process R&D.
*3 Includes restructuring expense primarily related to the enterprise-wide efficiency program of JPY 128.1 billion in FY2024 actual results and JPY 48.0 billion in FY2025 forecast.

Management Guidance

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

	FY2025 Management Guidance CER % Change*1
Core revenue	Broadly Flat
Core operating profit	Broadly Flat
Core EPS	Broadly Flat

Other assumptions used in preparing the FY2025 Forecast and the Management Guidance

- The FY2025 forecast and the management guidance do not reflect the potential impact of tariffs being introduced on pharmaceutical products by the U.S. administration, nor the potential impact of tariffs introduced by other countries in response to U.S. tariffs.
- The FY2025 forecast and the management guidance assume global VYVANSE sales of JPY 241.0 billion, a year-on-year decline of JPY 109.6 billion (30% decline at CER).

Forward looking statements

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

(6) Capital Allocation Policy and Dividends for the Fiscal Year Ended March 31, 2025 and Ending March 31, 2026

(i) Capital Allocation Policy

Guided by our vision to discover and deliver life-transforming treatments, and supported by our balance sheet (maintaining solid investment grade credit ratings; targeting 2x adjusted net debt to adjusted EBITDA ratio), we will allocate capital to deliver sustainable value to patients and attractive returns to our shareholders.

Takeda's policy in the allocation of capital is as follows:

- Invest in growth drivers; and
- Shareholder returns.

With respect to "Invest in growth drivers", Takeda makes strategic investments in internal and external opportunities to enhance its pipeline, new product launches, and plasma-derived therapies. With regard to "Shareholder returns", Takeda has adopted a progressive dividend policy of increasing or maintaining the annual dividend per share each year, alongside share buybacks when appropriate.

(ii) Dividend

Takeda is strongly committed to shareholder returns with the dividend as a key component.

[FY2024] 196 yen per share
Year-end dividend per share: 98 yen
Together with the interim dividend of 98 yen per share, the annual dividend will be 196 yen per share.

[FY2025 guidance] 200 yen per share

2. Management Policy

(1) Basic Management Policy

Our corporate philosophy tells the story of Takeda — who we are, what we do, how we do it and why it matters. Our purpose is to contribute to better health for people and a brighter future for the world. We do this through the pursuit of our vision to discover and deliver life-transforming treatments, guided by our three imperatives of Patient, People and Planet and powered by data and technology. Our values ensure that the decisions we make consider all our stakeholders. We create long-term value for patients, shareholders and society while sustaining positive impact for our people, the communities we reach and the planet we share.

Purpose
“Better health for people, brighter future for the world.”

Vision
Our vision is to discover and deliver life-transforming treatments, guided by our commitment to patients, our people and the planet.

Values: Takeda-ism
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.

Imperatives
We honor our responsibility to patients, colleagues and other stakeholders as well as the communities where we operate. Our imperatives help us realize our vision and purpose.

Patient
- We responsibly translate science into highly innovative, life-transforming medicines and vaccines, and accelerate access to improve lives worldwide.

People
- We create an exceptional people experience.

Planet
- We protect our planet.

Unleash the Power of Data and Digital
- We strive to transform Takeda into the most trusted, data-driven, outcomes-based biopharmaceutical company.

(2) Business Environment, Mid- to Long-Term Business Strategy and Issues to Be Addressed

Business Environment

The current geopolitical environment is characterized by increasing tensions and growing fragmentation around the world. These shifts are accompanied by a rise in protectionism and trade disputes, which are putting pressure on international commerce, challenging supply chains, and introducing a sense of unpredictability to the outlook for the global economy. Takeda's value chain is centered in the U.S., Europe, Japan and Singapore, helping reduce our exposure to trade tensions, especially between the U.S. and China. We advocate for health care products to be excluded from trade barriers that will inevitably impact patients.

The most significant challenge currently faced by the biopharmaceutical industry is the gap in health care funding relative to growing demand. This translates into significant pricing pressure and even the capping of market growth in the EU and Japan.

In the U.S., the Inflation Reduction Act, while offering some positives for Medicare patients such as greater predictability in out-of-pocket prescription expenses, introduces an unprecedented government-led price negotiation system for medicines that could potentially result in declines in investment in research and development (R&D).

At Takeda we continue to accelerate the pace of innovation through the exploration of medical technologies such as immunotherapies in oncology, cell and gene therapy and, more recently, the rapid adoption of technology and artificial intelligence (AI). Technology and AI are anticipated to enhance our productivity in the future and appear likely to help address the pricing pressures that are expected to persist.

Within this challenging and rapidly evolving external environment, our commitment to patients and the work we do to support them is even more important.

Patient

Takeda R&D is focused on translating science into highly innovative, life-transforming medicines that make a critical difference to patients with rare and more prevalent conditions in three core therapeutic areas (Gastrointestinal and inflammation, neuroscience, and oncology). We prioritize R&D programs based on unmet medical need, scientific validity, accelerated development path and commercial opportunity. We leverage data, digital and technology ("DD&T") and AI along the value chain, from accelerating the pipeline to driving quality and efficiency in manufacturing, to enhancing interactions with health care practitioners and patients.

Takeda's sustainable growth beyond 2030 is projected to be supported by our late-stage pipeline, and as of the beginning of the fiscal year ending March 31, 2026 (FY2025), we have six development programs in Phase 3 development. The first of these programs, rusfertide, read out positive Phase 3 data in March 2025. We anticipate Phase 3 data for oveporexton in narcolepsy type 1 and zasocitinib in psoriasis by the end of 2025. Regulatory filings for all three programs are anticipated for FY2025 – 2026. Five additional filings for late-stage programs are expected in FY2027 – 2029. For more information on our major activities and progress on R&D from April 2024 to date, please see our discussion of Pipeline and R&D Activities in our Quarterly Financial Report for the Year Ended March 31, 2025.

DD&T is playing an increasingly important role in our drug development process. For example, we can now test our clinical trial protocol against large anonymized patient databases to better assess our recruitment methodology.

Our Growth & Launch Products portfolio continues to demonstrate its value to patients and communities. ENTYVIO is our number one product by revenue, and its growth acceleration has been aided by the launch of the subcutaneous formulation in the United States. ENTYVIO Pen is indicated for maintenance therapy in moderate-to-severely active ulcerative colitis and Crohn's disease in more than 50 countries, providing more flexibility and choice to patients.

We put patients first and have integrated patient access and equity into the business, from research to drug development, manufacturing and commercialization. We provide value-based and tiered pricing and dedicated patient assistance programs for our medicines and vaccines. We also work alongside community groups and governments around the world to strengthen local health care systems.

We are encouraged by the global progress of our dengue vaccine, QDENGA, which is now available in approximately 30 markets across the world, including many endemic countries where the need is highest. Our access strategy has been a key factor behind QDENGA adoption in low- and middle-income countries. Takeda is working to expand production and ensure cooperation with communities worldwide who need QDENGA to combat the increase in dengue prevalence.

To help us achieve our target to supply 100 million doses annually by 2030 we have entered into a manufacturing partnership agreement with Biological E. Limited ("BE") in India that builds upon existing capabilities at our facility in Singen, Germany. BE will manufacture up to 50 million doses of QDENGA per annum.

People

We recognize that no matter how far science and technology advance, Takeda is a knowledge-based company driven by people. Our intention is to foster a diverse and inclusive workplace with no discrimination of any type. We promote life-long learning, career growth and employee well-being. We believe that this approach enhances our ability to discover and deliver life-transforming treatments.

Life-long learning and career growth enhance employee motivation and expertise, stimulate new ideas and contribute to value creation. We are upskilling employees and building in-house capabilities to create an agile and resilient organization that is positioned for long-term sustainable growth.

AI is also transforming our approach to talent development. Our Career Navigator platform allows employees to map out individual career paths and uses AI to personalize notifications of internal vacancies and mentoring and learning opportunities to support our people to reach their highest potential. We are also experimenting with AI coaches and AI-facilitated role-playing, so employees can practice new skills in a risk-free environment.

We are aware that we also need to further develop employees' digital skills to help future-proof our business. In July 2024, we launched our Everyday AI Learning journey on our learning platform, the first major step in our new Digital Dexterity framework, aimed at cultivating essential AI and GenAI capabilities within our workforce.

Our commitment to lifelong learning extends across the company. For example, employees in our Global Manufacturing & Supply and Global Quality organizations have at their disposal three hours per month to spend on upskilling and reskilling. These hours are in addition to time provided for mandatory or on-the-job training.

As a global biopharmaceutical company, we recognize and celebrate the diversity of our people and patients around the world and harness this strength as we continue to drive innovation.

We promote health and well-being at work, so that employees can thrive, grow and realize their full potential. Our global well-being program encompasses emotional, physical, social and financial dimensions. All employees have access to our Thrive Global program, allowing them to monitor well-being factors, such as sleep, nutrition and movement. Over the past year, we also took further measures to strengthen our approach to well-being – these included expanding our Employee Assistance Program to more countries, so that all Takeda employees now have access to the same workplace benefits and resources.

We uphold safety in the workplace and Takeda's manufacturing sites share a strong safety culture, focusing on the prevention of serious injuries and fatalities (SIFs). The SIF risk assessment process proactively identifies activities that could generate the next SIF event and helps identify systemic issues within safety programs. Each quarter, Takeda runs a "Lessons Learned" event across the manufacturing network to showcase recent potential SIFs and discuss actions taken to mitigate reoccurrence.

Planet

Aligned with our purpose, we develop our business with the intent not to harm our planet. Public health is integrally linked to the health of the planet. As temperatures rise, climate-accelerated diseases may be exacerbated and access to care for patients in impacted regions could become increasingly challenging.

Takeda is committed to delivering a high standard of environmental stewardship. It is not enough to just work towards a healthier population – we need a healthier planet as well to realize our purpose. We are taking action to reduce our environmental impact on many fronts by prioritizing clean energy solutions, progressing toward net-zero targets and working to eliminate greenhouse gas ("GHG") emissions from our entire value chain. We focus on initiatives that advance our net-zero roadmap while continuing to invest in nature-based carbon removal projects beyond our value chain. We have committed to achieving net-zero GHG emissions in our operations by 2035 and across our value chain by 2040, which was validated by the Science Based Target initiative, including near-term and long-term targets.

We continue to make notable progress towards our GHG emissions goals. For example, we recently announced the successful start of a biomass heat plant at our manufacturing facility in Singen, Germany, where we manufacture our dengue vaccine, aimed at reducing CO2 emissions. The new biomass boiler aims to replace a significant portion of the gas currently used with waste wood, reducing CO2 emissions by up to 80%.

We also focus on integrating life cycle thinking within product design and development to minimize the environmental footprint across our value chain. Furthermore, our Nature Program focuses on reducing environmental impacts other than climate change, addressing areas such as water conservation, responsible waste management and biodiversity protection.

DD&T is also a key enabler of our environmental efforts. At our manufacturing site in Osaka, we reduced distilled water consumption by more than 450,000 liters per year, leading to a reduction of over two million liters in freshwater consumption annually, by installing sensors and monitors at every point of water use and analyzing the combined data to find ways to optimize water volumes and standardize best practices. Similar projects have been undertaken to reduce electricity consumption and increase our use of solar and other green energy sources.

Financial Prospect

Takeda's strong financial base supports its ability to drive sustainable growth and long-term value creation. This robust framework ensures agility in pursuing strategic initiatives and delivering meaningful impact.

Our Growth and Launch Products* are essential for driving topline growth in the medium-to-long term, and we expect they will play a key role in supporting further investments in the discovery and development of life-transforming treatments. Through sustained strong revenue growth, these products can enable Takeda to focus on advancing innovative treatments that address pressing healthcare challenges and deliver a profound impact on patients worldwide. As part of achieving this vision, we are advancing company-wide programs to enhance organizational agility and drive efficiency while leveraging capabilities in DD&T and AI. In the medium-to-long term, we aim to achieve a Core Operating Profit margin of low to mid-30% and maintain robust cash flow generation.

Building on our efforts to achieve topline growth and strengthening operational excellence, Takeda remains steadfast in its long-term commitment to discovering and developing life-transforming treatments. Among the many investments, R&D stands out as a key driver of value creation, highlighted by six late-stage pipeline programs with a combined global peak revenue potential** of USD 10 to 20 billion. The successful launch of these late-stage programs within this decade is expected to fuel sustainable long-term growth and make a substantial contribution to cash generation.

As Takeda progresses through the critical phases of development and brings these programs to market, the focus remains on achieving attractive returns on invested capital. Through strategic and disciplined investments in the discovery and development of innovative, life-transforming therapies, Takeda strives to create meaningful value for society and all stakeholders. The successful execution of the late-stage pipeline, combined with continued improvements in operational efficiency, is expected to positively impact return on equity performance and other financial metrics, enhancing enterprise value.

** Takeda's Growth and Launch Products for FY2025:*

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

*** Peak revenue potential is an estimate that has not been adjusted for probability of technical and regulatory success (PTRS) and should not be considered a forecast or target. Peak revenue ranges represent Takeda’s assessments of various possible future commercial scenarios that may or may not occur.*

3. Basic Approach to the Selection of Accounting Standards

Takeda has been applying International Financial Reporting Standards (“IFRS”) since the fiscal year ended March 31, 2014 with the aim of improving the comparison of financial information with global pharmaceutical companies, increasing financing options, and allowing Takeda to unify accounting treatment across the group.

4. Consolidated Financial Statements [IFRS] and Major Notes

(1) Consolidated Statements of Profit or Loss

	JPY (millions)	
	For the year ended March 31,	
	2024	2025
Revenue	4,263,762	4,581,551
Cost of sales	(1,426,678)	(1,580,217)
Selling, general and administrative expenses	(1,053,819)	(1,104,766)
Research and development expenses	(729,924)	(730,227)
Amortization and impairment losses on intangible assets associated with products	(652,117)	(643,233)
Other operating income	19,379	26,212
Other operating expenses	(206,527)	(206,733)
Operating profit	214,075	342,586
Finance income	52,093	46,549
Finance expenses	(219,850)	(210,065)
Share of profit (loss) of investments accounted for using the equity method	6,473	(3,986)
Profit before tax	52,791	175,084
Income tax (expenses) benefit	91,406	(66,941)
Net profit for the year	144,197	108,143
Attributable to:		
Owners of the Company	144,067	107,928
Non-controlling interests	130	215
Net profit for the year	144,197	108,143
Earnings per share (JPY)		
Basic earnings per share	92.09	68.36
Diluted earnings per share	91.16	67.23

(2) Consolidated Statements of Comprehensive Income

	JPY (millions) For the year ended March 31, 2024	JPY (millions) For the year ended March 31, 2025
Net profit for the year	144,197	108,143
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Changes in fair value of financial assets measured at fair value through other comprehensive income	2,309	(12,311)
Remeasurement of defined benefit pension plans	(5,002)	(7,046)
	(2,693)	(19,357)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	968,842	(153,345)
Cash flow hedges	23,456	(956)
Hedging cost	7,197	7,963
Share of other comprehensive loss of investments accounted for using the equity method	(1,793)	(145)
	997,702	(146,484)
Other comprehensive income (loss) for the year, net of tax	995,009	(165,841)
Total comprehensive income (loss) for the year	1,139,206	(57,698)
Attributable to:		
Owners of the Company	1,139,033	(57,852)
Non-controlling interests	173	154
Total comprehensive income (loss) for the year	1,139,206	(57,698)

(3) Consolidated Statements of Financial Position

	JPY (millions)	
	As of March 31, 2024	As of March 31, 2025
ASSETS		
Non-current assets:		
Property, plant and equipment	1,989,777	1,968,209
Goodwill	5,410,067	5,324,430
Intangible assets	4,274,682	3,631,560
Investments accounted for using the equity method	89,831	10,802
Other financial assets	340,777	351,124
Other non-current assets	51,214	70,282
Deferred tax assets	393,865	370,745
Total non-current assets	12,550,212	11,727,152
Current assets:		
Inventories	1,209,869	1,217,349
Trade and other receivables	668,403	709,465
Other financial assets	15,089	20,476
Income taxes receivable	29,207	15,789
Other current assets	168,875	159,603
Cash and cash equivalents	457,800	385,113
Assets held for sale	9,337	13,397
Total current assets	2,558,580	2,521,192
Total assets	15,108,792	14,248,344

	JPY (millions)	
	As of March 31, 2024	**As of March 31, 2025**
LIABILITIES AND EQUITY		
LIABILITIES		
Non-current liabilities:		
Bonds and loans	4,476,501	3,966,326
Other financial liabilities	687,833	550,900
Net defined benefit liabilities	143,882	135,429
Income taxes payable	4,381	317
Provisions	14,373	35,177
Other non-current liabilities	80,938	82,542
Deferred tax liabilities	113,777	35,153
Total non-current liabilities	5,521,684	4,805,844
Current liabilities:		
Bonds and loans	367,251	548,939
Trade and other payables	547,521	475,541
Other financial liabilities	143,421	219,120
Income taxes payable	109,906	133,497
Provisions	524,420	533,140
Other current liabilities	619,174	596,283
Liabilities held for sale	1,410	—
Total current liabilities	2,313,103	2,506,521
Total liabilities	7,834,788	7,312,365
EQUITY		
Share capital	1,676,596	1,694,685
Share premium	1,747,414	1,775,713
Treasury shares	(51,259)	(74,815)
Retained earnings	1,391,203	1,187,586
Other components of equity	2,509,310	2,351,915
Equity attributable to owners of the Company	7,273,264	6,935,084
Non-controlling interests	741	895
Total equity	7,274,005	6,935,979
Total liabilities and equity	15,108,792	14,248,344

(4) Consolidated Statements of Changes in Equity

JPY (millions)

	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2023	1,676,345	1,728,830	(100,317)	1,541,146	1,606,128	12,470
Net profit for the year				144,067		
Other comprehensive income (loss)					967,279	2,036
Comprehensive income (loss) for the year	—	—	—	144,067	967,279	2,036
Transactions with owners:						
Issuance of new shares	251	251				
Acquisition of treasury shares			(2,367)			
Disposal of treasury shares		0	0			
Dividends				(287,785)		
Changes in ownership						
Transfers from other components of equity				(6,226)		1,224
Share-based compensation		69,836				
Exercise of share-based awards		(51,503)	51,426			
Total transactions with owners	251	18,584	49,059	(294,011)	—	1,224
As of March 31, 2024	1,676,596	1,747,414	(51,259)	1,391,203	2,573,407	15,729

	Equity attributable to owners of the Company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2023	(87,352)	(23,127)	—	1,508,119	6,354,122	549	6,354,672
Net profit for the year				—	144,067	130	144,197
Other comprehensive income (loss)	23,456	7,197	(5,002)	994,966	994,966	44	995,009
Comprehensive income (loss) for the year	23,456	7,197	(5,002)	994,966	1,139,033	173	1,139,206
Transactions with owners:							
Issuance of new shares				—	502		502
Acquisition of treasury shares				—	(2,367)		(2,367)
Disposal of treasury shares				—	1		1
Dividends				—	(287,785)		(287,785)
Changes in ownership				—	—	18	18
Transfers from other components of equity			5,002	6,226	—		—
Share-based compensation				—	69,836		69,836
Exercise of share-based awards				—	(77)		(77)
Total transactions with owners	—	—	5,002	6,226	(219,892)	18	(219,873)
As of March 31, 2024	(63,896)	(15,930)	—	2,509,310	7,273,264	741	7,274,005

JPY (millions)

	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2024	1,676,596	1,747,414	(51,259)	1,391,203	2,573,407	15,729
Net profit for the year				107,928		
Other comprehensive income (loss)					(153,429)	(12,311)
Comprehensive income (loss) for the year	—	—	—	107,928	(153,429)	(12,311)
Transactions with owners:						
Issuance of new shares	18,089	18,089				
Acquisition of treasury shares		(20)	(51,905)			
Disposal of treasury shares		0	0			
Dividends				(303,160)		
Transfers from other components of equity				(8,385)		1,339
Share-based compensation		74,707				
Exercise of share-based awards		(64,476)	28,348			
Total transactions with owners	18,089	28,300	(23,557)	(311,545)	—	1,339
As of March 31, 2025	1,694,685	1,775,713	(74,815)	1,187,586	2,419,978	4,757

	Equity attributable to owners of the Company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2024	(63,896)	(15,930)	—	2,509,310	7,273,264	741	7,274,005
Net profit for the year				—	107,928	215	108,143
Other comprehensive income (loss)	(956)	7,963	(7,046)	(165,780)	(165,780)	(61)	(165,841)
Comprehensive income (loss) for the year	(956)	7,963	(7,046)	(165,780)	(57,852)	154	(57,698)
Transactions with owners:							
Issuance of new shares				—	36,178		36,178
Acquisition of treasury shares				—	(51,925)		(51,925)
Disposal of treasury shares				—	0		0
Dividends				—	(303,160)		(303,160)
Transfers from other components of equity			7,046	8,385	—		—
Share-based compensation				—	74,707		74,707
Exercise of share-based awards				—	(36,129)		(36,129)
Total transactions with owners	—	—	7,046	8,385	(280,328)	—	(280,328)
As of March 31, 2025	(64,852)	(7,967)	—	2,351,915	6,935,084	895	6,935,979

(5) Consolidated Statements of Cash Flows

	JPY (millions)	
	For the year ended March 31,	
	2024	2025
Cash flows from operating activities:		
Net profit for the year	144,197	108,143
Depreciation and amortization	728,002	761,396
Impairment losses	150,017	106,529
Equity-settled share-based compensation	70,871	72,867
Loss on sales and disposal of property, plant and equipment	6,052	4,495
Gain on divestment of business and subsidiaries	(7,832)	(10,198)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	20,757	(602)
Finance (income) and expenses, net	167,757	163,516
Share of loss (profit) of investments accounted for using the equity method	(6,473)	3,986
Income tax expenses (benefit)	(91,406)	66,941
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	15,104	(58,959)
Increase in inventories	(115,743)	(34,973)
Decrease in trade and other payables	(9,895)	(7,118)
Increase (decrease) in provisions	(126,901)	45,166
Decrease in other financial liabilities	(18,568)	(3,488)
Other, net	(7,556)	(10,107)
Cash generated from operations	918,383	1,207,595
Income taxes paid	(219,941)	(170,589)
Tax refunds and interest on tax refunds received	17,902	20,176
Net cash from operating activities	716,344	1,057,182
Cash flows from investing activities:		
Interest received	11,161	17,660
Dividends received	13,191	635
Acquisition of property, plant and equipment	(175,420)	(200,795)
Proceeds from sales of property, plant and equipment	8,606	78
Acquisition of intangible assets	(305,310)	(147,046)
Acquisition of option to license	—	(31,784)
Acquisition of investments	(6,766)	(97,536)
Proceeds from sales and redemption of investments	8,021	29,442
Acquisition of shares in associates	—	(1,004)
Proceeds from sales of shares in associates	—	57,691
Proceeds from sales of business, net of cash and cash equivalents divested	19,959	20,556
Payments for the settlement of forward exchange contracts designated as net investment hedges	(33,300)	(13,847)
Other, net	(4,003)	(1,111)
Net cash used in investing activities	(463,862)	(367,060)

	JPY (millions)	
	For the year ended March 31,	
	2024	2025
Cash flows from financing activities:		
Net increase in short-term loans and commercial papers	277,000	27,490
Proceeds from issuance of bonds and long-term loans	100,000	1,024,460
Repayments of bonds and long-term loans	(320,901)	(1,321,090)
Proceeds from the settlement of cross currency interest rate swaps related to bonds and loans	60,063	46,880
Acquisition of treasury shares	(2,326)	(51,860)
Interest paid	(100,375)	(112,984)
Dividends paid	(287,188)	(302,498)
Repayments of lease liabilities	(54,586)	(45,174)
Other, net	(26,102)	(16,647)
Net cash used in financing activities	(354,416)	(751,425)
Net decrease in cash and cash equivalents	(101,934)	(61,303)
Cash and cash equivalents at the beginning of the year	533,530	457,800
Effects of exchange rate changes on cash and cash equivalents	26,204	(11,385)
Cash and cash equivalents at the end of the year	457,800	385,113

(6) Notes to Consolidated Financial Statements

(Going Concern Assumption)

No events to be noted for this purpose.

(Significant Items that Form the Basis of Preparing the Consolidated Financial Statements)

1. Basis of Preparation

(1) Compliance

Since Takeda satisfies all of the criteria of the "Specified Company" prescribed in Article 1-2 of the Regulation On Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No.28, 1976 "Regulations for Consolidated Financial Statements"), the consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") pursuant to the provision of Article 312 of the Regulations for Consolidated Financial Statements.

(2) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities recorded at fair value including equity investments, derivative financial instruments, and financial assets and liabilities associated with contingent consideration arrangements, and the application of hyperinflationary accounting at subsidiaries.

(3) Functional and Presentation Currency

The consolidated financial statements are presented in Japanese Yen ("JPY"), which is the functional currency of the Company. All financial information presented in JPY has been rounded to the nearest million JPY, except when otherwise indicated. In tables with rounded figures, sums may not add up due to rounding.

2. Material Accounting Policies

During the year ended March 31, 2025, the material accounting standards applied in Takeda’s consolidated financial statements were consistent with those applied in the prior year's consolidated financial statements.

(Operating Segment Information)

Takeda comprises a single operating segment and is engaged in the research, development, manufacturing, marketing and out-licensing of pharmaceutical products. This is consistent with how the financial information is viewed in allocating resources, measuring performance, and forecasting future periods by the CEO who is Takeda’s Chief Operating Decision Maker.

(Earnings Per Share)

The basis for calculating basic and diluted earnings per share (attributable to owners of the Company) is as follows:

	For the year ended March 31,	
	2024	**2025**
Net profit for the year attributable to owners of the Company:		
Net profit for the year attributable to owners of the Company JPY (millions)	144,067	107,928
Net profit used for calculation of earnings per share JPY (millions)	144,067	107,928
Weighted-average number of ordinary shares outstanding during the year (thousands of shares) [basic]	1,564,450	1,578,873
Dilutive effect (thousands of shares)	15,893	26,450
Weighted-average number of ordinary shares outstanding during the year (thousands of shares) [diluted]	1,580,343	1,605,323
Earnings per share		
Basic (JPY)	92.09	68.36
Diluted (JPY)	91.16	67.23

(Significant Subsequent Events)
Not applicable.

FINANCIAL APPENDIX

Definition of Non-IFRS Measures

Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations A-1

Reconciliations and Other Financial Information

FY2024 Reported Results with CER % Change A-4
FY2024 Q4 (Jan-Mar) Reported Results with CER % Change A-5
FY2024 Core Results with CER % Change A-6
FY2024 Q4 (Jan-Mar) Core Results with CER % Change A-7
FY2024 Reconciliation from Reported to Core A-8
FY2024 Q4 (Jan-Mar) Reconciliation from Reported to Core A-9
FY2023 Reconciliation from Reported to Core A-10
FY2023 Q4 (Jan-Mar) Reconciliation from Reported to Core A-11
FY2024 Adjusted Free Cash Flow A-12
FY2024 Adjusted Net Debt to Adjusted EBITDA A-13
FY2023 Adjusted Net Debt to Adjusted EBITDA A-14
FY2024 Net Profit to Adjusted EBITDA Bridge A-15
FY2024 CAPEX, Depreciation and Amortization and Impairment Losses A-16
FY2024 Results vs. Forecast (Jan. 2025) A-17
FY2025 Full Year Detailed Forecast A-18
FY2025 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast A-19
FY2025 Full Year FX Rates Assumptions and Currency Sensitivity vs. Forecast A-20

Important Notice

Important Notice, Forward-Looking Statements, Financial Information and Non-IFRS Measures, and Medical Information A-21

Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations

Core Financial Measures

Takeda's Core Financial Measures, particularly Core Revenue, Core Operating Profit, Core Net Profit for the Year attributable to owners of the Company and Core EPS, exclude revenue from divestments, amortization and impairment losses on intangible assets associated with products (includes in-process R&D) and other impacts unrelated to the underlying trends and business performance of Takeda's core operations, such as non-recurring items, purchase accounting effects and transaction related costs. **Core Revenue** represents revenue adjusted to exclude revenue items unrelated to the underlying trends and business performance of Takeda's core operations. **Core Operating Profit** represents operating profit adjusted to exclude other operating expenses and income, amortization and impairment losses on intangible assets associated with products (includes in-process R&D) and non-cash items or items unrelated to the underlying trends and business performance of Takeda's core operations. **Core EPS** represents net profit for the year attributable to owners of the Company, adjusted to exclude the impact of items excluded in the calculation of Core Operating Profit, and other non-operating items (e.g. amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration) that are unusual, non-recurring in nature or unrelated to the underlying trends and business performance of Takeda's ongoing operations and the tax effect of each of the adjustments, divided by the average outstanding shares (excluding treasury shares) of the reporting periods presented.

Takeda presents its Core Financial Measures because Takeda believes that these measures are useful to understanding its business without the effect of items that Takeda considers to be unrelated to the underlying trends and business performance of its core operations, including items (i) which may vary significantly from year-to-year or may not occur in each year, or (ii) whose recognition Takeda believes is largely uncorrelated to trends in the underlying performance of our core business. Takeda believes that similar measures are frequently used by other companies in its industry, and that providing these measures helps investors evaluate Takeda's performance against not only its performance in prior years but on a similar basis as its competitors. Takeda also presents Core Financial Measures because these measures are used by Takeda for budgetary planning and compensation purposes (i.e., certain targets for the purposes of Takeda's Short-Term Incentive and Long-Term Incentive compensation programs, including incentive compensation of the CEO and CFO, are set in relation to the results of Takeda's Core Financial Measures).

Constant Exchange Rate ("CER") Change

Constant Exchange Rate Change eliminates the effect of foreign exchange rates from year-over-year comparisons by translating financial results in accordance with IFRS or Core (non-IFRS) financial measures for the current period using corresponding exchange rates in the same period of the previous fiscal year.

Takeda presents CER change because we believe that this measure is useful to investors to better understand the effect of exchange rates on our business, and to understand how our results of operations might have changed from year to year without the effect of fluctuations in exchange rates. These are the primary ways in which our management uses these measures to evaluate our results of operations. We also believe that this is a useful measure for investors as similar performance measures are frequently used by securities analysts, investors and other interested parties in the evaluation of the results of operations of other companies in our industry (many of whom similarly present measures that adjust for the effect of exchange rates).

The usefulness of this presentation has significant limitations including, but not limited to, that while CER change is calculated using the same exchange rates used to calculate financial results as presented under IFRS for the previous fiscal year, this does not necessarily mean that the transactions entered into during the relevant fiscal year could have been entered into or would have been recorded at the same exchange rates. Moreover, other companies in our industry using similarly titled measures may define and calculate those measures differently than we do, and therefore such measures may not be directly comparable. Accordingly, CER change should not be considered in isolation and is not, and should not be viewed as, a substitute for change in financial results as prepared and presented in accordance with IFRS. Starting from the quarter ended June 30, 2024, we ceased adjustments for CER change for the results of operations of subsidiaries in countries experiencing hyperinflation and for which IAS29, Financial Reporting in Hyperinflation Economies, is applied, because of the increased impacts of hyperinflation in the calculation of CER change using corresponding exchange rates in the same period of the previous fiscal year, effectively keeping CER change for these subsidiaries unchanged from those reported with IAS29.

Free Cash Flow and Adjusted Free Cash Flow

Takeda defines **Free Cash Flow** as cash flows from operating activities less acquisition of property, plant and equipment ("PP&E"). Takeda defines **Adjusted Free Cash Flow** as cash flows from operating activities, subtracting payments for acquisition of PP&E, intangible assets, investments (excluding debt investments classified as Level 1 in the fair value hierarchy), shares in associates, and businesses, net of cash and cash equivalents acquired, and other transactional payments deemed related or similar in substance thereto as well as adding proceeds from sales of PP&E, sales and redemption of investments (excluding debt investments classified as Level 1 in the fair value hierarchy), sales of shares in associates, and sales of businesses, net of cash and cash equivalents divested, and further adjusting for the movement of any other cash that is not available to Takeda's immediate or general business use.

Takeda presents Free Cash Flow and Adjusted Free Cash Flow because Takeda believes that these measures are useful to investors as similar measures of liquidity are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Adjusted Free Cash Flow is also used by our management to evaluate our liquidity and our cash flows, particularly as they relate to our ability to meet our liquidity requirements and to support our capital allocation policies. Takeda also believes that Free Cash Flow and Adjusted Free Cash Flow are helpful to investors in understanding how our strategic acquisitions and divestitures of businesses contribute to our cash flows and liquidity.

The usefulness of Free Cash Flow and Adjusted Free Cash Flow to investors has significant limitations including, but not limited to, (i) they may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) they do not reflect the effect of our current and future contractual and other commitments requiring the use or allocation of capital and (iii) the addition of proceeds from sales and redemption of investments and the proceeds from sales of business, net of cash and cash equivalents divested do not represent cash received from our core ongoing operations. Free Cash Flow and Adjusted Free Cash Flow should not be considered in isolation and are not, and should not be viewed as, substitutes for cash flows from operating activities or any other measure of liquidity presented in accordance with IFRS. The most directly comparable measure under IFRS for Free Cash Flow and Adjusted Free Cash Flow is net cash from operating activities. Starting from the quarter ended June 30, 2024, we i) changed the title of Free Cash Flow as previously represented to "Adjusted Free Cash Flow" and ii) began reporting "Free Cash Flow" as cash flows from operating activities less acquisition of PP&E. This change is intended to enhance the comparability of our Free Cash Flow disclosures to those of our peers and to better describe the nature of these measures as presented by Takeda.

EBITDA and Adjusted EBITDA

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

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

The usefulness of EBITDA and Adjusted EBITDA to investors has significant limitations including, but not limited to, (i) they may not be comparable to similarly titled measures used by other companies, including those in the pharmaceutical industry, (ii) they exclude financial information and events, such as the effects of an acquisition, or amortization of intangible assets, that some may consider important in evaluating Takeda's performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future and (iv) they may not include all items which investors may consider important to an understanding of our results of operations, or may not exclude all items which investors may not consider important for such understanding. EBITDA and Adjusted EBITDA should not be considered in isolation and are not, and should not be viewed as, substitutes for operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. The most closely comparable measure presented in accordance with IFRS is net profit for the period.

Net Debt and Adjusted Net Debt

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

Takeda presents Net Debt and Adjusted Net Debt because Takeda believes that these measures are useful to investors in that our management uses it to monitor and evaluate our indebtedness, net of cash and cash equivalents, and, in conjunction with Adjusted EBITDA, to monitor our financial leverage (for the avoidance of doubt, Adjusted Net Debt and the ratio of Adjusted Net Debt to Adjusted EBITDA are not intended to be indicators of Takeda’s liquidity). Takeda also believes that similar measures of indebtedness are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Particularly following the acquisition of Shire, investors, analysts and, in particular, ratings agencies, have closely monitored Takeda’s leverage, as represented by the ratio of its Adjusted Net Debt to Adjusted EBITDA. In light of the weight given by ratings agencies in particular to this ratio, Takeda believes that such information is useful to investors to help understand not only Takeda’s financial leverage, but also how ratings agencies evaluate the level of financial leverage in evaluating Takeda’s quality of credit. Accordingly, as described below, Takeda includes an adjustment to its Adjusted Net Debt to reflect the “equity credit” afforded to certain of its subordinated indebtedness by ratings agencies (such indebtedness does not qualify for treatment as equity under IFRS).

The usefulness of Adjusted Net Debt to investors has significant limitations including, but not limited to, (i) it may not be comparable to similarly titled measures used by other companies, including those in the pharmaceutical industry, (ii) it does not reflect the amounts of interest payments to be paid on Takeda’s indebtedness, (iii) it does not reflect any restrictions on Takeda’s ability to prepay or redeem any of our indebtedness, (iv) it does not reflect any fees, costs or other expenses that Takeda may incur in converting cash equivalents to cash, in converting cash from one currency into another or in moving cash within our consolidated group, (v) it applies to gross debt an adjustment for average foreign exchange rates which, although consistent with Takeda’s financing agreements, does not reflect the actual rates at which Takeda would be able to convert one currency into another and (vi) it reflects an equity credit despite the fact that Takeda’s subordinated bonds are not eligible for equity treatment under IFRS, although Takeda believes this adjustment to be reasonable and useful to investors. Adjusted Net Debt should not be considered in isolation and is not, and should not be viewed as, a substitute for bonds and loans or any other measure of indebtedness presented in accordance with IFRS. The most directly comparable measures under IFRS for Net Debt is bonds and loans. Starting from the quarter ended June 30, 2024, we i) changed the title of Net Debt as previously represented to "Adjusted Net Debt" and ii) began reporting “Net Debt” as the book value of bonds and loans on consolidated statements of financial position adjusted only for cash and cash equivalents. This change is intended to enhance the comparability of our Net Debt disclosures to those of our peers and to better describe the nature of these measures as presented by Takeda.

U.S. Dollar Convenience Translations

In the Financial Appendix, certain amounts presented in Japanese yen have been translated to U.S. dollars solely for the convenience of the reader at an exchange rate of 1USD = 149.9 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 31, 2025. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the condensed interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

FY2024 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2023	FY2024	vs. PY			(Million USD, except EPS) FY2024 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	4,263.8	4,581.6	317.8	7.5%	2.9%	30,564
Cost of sales	(1,426.7)	(1,580.2)	(153.5)	(10.8)%	(6.5)%	(10,542)
Gross profit	2,837.1	3,001.3	164.3	5.8%	1.1%	20,022
Margin	*66.5 %*	*65.5 %*		*(1.0) pp*	*(1.2) pp*	*65.5 %*
SG&A expenses	(1,053.8)	(1,104.8)	(50.9)	(4.8)%	(0.6)%	(7,370)
R&D expenses	(729.9)	(730.2)	(0.3)	0.0%	4.5%	(4,871)
Amortization of intangible assets associated with products	(521.5)	(548.2)	(26.7)	(5.1)%	0.3%	(3,657)
Impairment losses on intangible assets associated with products*1	(130.6)	(95.0)	35.5	27.2%	28.7%	(634)
Other operating income	19.4	26.2	6.8	35.3%	30.8%	175
Other operating expenses	(206.5)	(206.7)	(0.2)	(0.1)%	3.6%	(1,379)
Operating profit	214.1	342.6	128.5	60.0%	51.2%	2,285
Margin	*5.0 %*	*7.5 %*		*2.5 pp*	*2.4 pp*	*7.5 %*
Finance income	52.1	46.5	(5.5)	(10.6)%	(11.9)%	311
Finance expenses	(219.8)	(210.1)	9.8	4.5%	7.2%	(1,401)
Share of profit (loss) of investments accounted for using the equity method	6.5	(4.0)	(10.5)	—	—	(27)
Profit before tax	52.8	175.1	122.3	231.7%	206.4%	1,168
Income tax (expenses) benefit	91.4	(66.9)	(158.3)	—	—	(447)
Net profit for the year	144.2	108.1	(36.1)	(25.0)%	(33.1)%	721
Non-controlling interests	(0.1)	(0.2)	(0.1)	(65.7)%	(66.3)%	(1)
Net profit attributable to owners of the Company	144.1	107.9	(36.1)	(25.1)%	(33.2)%	720
Basic EPS (JPY or USD)	92.09	68.36	(23.73)	(25.8)%	(33.8)%	0.46

*1 Includes in-process R&D

When comparing results to the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations*, for the definition of the “Constant Exchange Rate change”.

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

FY2024 Q4 (Jan-Mar) Reported Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q4 (Jan-Mar)	FY2024 Q4 (Jan-Mar)	vs. PY			(Million USD, except EPS) FY2024 Q4 (Jan-Mar) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,050.9	1,053.4	2.5	0.2%	(2.0)%	7,027
Cost of sales	(382.5)	(382.1)	0.4	0.1%	1.8%	(2,549)
Gross profit	668.4	671.3	3.0	0.4%	(2.0)%	4,478
Margin	*63.6 %*	*63.7 %*		*0.1 pp*	*0.0 pp*	*63.7 %*
SG&A expenses	(285.2)	(295.9)	(10.6)	(3.7)%	(1.4)%	(1,974)
R&D expenses	(195.9)	(216.0)	(20.2)	(10.3)%	(6.6)%	(1,441)
Amortization of intangible assets associated with products	(133.8)	(136.5)	(2.7)	(2.0)%	1.9%	(911)
Impairment losses on intangible assets associated with products *1	(11.3)	(66.5)	(55.3)	(489.6)%	(477.0)%	(444)
Other operating income	9.3	10.4	1.1	11.9%	11.0%	70
Other operating expenses	(61.6)	(41.8)	19.8	32.2%	32.5%	(279)
Operating profit	(10.1)	(74.9)	(64.9)	(644.2)%	(602.8)%	(500)
Margin	*(1.0)%*	*(7.1)%*		*(6.2) pp*	*(5.9) pp*	*(7.1)%*
Finance income	6.6	18.7	12.1	183.0%	207.1%	125
Finance expenses	(47.8)	(50.3)	(2.5)	(5.2)%	(5.1)%	(336)
Share of profit (loss) of investments accounted for using the equity method	3.7	(0.8)	(4.5)	—	—	(5)
Profit before tax	(47.5)	(107.3)	(59.8)	(125.8)%	(113.4)%	(716)
Income tax (expenses) benefit	44.5	4.2	(40.3)	(90.6)%	(92.0)%	28
Net profit for the period	(3.0)	(103.1)	(100.1)	(3,343.3)%	(3,167.9)%	(688)
Non-controlling interests	(0.0)	(0.1)	(0.0)	(142.8)%	(147.3)%	(0)
Net profit attributable to owners of the Company	(3.0)	(103.2)	(100.1)	(3,318.5)%	(3,144.5)%	(688)
Basic EPS (JPY or USD)	(1.92)	(65.25)	(63.33)	(3,292.5)%	(3,119.9)%	(0.44)

*1 Includes in-process R&D

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

% change versus the same period of the previous fiscal year is presented as positive when favorable to profits, and negative when unfavorable to profits.

FY2024 Core Results with CER % Change

(Billion JPY, except EPS)	FY2023	FY2024	vs. PY AER Amount of Change	vs. PY AER % CHANGE	vs. PY CER % CHANGE	(Million USD, except EPS) FY2024 Convenience USD Translation
Revenue	4,263.8	4,579.8	316.1	7.4%	2.8%	30,553
Cost of sales	(1,426.3)	(1,581.8)	(155.5)	(10.9)%	(6.6)%	(10,552)
Gross profit	2,837.5	2,998.0	160.5	5.7%	0.9%	20,000
Margin	*66.5 %*	*65.5 %*		*(1.1) pp*	*(1.2) pp*	*65.5 %*
SG&A expenses	(1,053.0)	(1,105.0)	(52.1)	(4.9)%	(0.7)%	(7,372)
R&D expenses	(729.6)	(730.4)	(0.7)	(0.1)%	4.4%	(4,872)
Operating profit	1,054.9	1,162.6	107.8	10.2%	4.9%	7,756
Margin	*24.7 %*	*25.4 %*		*0.6 pp*	*0.5 pp*	*25.4 %*
Finance income	51.5	34.3	(17.2)	(33.4)%	(34.5)%	229
Finance expenses	(193.5)	(175.0)	18.5	9.6%	12.5%	(1,167)
Share of profit (loss) of investments accounted for using the equity method	5.9	1.1	(4.8)	(81.2)%	(82.2)%	7
Profit before tax	918.8	1,023.1	104.3	11.3%	5.8%	6,825
Income tax (expenses) benefit	(161.9)	(247.3)	(85.4)	(52.7)%	(48.7)%	(1,649)
Net profit for the year	756.9	775.8	18.9	2.5%	(3.4)%	5,176
Non-controlling interests	(0.1)	(0.2)	(0.1)	(65.7)%	(66.3)%	(1)
Net profit attributable to owners of the Company	756.8	775.6	18.8	2.5%	(3.4)%	5,174
Basic EPS (JPY or USD)	484	491	7	1.5%	(4.3)%	3.28

When comparing results to the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations*, for the definition of the “Constant Exchange Rate change”.

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

FY2024 Q4 (Jan-Mar) Core Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q4 (Jan-Mar)	FY2024 Q4 (Jan-Mar)	vs. PY			(Million USD, except EPS) FY2024 Q4 (Jan-Mar) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,050.9	1,051.7	0.8	0.1%	(2.1)%	7,016
Cost of sales	(382.0)	(383.5)	(1.4)	(0.4)%	1.4%	(2,558)
Gross profit	668.8	668.2	(0.6)	(0.1)%	(2.6)%	4,458
Margin	*63.6 %*	*63.5 %*		*(0.1) pp*	*(0.3) pp*	*63.5 %*
SG&A expenses	(283.9)	(295.8)	(11.9)	(4.2)%	(1.9)%	(1,974)
R&D expenses	(195.6)	(216.0)	(20.4)	(10.4)%	(6.8)%	(1,441)
Operating profit	189.3	156.4	(33.0)	(17.4)%	(18.9)%	1,043
Margin	*18.0 %*	*14.9 %*		*(3.1) pp*	*(3.1) pp*	*14.9 %*
Finance income	6.5	12.9	6.3	96.9%	121.1%	86
Finance expenses	(41.2)	(47.4)	(6.2)	(15.0)%	(14.9)%	(316)
Share of profit (loss) of investments accounted for using the equity method	1.6	(0.4)	(2.0)	—	—	(3)
Profit before tax	156.2	121.4	(34.8)	(22.3)%	(23.0)%	810
Income tax (expenses) benefit	(43.0)	(44.7)	(1.7)	(4.0)%	(5.1)%	(298)
Net profit for the period	113.2	76.8	(36.5)	(32.2)%	(33.6)%	512
Non-controlling interests	(0.0)	(0.1)	(0.0)	(142.8)%	(147.3)%	(0)
Net profit attributable to owners of the Company	113.2	76.7	(36.5)	(32.3)%	(33.7)%	512
Basic EPS (JPY or USD)	72	49	(24)	(32.8)%	(34.2)%	0.32

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

% change versus the same period of the previous fiscal year is presented as positive when favorable to profits, and negative when unfavorable to profits.

FY2024 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization of intangible assets	Impairment of intangible assets	Teva JV related adjustment	Other operating income/ expenses	Others	
Revenue	4,581.6			(1.7)			4,579.8
Cost of sales	(1,580.2)					(1.6)	(1,581.8)
Gross profit	3,001.3			(1.7)		(1.6)	2,998.0
SG&A expenses	(1,104.8)					(0.3)	(1,105.0)
R&D expenses	(730.2)					(0.1)	(730.4)
Amortization of intangible assets associated with products	(548.2)	548.2					—
Impairment losses on intangible assets associated with products*1	(95.0)		95.0				—
Other operating income	26.2			(3.8)	(22.4)		—
Other operating expenses	(206.7)				206.7		—
Operating profit	342.6	548.2	95.0	(5.6)	184.3	(2.0)	1,162.6
Margin	7.5 %						25.4 %
Finance income and (expenses), net	(163.5)			18.9		4.0	(140.7)
Share of profit (loss) of investments accounted for using the equity method	(4.0)					5.1	1.1
Profit before tax	175.1	548.2	95.0	13.3	184.3	7.1	1,023.1
Income tax (expenses) benefit	(66.9)	(114.9)	(23.4)	(4.1)	(45.1)	7.3	(247.3)
Non-controlling interests	(0.2)						(0.2)
Net profit attributable to owners of the Company	107.9	433.3	71.6	9.3	139.2	14.3	775.6
Basic EPS (JPY)	68						491
Number of shares (millions)	1,579						1,579

*1 Includes in-process R&D.

FY2024 Q4 (Jan-Mar) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization of intangible assets	Impairment of intangible assets	Teva JV related adjustment	Other operating income/ expenses	Others	
Revenue	1,053.4			(1.7)			1,051.7
Cost of sales	(382.1)					(1.4)	(383.5)
Gross profit	671.3			(1.7)		(1.4)	668.2
SG&A expenses	(295.9)					0.0	(295.8)
R&D expenses	(216.0)					(0.0)	(216.0)
Amortization of intangible assets associated with products	(136.5)	136.5					—
Impairment losses on intangible assets associated with products*1	(66.5)		66.5				—
Other operating income	10.4			(3.8)	(6.6)		—
Other operating expenses	(41.8)				41.8		—
Operating profit	(74.9)	136.5	66.5	(5.6)	35.1	(1.4)	156.4
Margin	(7.1)%						14.9 %
Finance income and (expenses), net	(31.6)			(0.5)		(2.5)	(34.5)
Share of profit (loss) of investments accounted for using the equity method	(0.8)					0.4	(0.4)
Profit before tax	(107.3)	136.5	66.5	(6.0)	35.1	(3.4)	121.4
Income tax (expenses) benefit	4.2	(28.8)	(15.2)	1.8	(8.6)	1.9	(44.7)
Non-controlling interests	(0.1)						(0.1)
Net profit attributable to owners of the Company	(103.2)	107.8	51.3	(4.2)	26.5	(1.5)	76.7
Basic EPS (JPY)	(65)						49
Number of shares (millions)	1,581						1,581

*1 Includes in-process R&D.

FY2023 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	4,263.8					4,263.8
Cost of sales	(1,426.7)				0.4	(1,426.3)
Gross profit	2,837.1				0.4	2,837.5
SG&A expenses	(1,053.8)				0.9	(1,053.0)
R&D expenses	(729.9)				0.3	(729.6)
Amortization of intangible assets associated with products	(521.5)	521.5				—
Impairment losses on intangible assets associated with products *1	(130.6)		130.6			—
Other operating income	19.4			(19.4)		—
Other operating expenses	(206.5)			206.5		—
Operating profit	214.1	521.5	130.6	187.1	1.5	1,054.9
Margin	5.0 %					24.7 %
Finance income and (expenses), net	(167.8)				25.8	(142.0)
Share of profit (loss) of investments accounted for using the equity method	6.5				(0.5)	5.9
Profit before tax	52.8	521.5	130.6	187.1	26.8	918.8
Income tax (expenses) benefit	91.4	(108.7)	(28.6)	(43.1)	(73.0)	(161.9)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	144.1	412.8	102.0	144.1	(46.2)	756.8
Basic EPS (JPY)	92					484
Number of shares (millions)	1,564					1,564

*1 Includes in-process R&D.

FY2023 Q4 (Jan-Mar) 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	1,050.9					1,050.9
Cost of sales	(382.5)				0.5	(382.0)
Gross profit	668.4				0.5	668.8
SG&A expenses	(285.2)				1.3	(283.9)
R&D expenses	(195.9)				0.3	(195.6)
Amortization of intangible assets associated with products	(133.8)	133.8				—
Impairment losses on intangible assets associated with products [*1]	(11.3)		11.3			—
Other operating income	8.6			(8.6)		—
Other operating expenses	(60.8)			60.8		—
Operating profit	(10.1)	133.8	11.3	52.2	2.0	189.3
Margin	(1.0)%					18.0 %
Finance income and (expenses), net	(41.2)				6.5	(34.7)
Share of profit (loss) of investments accounted for using the equity method	3.7				(2.2)	1.6
Profit before tax	(47.5)	133.8	11.3	52.2	6.4	156.2
Income tax (expenses) benefit	44.5	(26.2)	(2.2)	(11.3)	(47.9)	(43.0)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	(3.0)	107.7	9.1	40.9	(41.5)	113.2
Basic EPS (JPY)	(2)					72
Number of shares (millions)	1,569					1,569

*1 Includes in-process R&D.

FY2024 Adjusted Free Cash Flow

(Billion JPY)	FY2023	FY2024	vs. PY		(Million USD) FY2024 Convenience USD Translation
Net profit	144.2	108.1	(36.1)	(25.0)%	721
Depreciation, amortization and impairment losses	878.0	867.9	(10.1)		5,790
Decrease (increase) in trade working capital	(110.5)	(101.0)	9.5		(674)
Income taxes paid	(219.9)	(170.6)	49.4		(1,138)
Tax refunds and interest on tax refunds received	17.9	20.2	2.3		135
Other	6.7	332.6	325.9		2,219
Net cash from operating activities (Operating Cash Flow)	716.3	1,057.2	340.8	47.6 %	7,053
Acquisition of PP&E	(175.4)	(200.8)	(25.4)		(1,340)
Free Cash Flow*1	540.9	856.4	315.5	58.3 %	5,713
Adjustment for cash temporarily held by Takeda on behalf of third parties*2	18.0	2.1	(15.9)		14
Proceeds from sales of PP&E	8.6	0.1	(8.5)		1
Acquisition of intangible assets*3	(305.3)	(147.0)	158.3		(981)
Acquisition of option to license	—	(31.8)	(31.8)		(212)
Acquisition of investments*4	(6.8)	(17.4)	(10.7)		(116)
Proceeds from sales and redemption of investments	8.0	29.4	21.4		196
Acquisition of shares in associates	—	(1.0)	(1.0)		(7)
Proceeds from sales of shares in associates	—	57.7	57.7		385
Proceeds from sales of business, net of cash and cash equivalents divested	20.0	20.6	0.6		137
Adjusted Free Cash Flow*1	283.4	769.0	485.5	171.3 %	5,130

*1 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations* for additional information on change in the titles and definitions of Free Cash Flow and Adjusted Free Cash Flow from FY2024.

*2 Adjustment for cash temporarily held by Takeda on behalf of third parties refers to changes in cash balances that are temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program, which are not available to Takeda's immediate or general business use.

*3 Proceeds from sale of intangible assets are separately adjusted as they are recorded within operating cash flows, except certain immaterial transactions.

*4 Acquisition of JPY 80.1 billion debt investments classified as Level 1 in the fair value hierarchy is excluded for the fiscal year ended March 31, 2025.

FY2024 Adjusted Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2024
Book value of bonds and loans on consolidated statements of financial position	(4,515.3)
Cash & cash equivalents	385.1
Net Debt*1	(4,130.2)
Application of equity credit*2	250.0
FX adjustment*3	(68.9)
Cash temporarily held by Takeda on behalf of third parties*4	(105.8)
Level 1 debt investments*4	79.3
Adjusted Net Debt*1	(3,975.5)
Adjusted EBITDA	1,441.0
Adjusted Net Debt/Adjusted EBITDA ratio	2.8x
Book value of bonds and loans on consolidated statements of financial position	(4,515.3)
Application of equity credit*2	250.0
FX adjustment*3	(68.9)
Adjusted Gross Debt	(4,334.2)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2023	FY2024	vs. PY	
Net cash from operating activities (Operating Cash Flow)	716.3	1,057.2	340.8	47.6 %
Acquisition of PP&E	(175.4)	(200.8)		
Proceeds from sales of PP&E	8.6	0.1		
Acquisition of intangible assets	(305.3)	(147.0)		
Acquisition of option to license	—	(31.8)		
Acquisition of investments	(6.8)	(97.5)		
Proceeds from sales and redemption of investments	8.0	29.4		
Acquisition of shares in associates	—	(1.0)		
Proceeds from sales of shares in associates	—	57.7		
Proceeds from sales of business, net of cash and cash equivalents divested	20.0	20.6		
Payments for the settlement of forward exchange contracts designated as net investment hedges	(33.3)	(13.8)		
Net increase (decrease) in short-term loans and commercial papers	277.0	27.5		
Proceeds from long-term loans	100.0	90.0		
Repayment of long-term loans	(100.4)	(587.2)		
Proceeds from issuance of bonds	—	934.5		
Repayment of bonds	(220.5)	(733.8)		
Proceeds from the settlement of cross currency interest rate swaps related to bonds and loans	60.1	46.9		
Acquisition of treasury shares	(2.3)	(51.9)		
Interest paid	(100.4)	(113.0)		
Dividends paid	(287.2)	(302.5)		
Others	(60.3)	(44.6)		
Net increase (decrease) in cash and cash equivalents	(101.9)	(61.3)	40.6	39.9 %

*1 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations* for additional information on change in the titles and definitions of Net Debt and Adjusted Net Debt from FY2024.

*2 Application of equity credit includes JPY 250.0 billion reduction in debt due to a 50% equity credit applied to JPY 500.0 billion principal amount of our hybrid (subordinated) bonds and loans by S&P Global Rating Japan, given that those instruments qualify for certain equity credit for leverage purposes.

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

*4 Adjustments related to cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, which is not available to Takeda's immediate or general business use, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

FY2023 Adjusted Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2023
Book value of bonds and loans on consolidated statements of financial position	(4,843.8)
Cash & cash equivalents	457.8
Net Debt*1	(4,386.0)
Application of equity credit*2	250.0
FX adjustment*3	152.5
Cash temporarily held by Takeda on behalf of third parties*4	(107.8)
Level 1 debt investments*4	—
Adjusted Net Debt*1	(4,091.3)
Adjusted EBITDA	1,319.9
Adjusted Net Debt/Adjusted EBITDA ratio	3.1x
Book value of bonds and loans on consolidated statements of financial position	(4,843.8)
Application of equity credit*2	250.0
FX adjustment*3	152.5
Adjusted Gross Debt	(4,441.2)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2022	FY2023	vs. PY	
Net cash from operating activities (Operating Cash Flow)	977.2	716.3	(260.8)	(26.7)%
Acquisition of PP&E	(140.7)	(175.4)		
Proceeds from sales of PP&E	1.0	8.6		
Acquisition of intangible assets	(493.0)	(305.3)		
Acquisition of investments	(10.2)	(6.8)		
Proceeds from sales and redemption of investments	22.3	8.0		
Proceeds from sales of business, net of cash and cash equivalents divested	8.0	20.0		
Net increase in short-term loans and commercial papers	40.0	277.0		
Proceeds from long-term loans	75.0	100.0		
Repayment of long-term loans	(75.2)	(100.4)		
Repayment of bonds	(281.5)	(220.5)		
Proceeds from the settlement of cross currency interest rate swaps related to bonds	—	60.1		
Purchase of treasury shares	(26.9)	(2.3)		
Interest paid	(108.6)	(100.4)		
Dividends paid	(279.4)	(287.2)		
Others	(47.0)	(93.6)		
Net increase (decrease) in cash and cash equivalents	(339.1)	(101.9)	237.2	69.9 %

*1 The FY2023 presentation included herein has been adjusted for new definitions applied starting from the quarter ended June 30, 2024; please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations* for additional information on change in the titles and definitions of Net Debt and Adjusted Net Debt from FY2024.

*2 Application of equity credit includes JPY 250.0 billion reduction in debt due to a 50% equity credit applied to JPY 500.0 billion principal amount of our hybrid (subordinated) bonds and loans by S&P Global Rating Japan, given that those instruments qualify for certain equity credit for leverage purposes.

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

*4 Adjustments related to cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, which is not available to Takeda’s immediate or general business use, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

FY2024 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2023	FY2024	vs. PY	
Net profit	144.2	108.1	(36.1)	(25.0)%
Income tax expenses (benefit)	(91.4)	66.9		
Depreciation and amortization	728.0	761.4		
Interest expense, net	108.2	117.7		
EBITDA	889.0	1,054.2	165.1	18.6 %
Impairment losses	150.0	106.5		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	162.2	163.2		
Finance expense (income), net, excluding interest expense, net	59.5	45.8		
Share of loss (profit) on investments accounted for under the equity method	(6.5)	4.0		
Other adjustments:	69.9	67.4		
Teva JV related adjustment	—	(1.7)		
Other costs[*1]	69.9	69.2		
EBITDA from divested products[*2]	(4.2)	(0.2)		
Adjusted EBITDA	1,319.9	1,441.0	121.1	9.2 %

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

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

FY2024 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2023	FY2024	vs. PY		FY2025 Forecast
Capital expenditures*1	480.7	347.8	(132.9)	(27.6)%	270.0 - 320.0
Tangible assets	175.4	200.8	25.4	14.5 %	
Intangible assets	305.3	147.0	(158.3)	(51.8)%	
Depreciation and amortization	728.0	761.4	33.4	4.6 %	716.0
Depreciation of tangible assets*2 (A)	174.1	173.8	(0.3)	(0.1)%	
Amortization of intangible assets (B)	553.9	587.6	33.7	6.1 %	
Of which Amortization associated with products (C)	521.5	548.2	26.7	5.1 %	500.0
Of which Amortization excluding intangible assets associated with products (D)	32.4	39.4	7.0	21.6 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	206.5	213.2	6.7	3.3 %	216.0
Impairment losses	150.0	106.5	(43.5)	(29.0)%	
Impairment losses on intangible assets associated with products*3	130.6	95.0	(35.5)	(27.2)%	50.0
Amortization and impairment losses on intangible assets associated with products	652.1	643.2	(8.9)	(1.4)%	550.0

*1 Cash flow base

*2 Includes depreciation of investment properties

*3 Includes in-process R&D

FY2024 Actual vs. Forecast (Jan. 2025)

	(BN JPY)	FY2024 Forecast (January 30, 2025)	FY2024 Actual	vs. Forecast		Variances
REPORTED	Revenue	4,590.0	4,581.6	(8.4)	(0.2)%	Mainly FX headwind
	Cost of sales	(1,585.0)	(1,580.2)	4.8	0.3%	Mainly FX benefit
	Gross Profit	3,005.0	3,001.3	(3.7)	(0.1)%	
	SG&A expenses	(1,115.0)	(1,104.8)	10.2	0.9%	Mainly FX benefit
	R&D expenses	(740.0)	(730.2)	9.8	1.3%	Mainly FX benefit
	Amortization of intangible assets associated with products	(550.0)	(548.2)	1.8	0.3%	
	Impairment losses on intangible assets associated with products*1	(50.0)	(95.0)	(45.0)	(90.1)%	Loss due to termination of TAK-186 and TAK-280 acquired through Maverick Therapeutics Inc. (27.8 B) and others
	Other operating income	19.0	26.2	7.2	38.0%	Revaluation of contingent consideration and deferred income recognized as a result of the Teva JV divestiture
	Other operating expenses	(225.0)	(206.7)	18.3	8.1%	Lower pre-launch inventory
	Operating profit	344.0	342.6	(1.4)	(0.4)%	
	Finance income (expenses), net	(178.0)	(163.5)	14.5	8.1%	FX gain and derivative gain associated with prepaid syndicated loan
	Profit before tax	162.0	175.1	13.1	8.1%	
	Net profit attributable to owners of the Company	118.0	107.9	(10.1)	(8.5)%	Increase in US international tax provision (e.g., BEAT) and lower R&D tax credits
	Basic EPS (yen)	75	68	(6)	(8.5)%	
	Core Revenue*2	4,590.0	4,579.8	(10.2)	(0.2)%	Mainly FX headwind
	Core Operating Profit*2	1,150.0	1,162.6	12.6	1.1%	Mainly FX benefit
	Core EPS (yen)*2	507	491	(15)	(3.0)%	
	Adjusted Free Cash Flow*2	550.0 to 650.0	769.0			Higher Core OP, lower cash tax, restructuring cost, capex, and working capital
	CAPEX (cash flow base)	(380.0) to (420.0)	(347.8)			Lower than projected business development spend
	Depreciation and amortization (excl. intangible assets associated with products)	(218.0)	(213.2)	4.8	2.2%	
	Cash tax rate on Adjusted EBITDA (excl. divestitures)*2	Low teen %	Approx.10%			
	USD/JPY	153	152	(0)	(0.3)%	
	EUR/JPY	165	163	(2)	(0.9)%	

*1 Includes in-process R&D.

*2 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations*, for the definition of Non-IFRS Measures and FY2025 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast.

FY2025 Full Year Detailed Forecast

	(BN JPY)	FY2024 Actual	FY2025 Forecast (May 8, 2025)	vs. PY		Variances
REPORTED	Revenue	4,581.6	4,530.0	(51.6)	(1.1)%	LOE impact (mainly VYVANSE), pricing and FX headwinds, partially offset by Growth & Launch Products
	Cost of sales	(1,580.2)	(1,540.0)	40.2	2.5%	
	Gross Profit	3,001.3	2,990.0	(11.3)	(0.4)%	Less impact from implementation of accounting process to recognize accumulated FX impact of inventories
	SG&A expenses	(1,104.8)	(1,100.0)	4.8	0.4%	Savings from the Efficiency Program and FX benefits partially offset by investments in DD&T and new launches
	R&D expenses	(730.2)	(750.0)	(19.8)	(2.7)%	Ramp-up of trial costs offset by the Efficiency Program and FX benefits
	Amortization of intangible assets associated with products	(548.2)	(500.0)	48.2	8.8%	Conclusion of amortization of several products, including VYVANSE (in January FY25)
	Impairment losses on intangible assets associated with products*1	(95.0)	(50.0)	45.0	47.4%	
	Other operating income	26.2	10.0	(16.2)	(61.9)%	Reduction of divestiture gains (FY24 TACHOSIL manufacturing site) and others
	Other operating expenses	(206.7)	(125.0)	81.7	39.5%	Primarily reflects lower restructuring expenses projected in FY25 (FY24 actual: 128.1 B vs. FY25 forecast: 48.0 B)
	Operating profit	342.6	475.0	132.4	38.7%	
	Finance income (expenses), net	(163.5)	(167.0)	(3.5)	(2.1)%	
	Profit before tax	175.1	307.0	131.9	75.3%	
	Net profit attributable to owners of the Company	107.9	228.0	120.1	111.3%	Mainly driven by increase of profit before tax partially offset by lower derecognition of tax loss carry forward
	Basic EPS (yen)	68	145	76	111.8%	
	Core Revenue*2	4,579.8	4,530.0	(49.8)	(1.1)%	LOE impact (mainly VYVANSE), pricing and FX headwinds, partially offset by Growth & Launch Products
	Core Operating Profit*2	1,162.6	1,140.0	(22.6)	(1.9)%	Maily due to FX headwinds
	Core EPS (yen)*2	491	485	(6)	(1.2)%	
	Adjusted Free Cash Flow*2	769.0	750.0 to 850.0			While Core OP is flat FY 24 vs. FY 25, we expect higher FCF in FY 25 mainly due to lower restructuring spend in FY 25
	CAPEX (cash flow base)	(347.8)	(270.0) to (320.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(213.2)	(216.0)	(2.8)	(1.3)%	
	Cash tax rate on Adjusted EBITDA (excl. divestitures)*2	Approx.10%	Mid teen%			
	USD/JPY	152	150	(2)	(1.6)%	
	EUR/JPY	163	160	(3)	(2.1)%	

*1 Includes in-process R&D.
*2 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations*, for the definition of Non-IFRS Measures and FY2025 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast.

FY2025 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast

<table>
<tr><th rowspan="2">(Billion JPY)</th><th rowspan="2">REPORTED</th><th colspan="3">REPORTED TO CORE ADJUSTMENTS</th><th rowspan="2">CORE</th></tr>
<tr><th>Amortization of intangible assets</th><th>Impairment of intangible assets</th><th>Other operating income (expenses)</th></tr>
<tr><td>Revenue</td><td>4,530.0</td><td></td><td></td><td></td><td>4,530.0</td></tr>
<tr><td>Cost of sales</td><td>(1,540.0)</td><td rowspan="4" colspan="3"></td><td rowspan="4">(3,390.0)</td></tr>
<tr><td>Gross Profit</td><td>2,990.0</td></tr>
<tr><td>SG&A expenses</td><td>(1,100.0)</td></tr>
<tr><td>R&D expenses</td><td>(750.0)</td></tr>
<tr><td>Amortization of intangible assets associated with products</td><td>(500.0)</td><td>500.0</td><td></td><td></td><td>—</td></tr>
<tr><td>Impairment losses on intangible assets associated with products*1</td><td>(50.0)</td><td></td><td>50.0</td><td></td><td>—</td></tr>
<tr><td>Other operating income</td><td>10.0</td><td></td><td></td><td>(10.0)</td><td>—</td></tr>
<tr><td>Other operating expenses</td><td>(125.0)</td><td></td><td></td><td>125.0</td><td>—</td></tr>
<tr><td>Operating profit</td><td>475.0</td><td>500.0</td><td>50.0</td><td>115.0</td><td>1,140.0</td></tr>
</table>

*1 Includes in-process R&D

FY2025 Full Year FX Rates Assumptions and Currency Sensitivity vs. Forecast

	Average Exchange Rates vs. JPY			Impact of depreciation of yen from April 2025 to March 2026 (100 million JPY)				
	FY2023 Actual (Apr-Mar)	FY2024 Actual (Apr-Mar)	FY2025 Full Year Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	144	152	150	1% depreciation	234.3	8.3	(1.1)	52.5
				1 yen depreciation	156.2	5.5	(0.7)	35.0
EUR	156	163	160	1% depreciation	65.6	(28.2)	(25.0)	(17.1)
				1 yen depreciation	41.0	(17.6)	(15.7)	(10.7)
RUB	1.6	1.6	1.7	1% depreciation	5.6	3.3	2.5	3.8
CNY	20.1	21.1	20.5		19.5	11.8	8.9	11.9
BRL	29.1	27.4	25.9		12.9	9.7	6.4	9.8

Important Notice

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This report and materials distributed in connection with this report 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 presentation. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. 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. Beginning in the quarter ended June 30, 2024, Takeda (i) changed its methodology for CER adjustments to results of subsidiaries in hyperinflation countries to present those results in a manner consistent with IAS 29, Financial Reporting in Hyperinflation Economies, (ii) re-named Free Cash Flow as previously calculated as "Adjusted Free Cash Flow" (with "Free Cash Flow" to be reported as Operating Cash Flow less Property, Plant and Equipment), and (iii) re-named Net Debt as previously calculated as "Adjusted Net Debt" (with "Net Debt" to be reported as the book value of bonds and loans less cash and cash equivalents).

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