

# Earnings Report (*Kessan Tanshin*) for the Three-month Period Ended June 30, 2025 (IFRS, Consolidated)

July 30, 2025

## Takeda Pharmaceutical Company Limited

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Scheduled date of dividend payment commencement: -

Supplementary materials for the financial statements: Yes

Presentation to explain the financial statements: Yes

(Million JPY, rounded to the nearest million)

## 1. Consolidated Financial Results for the Three-month Period Ended June 30, 2025 (April 1 to June 30, 2025)

### (1) Consolidated Operating Results (year to date)

(Percentage figures represent changes over the same period of the previous year)

	Revenue		Operating profit		Profit before tax		Net profit for the period	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
Three-month Period Ended June 30, 2025	1,106,685	(8.4)	184,566	11.0	150,630	10.3	124,279	30.4
Three-month Period Ended June 30, 2024	1,207,990	14.1	166,329	(1.3)	136,604	1.2	95,299	6.6
	Net profit attributable to owners of the Company		Total comprehensive income for the period		Basic earnings per share		Diluted earnings per share	
	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)		(JPY)	
Three-month Period Ended June 30, 2025	124,243	30.4	119,101	(82.0)	79.40		78.23	
Three-month Period Ended June 30, 2024	95,248	6.5	660,122	(4.9)	60.71		59.94	
	Core Operating Profit		Core EPS					
	(Billion JPY)	(%)	(JPY)					
Three-month Period Ended June 30, 2025	321.8	(15.8)	151					
Three-month Period Ended June 30, 2024	382.3	17.1	176					

### (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 June 30, 2025	14,004,537	6,866,179	6,865,259	49.0	4,395.19
As of March 31, 2025	14,248,344	6,935,979	6,935,084	48.7	4,407.01

## 2. Dividends

	Annual dividends per share (JPY)				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
For the Fiscal Year Ended March 31, 2025	—	98.00	—	98.00	196.00
For the Fiscal Year Ending March 31, 2026	—				
For the Fiscal Year Ending March 31, 2026 (Projection)		100.00	—	100.00	200.00

(Note) Modifications in the dividend projection from the latest announcement: None

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

(Percentage figures represent changes from 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

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: None

Forecasts for Core financial measures are shown below.

(Percentage figures represent changes from 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

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: None

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 (April 1, 2025 to 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. The full year management guidance for the fiscal year ending March 31, 2026 (FY2025) has not been revised from the management guidance announced on May 8, 2025.

	Core Revenue Growth	Core Operating Profit Growth	Core EPS Growth
	(%)	(%)	(%)
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 period end:	
June 30, 2025	1,590,962,609 shares
March 31, 2025	1,590,949,609 shares
2) Number of shares of treasury stock at period end:	
June 30, 2025	28,968,756 shares
March 31, 2025	17,299,963 shares
3) Average number of outstanding shares (for the three-month period ended June 30):	
June 30, 2025	1,564,729,658 shares
June 30, 2024	1,568,915,479 shares

▪ **Review of the attached condensed interim consolidated financial statements by certified public accountants or an audit firm: No**

▪ **Note to ensure appropriate use of forecasts and guidance, and other noteworthy items**

- Takeda applies 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 Three-month Period Ended June 30, 2025 (3) Outlook for the Fiscal Year Ending March 31, 2026" on page 12.
- Supplementary materials for the financial statements including the Quarterly Financial Report and Earnings Presentation of the conference call on July 30, 2025, and its audio will be promptly posted on Takeda's website.

(Takeda Website):

<https://www.takeda.com/investors/financial-results/quarterly-results/>

## Attachment Index

<b><u>1. Financial Highlights for the Three-month Period Ended June 30, 2025</u></b>	<b><u>2</u></b>
<u>(1) Business Performance</u>	<u>2</u>
<u>(2) Consolidated Financial Position</u>	<u>9</u>
<u>(3) Outlook for the Fiscal Year Ending March 31, 2026</u>	<u>12</u>
<b><u>2. Condensed Interim Consolidated Financial Statements [IFRS] and Major Notes</u></b>	<b><u>14</u></b>
<u>(1) Condensed Interim Consolidated Statements of Profit or Loss</u>	<u>14</u>
<u>(2) Condensed Interim Consolidated Statements of Comprehensive Income</u>	<u>15</u>
<u>(3) Condensed Interim Consolidated Statements of Financial Position</u>	<u>16</u>
<u>(4) Condensed Interim Consolidated Statements of Changes in Equity</u>	<u>18</u>
<u>(5) Condensed Interim Consolidated Statement of Cash Flows</u>	<u>20</u>
<u>(6) Notes to Condensed Interim Consolidated Financial Statements</u>	<u>22</u>
<u>(Significant Uncertainty Regarding Going Concern Assumption)</u>	<u>22</u>
<u>(Material Accounting Policies)</u>	<u>22</u>
<u>(Operating Segment Information)</u>	<u>22</u>
<u>(Significant Changes in Equity Attributable to Owners of the Company)</u>	<u>22</u>
<u>(Significant Subsequent Events)</u>	<u>22</u>

## [Financial Appendix]

## 1. Financial Highlights for the Three-month Period Ended June 30, 2025

### (1) Business Performance

#### (i) Consolidated Financial Results (April 1 to June 30, 2025)

	Billion JPY or percentage				
	FY2024 Q1	FY2025 Q1	AER		CER
			JPY Change	% Change	% Change
Revenue	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%
Cost of sales	(387.0)	(384.7)	2.3	(0.6)%	4.3 %
Selling, general and administrative expenses	(270.0)	(255.9)	14.1	(5.2)%	(0.0)%
Research and development expenses	(168.5)	(143.9)	24.6	(14.6)%	(9.7)%
Amortization and impairment losses on intangible assets associated with products	(162.8)	(131.6)	31.2	(19.2)%	(14.3)%
Other operating income	10.9	22.0	11.2	102.7 %	102.1 %
Other operating expenses	(64.3)	(28.1)	36.2	(56.3)%	(53.6)%
Operating profit	166.3	184.6	18.2	11.0 %	14.0 %
Finance income and (expenses), net	(29.0)	(33.4)	(4.4)	15.1 %	15.5 %
Share of loss of investments accounted for using the equity method	(0.7)	(0.5)	0.2	(24.7)%	(69.6)%
Profit before tax	136.6	150.6	14.0	10.3 %	14.1 %
Income tax expenses	(41.3)	(26.4)	15.0	(36.2)%	(32.9)%
Net profit for the period	95.3	124.3	29.0	30.4 %	34.5 %
Net profit for the period attributable to owners of the Company	95.2	124.2	29.0	30.4 %	34.5 %

In this section, 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 change, see “Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations” in the Financial Appendix.

#### **Revenue**

Revenue for the three-month period ended June 30, 2025 was JPY 1,106.7 billion (JPY -101.3 billion and -8.4% AER, -3.7% CER). The decline compared to the same period of the previous fiscal year was primarily attributable to unfavorable foreign exchange rates and a decrease in revenue in Neuroscience, one of our six key business areas. The decrease in Neuroscience was largely attributable to the continued impact from generic erosion of VYVANSE (for attention deficit hyperactivity disorder (“ADHD”)) in the U.S. Excluding foreign exchange rates impact, revenue slightly increased in our key business areas of Gastroenterology (“GI”), Rare Diseases, Plasma-Derived Therapies (“PDT”), and Oncology, while there was a decline in Vaccines. Revenue outside of our six key business areas was JPY 51.2 billion (JPY -13.7 billion and -21.1% AER, -18.0% CER).

### Revenue by Geographic Region

The following shows revenue by geographic region:

Revenue:	Billion JPY or percentage				
	FY2024 Q1	FY2025 Q1	AER		CER
			JPY Change	% Change	% Change
Japan	102.9	108.0	5.0	4.9 %	5.1 %
United States	636.7	546.7	(90.0)	(14.1)%	(8.4)%
Europe and Canada	269.8	262.3	(7.5)	(2.8)%	0.2 %
Latin America	72.2	57.6	(14.6)	(20.3)%	(11.3)%
China	38.2	43.2	5.0	13.2 %	21.0 %
Asia (excluding Japan & China)	25.7	23.0	(2.7)	(10.5)%	(5.0)%
Russia/CIS	23.7	28.9	5.2	21.9 %	19.2 %
Other <sup>*1</sup>	38.7	37.0	(1.8)	(4.6)%	(1.5)%
Total	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%

\*1 Other includes the Middle East, Oceania and Africa.

### Revenue by Business Area

The following shows revenue by business area:

Revenue:	Billion JPY or percentage				
	FY2024 Q1	FY2025 Q1	AER		CER
			JPY Change	% Change	% Change
GI	348.5	339.3	(9.2)	(2.6)%	2.6 %
Rare Diseases	199.5	196.4	(3.1)	(1.6)%	3.0 %
PDT	271.4	260.9	(10.6)	(3.9)%	1.7 %
Oncology	142.1	138.8	(3.3)	(2.3)%	1.8 %
Vaccines	12.5	11.5	(1.1)	(8.4)%	(6.2)%
Neuroscience	169.1	108.6	(60.4)	(35.7)%	(32.6)%
Other	64.9	51.2	(13.7)	(21.1)%	(18.0)%
Total	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%

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

#### GI

In GI, revenue was JPY 339.3 billion (JPY -9.2 billion and -2.6% AER, +2.6% CER).

Sales of DEXILANT (for acid reflux disease) were JPY 8.3 billion (JPY -3.5 billion and -29.7% AER, -22.4% CER). The decrease was primarily due to the impact of multiple generic entrants in Canada, accompanied by unfavorable foreign exchange rates.

Sales of RESOLOR/MOTEGRITY (for chronic idiopathic constipation) were JPY 2.2 billion (JPY -3.3 billion and -60.5% AER, -58.2% CER). The decrease was primarily due to the impact of multiple generic entrants in the U.S. beginning in January 2025.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 34.8 billion (JPY -2.0 billion and -5.5% AER, +0.0% CER). The decrease was primarily due to unfavorable foreign exchange rates.

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease (“CD”)) were JPY 232.5 billion (JPY -1.9 billion and -0.8% AER, +4.9% CER). Sales in the U.S. were JPY 156.3 billion (JPY -6.6 billion and -4.1% AER). The decrease was due to unfavorable foreign exchange rates, partially offset by maintaining demand in the first line biologic inflammatory bowel disease (“IBD”) population, reflecting continued patient gains from the subcutaneous formulation. Sales in Europe and Canada were JPY 56.7 billion (JPY +1.9 billion and +3.5% AER). The increase was primarily due to continued patient gains through an increased use of the subcutaneous formulation, partially offset by unfavorable foreign exchange rates.

Sales of TAKECAB/VOCINTI (for acid-related diseases) were JPY 35.0 billion (JPY +1.9 billion and +5.7% AER, +7.8% CER). The increase was due to strong demand in Japan, partially offset by unfavorable foreign exchange rates.

### ***Rare Diseases***

In Rare Diseases, revenue was JPY 196.4 billion (JPY -3.1 billion and -1.6% AER, +3.0% CER).

Sales of ADVATE (for hemophilia A) were JPY 28.0 billion (JPY -3.9 billion and -12.2% AER, -7.6% CER). The decrease was primarily due to competitive pressure in the U.S., accompanied by unfavorable foreign exchange rates.

Sales of ADYNOVATE/ADYNOVI (for hemophilia A) were JPY 14.1 billion (JPY -3.6 billion and -20.3% AER, -16.7% CER). The decrease was primarily due to competitive pressure in the U.S., accompanied by unfavorable foreign exchange rates.

Sales of REPLAGAL (for Fabry disease) were JPY 20.2 billion (JPY -1.2 billion and -5.5% AER, -2.2% CER). The decrease was primarily due to unfavorable foreign exchange rates.

Sales of TAKHZYRO (for hereditary angioedema) were JPY 55.1 billion (JPY -0.9 billion and -1.7% AER, +3.7% CER). The decrease was primarily due to unfavorable foreign exchange rates. Excluding foreign exchange rates impact, sales increased due to higher demand in Europe and Canada, and Growth and Emerging Markets, supported by strong patient persistency and prophylactic market growth.

Sales of LIVTENCITY (for post-transplant cytomegalovirus (“CMV”) infection/disease) were JPY 10.5 billion (JPY +2.9 billion and +37.6% AER, +45.1% 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 VPRIV (for Gaucher disease) were JPY 15.3 billion (JPY +1.6 billion and +11.7% AER, +16.2% CER). The increase was due to a sales growth in Growth and Emerging Markets, partially offset by unfavorable foreign exchange rates.

### ***PDT***

In PDT, revenue was JPY 260.9 billion (JPY -10.6 billion and -3.9% AER, +1.7% CER).

Aggregate sales of immunoglobulin products were JPY 194.0 billion (JPY -7.4 billion and -3.7% AER, +2.0% CER). Excluding foreign exchange rates impact, the sales increased due to a sales growth of subcutaneous immunoglobulin therapies (CUVITRU and HYQVIA). Sales of GAMMAGARD LIQUID/KIOVIG (for the treatment of primary immunodeficiency (“PID”) and multifocal motor neuropathy (“MMN”)), intravenous therapies, decreased primarily due to unfavorable foreign exchange rates.

Sales of FEIBA (for hemophilia A and B) were JPY 9.7 billion (JPY -4.3 billion and -30.5% AER, -27.1% CER). The decrease was due to a sales decline in Growth and Emerging Markets and Europe, accompanied by unfavorable foreign exchange rates.

Aggregate sales of albumin products including HUMAN ALBUMIN and FLEXBUMIN (both primarily used for hypovolemia and hypoalbuminemia) were JPY 32.2 billion (JPY +2.8 billion and +9.5% AER, +16.2% CER). The increase was primarily due to a sales increase in China, partially offset by unfavorable foreign exchange rates.

### ***Oncology***

In Oncology, revenue was JPY 138.8 billion (JPY -3.3 billion and -2.3% AER, +1.8% CER).

Sales of NINLARO (for multiple myeloma) were JPY 20.9 billion (JPY -3.0 billion and -12.6% AER, -8.3% CER). The decrease was primarily due to intensified competition and decreased demand mainly in the U.S., accompanied by unfavorable foreign exchange rates, and partially offset by a sales increase in Growth and Emerging Markets.

Sales of LEUPLIN/ENANTONE (for endometriosis, uterine fibroids, premenopausal breast cancer, prostate cancer, and other certain indications) were JPY 27.3 billion (JPY -2.1 billion and -7.1% AER, -4.7% CER). The decrease was primarily due to a sales decrease in the U.S., accompanied by unfavorable foreign exchange rates.

Sales of ALUNBRIG (for non-small cell lung cancer) were JPY 8.2 billion (JPY -1.2 billion and -13.0% AER, -8.5% CER). The decrease was primarily due to intensified competition, and unfavorable foreign exchange rates.

Sales of ADCETRIS (for malignant lymphomas) were JPY 37.2 billion (JPY +2.7 billion and +7.9% AER, +13.2% CER). The increase was led by strong demand in the Growth and Emerging Markets, partially offset by unfavorable foreign exchange rates.

### ***Vaccines***

In Vaccines, revenue was JPY 11.5 billion (JPY -1.1 billion and -8.4% AER, -6.2% CER).

Sales of QDENGGA (for prevention of dengue) were JPY 8.8 billion (JPY -0.7 billion and -7.7% AER, -4.8% CER). The decrease was due to shipment timing in Growth and Emerging Markets, accompanied by unfavorable foreign exchange rates.

### ***Neuroscience***

In Neuroscience, revenue was JPY 108.6 billion (JPY -60.4 billion and -35.7% AER, -32.6% CER).

Sales of VYVANSE/ELVANSE (for ADHD) were JPY 57.9 billion (JPY -56.8 billion and -49.5% AER, -46.9% CER). The decrease was due to the continued impact of multiple generic entrants in the U.S. and certain other countries.

Sales of TRINTELLIX (for major depressive disorder ("MDD")) were JPY 28.1 billion (JPY -2.9 billion, and -9.5% AER, -4.0% CER). The decrease was primarily due to unfavorable foreign exchange rates.

### ***Cost of Sales***

Cost of Sales was JPY 384.7 billion (JPY -2.3 billion and -0.6% AER, +4.3% CER). The decrease was primarily due to the appreciation of the Japanese yen, partially offset by a change in product mix.

### ***Selling, General and Administrative (SG&A) Expenses***

SG&A Expenses were JPY 255.9 billion (JPY -14.1 billion and -5.2% AER, -0.0% CER). The decrease was mainly due to the appreciation of the Japanese yen.

### ***Research and Development (R&D) Expenses***

R&D Expenses were JPY 143.9 billion (JPY -24.6 billion and -14.6% AER, -9.7% CER). The decrease was mainly due to lower expenses attributable to termination of development programs and the appreciation of the Japanese yen, partially offset by higher expense on late-stage pipelines in the three-month period ended June 30, 2025.

### ***Amortization and Impairment Losses on Intangible Assets Associated with Products***

Amortization and Impairment Losses on Intangible Assets Associated with Products were JPY 131.6 billion (JPY -31.2 billion and -19.2% AER, -14.3% CER). Amortization Expenses decreased (JPY -9.3 billion) mainly due to the appreciation of the Japanese yen. Impairment Losses decreased (JPY -21.9 billion) primarily due to an impairment charge for soticlestat (TAK-935) recorded during the three-month period ended June 30, 2024.

### ***Other Operating Income***

Other Operating Income was JPY 22.0 billion (JPY +11.2 billion and +102.7% AER, +102.1% CER). The increase was mainly due to higher gains from Divestment of Business during the three-month period ended June 30, 2025. Gains of JPY 17.9 billion were recognized on the completion of the sales of non-core products and MEPACT mainly in Europe and the Middle East & North Africa regions during the three-month period ended June 30, 2025, while a gain of JPY 6.1 billion was recognized on the completion of the transfer of the manufacturing operation of TACHOSIL during the three-month period ended June 30, 2024.

### ***Other Operating Expenses***

Other Operating Expenses were JPY 28.1 billion (JPY -36.2 billion and -56.3% AER, -53.6% CER). The decrease was primarily due to a reduction in restructuring expenses (JPY -31.0 billion), mainly attributable to lower restructuring expenses on the enterprise-wide efficiency program compared to the three-month period ended June 30, 2024.

### ***Operating Profit***

As a result of the above factors, Operating Profit was JPY 184.6 billion (JPY +18.2 billion and +11.0% AER, +14.0% CER).

### ***Net Finance Expenses***

Net Finance Expenses were JPY 33.4 billion (JPY +4.4 billion and +15.1% AER, +15.5% CER). The increase was mainly due to lower gains from the fair value measurement of debt instruments compared to the three-month period ended June 30, 2024.

### ***Share of Loss of Investments Accounted for Using the Equity Method***

Share of Loss of Investments Accounted for Using the Equity Method was JPY 0.5 billion (JPY -0.2 billion and -24.7% AER, -69.6% CER).



***Income Tax Expenses***

Income Tax Expenses were JPY 26.4 billion (JPY -15.0 billion and -36.2% AER, -32.9% CER). The decrease was primarily due to the effect of a higher valuation allowance on deferred tax assets recognized during the three-month period ended June 30, 2024 partially offset by an increase in tax expenses due to lower level of tax credits recognized during the three-month period ended June 30, 2025.

***Net Profit for the Period***

As a result of the above factors, Net Profit for the Period was JPY 124.3 billion (JPY +29.0 billion and +30.4% AER, +34.5% CER) and Net Profit for the Period attributable to owners of the Company was JPY 124.2 billion (JPY +29.0 billion and +30.4% AER, +34.5% CER).

## (ii) Results of Core Financial Measures (April 1 to June 30, 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.

### *Results of Core Operations*

	FY2024 Q1	FY2025 Q1	Billion JPY or percentage		
			AER		CER
			JPY Change	% Change	% Change
Core revenue	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%
Core operating profit	382.3	321.8	(60.4)	(15.8)%	(11.9)%
Core net profit for the period	276.9	237.1	(39.8)	(14.4)%	(10.3)%
Core net profit for the period attributable to owners of the Company	276.8	237.0	(39.8)	(14.4)%	(10.3)%
Core EPS (yen)	176	151	(25)	(14.1)%	(10.0)%

### *Core Revenue*

Core Revenue was JPY 1,106.7 billion (JPY -101.3 billion and -8.4% AER, -3.7% CER). The decrease was primarily attributable to unfavorable foreign exchange rates and a decrease in revenue in Neuroscience. The decrease in Neuroscience was largely attributable to the continued impact from generic erosion of VYVANSE in the U.S. Takeda’s Growth and Launch Products\* totaled JPY 558.1 billion (JPY -3.6 billion and -0.6% AER, +5.0% CER).

\* Takeda’s Growth and Launch Products

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: QDENG A

### *Core Operating Profit*

Core Operating Profit was JPY 321.8 billion (JPY -60.4 billion and -15.8% AER, -11.9% CER). The components of Core Operating Profit are as below:

	FY2024 Q1	FY2025 Q1	Billion JPY or percentage		
			AER		CER
			JPY Change	% Change	% Change
Core revenue	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%
Core cost of sales	(387.1)	(384.9)	2.2	(0.6)%	4.4 %
Core selling, general and administrative (SG&A) expenses	(270.2)	(256.0)	14.1	(5.2)%	(0.0)%
Core research and development (R&D) expenses	(168.5)	(143.9)	24.6	(14.6)%	(9.7)%
Core operating profit	382.3	321.8	(60.4)	(15.8)%	(11.9)%

During the periods presented, these items fluctuated as follows:

### *Core Cost of Sales*

Core Cost of Sales was JPY 384.9 billion (JPY -2.2 billion and -0.6% AER, +4.4% CER). The decrease was primarily due to the appreciation of the Japanese yen, partially offset by a change in product mix.

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

Core SG&A expenses were JPY 256.0 billion (JPY -14.1 billion and -5.2% AER, -0.0% CER). The decrease was mainly due to the appreciation of the Japanese yen.

### ***Core Research and Development (R&D) Expenses***

Core R&D expenses were JPY 143.9 billion (JPY -24.6 billion and -14.6% AER, -9.7% CER). The decrease was mainly due to lower expenses attributable to termination of development programs and the appreciation of the Japanese yen, partially offset by higher expense on late-stage pipelines in the three-month period ended June 30, 2025.

### ***Core Net Profit for the Period***

Core Net Profit for the Period was JPY 237.1 billion (JPY -39.8 billion and -14.4% AER, -10.3% CER) and Core Net Profit attributable to owners of the Company was JPY 237.0 billion (JPY -39.8 billion and -14.4% AER, -10.3% CER) and are calculated from Core Operating Profit as below:

	Billion JPY or percentage				
	FY2024 Q1	FY2025 Q1	AER		CER
			JPY Change	% Change	% Change
Core operating profit	382.3	321.8	(60.4)	(15.8)%	(11.9)%
Core finance income and (expenses), net	(30.1)	(31.3)	(1.2)	4.1 %	4.4 %
Core share of profit (loss) of investments accounted for using the equity method	0.4	(0.1)	(0.5)	—	(44.8)%
Core profit before tax	352.6	290.4	(62.2)	(17.6)%	(13.4)%
Core income tax expenses	(75.7)	(53.3)	22.4	(29.6)%	(24.8)%
Core net profit for the period	276.9	237.1	(39.8)	(14.4)%	(10.3)%
Core net profit for the period attributable to owners of the Company	276.8	237.0	(39.8)	(14.4)%	(10.3)%

During the periods presented, these items fluctuated as follows:

### ***Core Net Finance Expenses***

Core Net Finance Expenses were JPY 31.3 billion (JPY +1.2 billion and +4.1% AER, +4.4% CER).

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

For the three-month period ended June 30, 2025, Core Share of Loss of Investments Accounted for Using the Equity Method was JPY 0.1 billion (JPY -0.5 billion). For the three-month period ended June 30, 2024, Core Share of Profit of Investments Accounted for Using the Equity Method was JPY 0.4 billion.

### ***Core Profit Before Tax***

Core Profit Before Tax was JPY 290.4 billion (JPY -62.2 billion and -17.6% AER, -13.4% CER).

### ***Core Income Tax Expenses***

Core Income Tax Expenses were JPY 53.3 billion (JPY -22.4 billion and -29.6% AER, -24.8% CER). The decrease was primarily due to the effect of a higher valuation allowance on deferred tax assets recognized during the three-month period ended June 30, 2024 and lower pretax earnings partially offset by an increase in tax expenses due to lower level of tax credits recognized during the three-month period ended June 30, 2025.

### ***Core EPS***

Core EPS was JPY 151 (JPY -25 and -14.1% AER, -10.0% CER).

## (2) Consolidated Financial Position

### (i) Assets, Liabilities and Equity

	Billion JPY		
	As of		
	March 31, 2025	June 30, 2025	Change
Total Assets	14,248.3	14,004.5	(243.8)
Total Liabilities	7,312.4	7,138.4	(174.0)
Total Equity	6,936.0	6,866.2	(69.8)

#### Assets

Total Assets as of June 30, 2025 were JPY 14,004.5 billion (JPY -243.8 billion). Intangible Assets decreased (JPY -209.0 billion) mainly due to amortization and the effect of foreign currency translation.

#### Liabilities

Total Liabilities as of June 30, 2025 were JPY 7,138.4 billion (JPY -174.0 billion). Other Current Liabilities decreased (JPY -79.3 billion) mainly due to the payment of accrued bonus, as well as a reduction in accrued expenses primarily driven by the effect of foreign currency translation. In addition, Trade and Other Payables decreased (JPY -54.2 billion) mainly due to the payment of accounts payables in the U.S. and Japan. Total Bonds and Loans were JPY 4,505.9 billion\*.

\* The carrying amount of Bonds was JPY 4,193.8 billion and Loans was JPY 312.1 billion as of June 30, 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 500 million)	June 2015	June 2045	73.5
Unsecured US Dollar Denominated Senior Notes (USD 1,500 million)	September 2016	September 2026	212.5
Unsecured Euro Denominated Senior Notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	505.2
Unsecured US Dollar Denominated Senior Notes (USD 1,750 million)	November 2018	November 2028	251.2
Unsecured US Dollar Denominated Senior Notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,003.1
Unsecured Euro Denominated Senior Notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	605.3
Unsecured JPY Denominated Senior Bonds	October 2021	October 2031	249.6
Hybrid Bonds (Subordinated Bonds)	June 2024	June 2084	458.1
Unsecured US Dollar Denominated Senior Notes (USD 3,000 million)	July 2024	July 2034 ~ July 2064	427.7
Unsecured JPY Denominated Senior Bonds	June 2025	June 2030 ~ June 2035	183.6
Commercial Paper	May 2025 ~ June 2025	July 2025	224.0
Total			4,193.8

Loans:

<b>Name of Loan</b> <b>(Face Value if Denominated in Foreign Currency)</b>	<b>Execution</b>	<b>Maturity</b>	<b>Carrying Amount</b> <b>(Billion JPY)</b>
Bilateral Loans	March 2016 ~ April 2024	March 2026 ~ April 2031	200.0
Bilateral Loans (USD 500 million)	June 2025	July 2025	72.1
Syndicated Hybrid Loans (Subordinated Loans)	October 2024	October 2084	40.0
Other			0.1
<b>Total</b>			<b>312.1</b>

On April 25, 2025, Takeda repaid JPY 10.0 billion in Bilateral Loans falling due. On June 12, 2025, Takeda issued JPY 184.0 billion in unsecured JPY denominated senior bonds (“JPY Bonds”) with maturity dates ranging from June 12, 2030, to June 12, 2035. The proceeds of the JPY Bonds will be used to redeem commercial paper. Following this, on June 23, 2025, Takeda redeemed USD 800 million of unsecured U.S. dollar-denominated senior notes on their maturity date. Takeda has also rolled over USD 500 million Bilateral Loan, which was originally drawn down on March 31, 2025, on a monthly basis until July 3, 2025.

\*Amounts presented in the above explanation for Bonds and Loans are based on the principal amount.

***Equity***

Total Equity as of June 30, 2025 was JPY 6,866.2 billion (JPY -69.8 billion). This decrease was primarily due to the increase in Treasury Shares (JPY -49.3 billion), mainly attributed to an acquisition of Takeda's own shares.

**(ii) Consolidated Cash Flows**

	<b>Billion JPY</b>		
	<b>FY2024 Q1</b>	<b>FY2025 Q1</b>	<b>Change</b>
Net cash from operating activities	170.3	215.4	45.1
Net cash used in investing activities	(156.7)	(33.2)	123.5
Net cash from (used in) financing activities	316.4	(214.9)	(531.3)
Net increase (decrease) in cash and cash equivalents	330.0	(32.7)	(362.7)
Cash and cash equivalents at the beginning of the year	457.8	385.1	(72.7)
Effects of exchange rate changes on cash and cash equivalents	17.2	(2.4)	(19.7)
Cash and cash equivalents reclassified to assets held for sale	(0.7)	—	0.7
Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)	804.3	350.0	(454.3)

***Net Cash from Operating Activities***

Net Cash from Operating Activities was JPY 215.4 billion (JPY +45.1 billion). The increase was mainly due to favorable impacts from Changes in Assets and Liabilities primarily driven by changes in Trade and Other Receivables, Provisions and Other Financial Liabilities. The increase was partially offset by unfavorable impacts resulting from Net Profit for the Period adjusted for non-cash items and other adjustments.

***Net Cash used in Investing Activities***

Net Cash used in Investing Activities was JPY 33.2 billion (JPY -123.5 billion). The decrease was mainly due to a decrease in cash outflow used in Acquisition of Intangible Assets, further driven by an increase in Proceeds from Sales of Business, Net of Cash and Cash Equivalents Divested.

***Net Cash used in Financing Activities***

Net Cash used in Financing Activities was JPY 214.9 billion (JPY +531.3 billion). The increase was mainly driven by lower net cash inflows from the issuance and repayments of bonds and long-term loans as well as increased treasury share acquisitions.

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

The full year consolidated forecast for the fiscal year ending March 31, 2026 (FY2025) has not been revised from the forecast announced at the FY2024 financial results announcement on May 8, 2025.

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

	Billion JPY or percentage			
	FY2024 Actual Results	FY2025 Forecast	JPY Change	% Change
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 <sup>*1</sup>	4,579.8	4,530.0	(49.8)	(1.1)%
Core operating profit <sup>*1</sup>	1,162.6	1,140.0	(22.6)	(1.9)%
Core EPS (JPY) <sup>*1</sup>	491	485	(6)	(1.2)%

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

#### Major assumptions used in preparing the FY2025 Forecast

	FY2024 Actual Results	FY2025 Forecast
FX rates		
USD/JPY	152 JPY	150 JPY
EUR/JPY	163 JPY	160 JPY
RUB/JPY	1.6 JPY	1.7 JPY
CNY/JPY	21.1 JPY	20.5 JPY
BRL/JPY	27.4 JPY	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 <sup>*2</sup>	(95.0)	(50.0)
Other operating income	26.2	10.0
Other operating expenses <sup>*3</sup>	(206.7)	(125.0)
Other core operating profit adjustments	(2.0)	—
Finance income and (expenses), net	(163.5)	(167.0)
Adjusted free cash flow <sup>*1</sup>	769.0	750.0 to 850.0
Capital expenditures (cash flow base)	(347.8)	(270.0) to (320.0)
Depreciation and amortization (excluding intangible assets associated with products)	(213.2)	(216.0)
Cash tax rate on adjusted EBITDA (excluding divestitures) <sup>*1</sup>	Approx.10%	Mid teen%

<sup>\*2</sup> Includes in-process R&D.

<sup>\*3</sup> 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 for the Fiscal Year Ending March 31, 2026 (FY2025)

Takeda uses change in Core Revenue, Core Operating Profit and Core EPS at Constant Exchange Rate (CER) basis as its Management Guidance. The full year management guidance for the fiscal year ending March 31, 2026 (FY2025) has not been revised from the management guidance announced on May 8, 2025.

	<b>FY2025 Management Guidance CER % Change<sup>*1</sup></b>
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.



## 2. Condensed Interim Consolidated Financial Statements [IFRS] and Major Notes

### (1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions, except per share data) Three-month Period Ended June 30,	
	2024	2025
Revenue	1,207,990	1,106,685
Cost of sales	(386,954)	(384,675)
Selling, general and administrative expenses	(270,030)	(255,885)
Research and development expenses	(168,463)	(143,891)
Amortization and impairment losses on intangible assets associated with products	(162,831)	(131,638)
Other operating income	10,868	22,030
Other operating expenses	(64,252)	(28,061)
Operating profit	166,329	184,566
Finance income	30,677	73,758
Finance expenses	(59,691)	(107,158)
Share of loss of investments accounted for using the equity method	(712)	(536)
Profit before tax	136,604	150,630
Income tax expenses	(41,304)	(26,351)
Net profit for the period	95,299	124,279
Attributable to:		
Owners of the Company	95,248	124,243
Non-controlling interests	51	36
Net profit for the period	95,299	124,279
Earnings per share (JPY)		
Basic earnings per share	60.71	79.40
Diluted earnings per share	59.94	78.23

## (2) Condensed Interim Consolidated Statements of Comprehensive Income

	JPY (millions)	
	Three-month Period Ended June 30,	
	2024	2025
Net profit for the period	95,299	124,279
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	(5,077)	9,437
Remeasurement of defined benefit pension plans	1,916	(397)
	(3,160)	9,040
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	563,483	(19,647)
Cash flow hedges	(3,271)	3,655
Hedging cost	6,908	1,892
Share of other comprehensive income (loss) of investments accounted for using the equity method	864	(119)
	567,983	(14,218)
Other comprehensive income (loss) for the period, net of tax	564,823	(5,178)
Total comprehensive income for the period	660,122	119,101
Attributable to:		
Owners of the Company	660,048	119,076
Non-controlling interests	74	25
Total comprehensive income for the period	660,122	119,101

### (3) Condensed Interim Consolidated Statements of Financial Position

	JPY (millions)	
	As of March 31, 2025	As of June 30, 2025
<b>ASSETS</b>		
Non-current assets:		
Property, plant and equipment	1,968,209	1,956,269
Goodwill	5,324,430	5,295,871
Intangible assets	3,631,560	3,422,542
Investments accounted for using the equity method	10,802	9,947
Other financial assets	351,124	337,173
Other non-current assets	70,282	68,555
Deferred tax assets	370,745	401,058
Total non-current assets	11,727,152	11,491,416
Current assets:		
Inventories	1,217,349	1,240,676
Trade and other receivables	709,465	665,632
Other financial assets	20,476	69,167
Income taxes receivable	15,789	13,899
Other current assets	159,603	173,740
Cash and cash equivalents	385,113	350,008
Assets held for sale	13,397	—
Total current assets	2,521,192	2,513,122
Total assets	14,248,344	14,004,537

	JPY (millions)	
	As of March 31, 2025	As of June 30, 2025
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Non-current liabilities:		
Bonds and loans	3,966,326	4,134,799
Other financial liabilities	550,900	535,165
Net defined benefit liabilities	135,429	141,512
Income taxes payable	317	396
Provisions	35,177	34,265
Other non-current liabilities	82,542	89,122
Deferred tax liabilities	35,153	33,514
Total non-current liabilities	4,805,844	4,968,772
Current liabilities:		
Bonds and loans	548,939	371,143
Trade and other payables	475,541	421,308
Other financial liabilities	219,120	205,120
Income taxes payable	133,497	150,965
Provisions	533,140	504,069
Other current liabilities	596,283	516,981
Total current liabilities	2,506,521	2,169,586
Total liabilities	7,312,365	7,138,358
<b>EQUITY</b>		
Share capital	1,694,685	1,694,711
Share premium	1,775,713	1,790,509
Treasury shares	(74,815)	(124,124)
Retained earnings	1,187,586	1,156,692
Other components of equity	2,351,915	2,347,471
Equity attributable to owners of the Company	6,935,084	6,865,259
Non-controlling interests	895	921
Total equity	6,935,979	6,866,179
Total liabilities and equity	14,248,344	14,004,537

#### (4) Condensed Interim Consolidated Statements of Changes in Equity

Three-month period ended June 30, 2024 (From April 1 to June 30, 2024)

	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 period				95,248		
Other comprehensive income (loss)					564,327	(5,080)
Comprehensive income (loss) for the period	—	—	—	95,248	564,327	(5,080)
Transactions with owners:						
Acquisition of treasury shares			(1,913)			
Disposal of treasury shares		0	0			
Dividends				(147,655)		
Transfers from other components of equity				(603)		2,520
Share-based compensation		14,673				
Exercise of share-based awards		(2,274)	2,274			
Total transactions with owners	—	12,399	361	(148,258)	—	2,520
As of June 30, 2024	1,676,596	1,759,813	(50,897)	1,338,192	3,137,735	13,169

  

	Equity attributable to owners of the Company						
	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 period				—	95,248	51	95,299
Other comprehensive income (loss)	(3,271)	6,908	1,916	564,800	564,800	23	564,823
Comprehensive income (loss) for the period	(3,271)	6,908	1,916	564,800	660,048	74	660,122
Transactions with owners:							
Acquisition of treasury shares				—	(1,913)		(1,913)
Disposal of treasury shares				—	0		0
Dividends				—	(147,655)		(147,655)
Transfers from other components of equity			(1,916)	603	—		—
Share-based compensation				—	14,673		14,673
Exercise of share-based awards				—	—		—
Total transactions with owners	—	—	(1,916)	603	(134,895)	—	(134,895)
As of June 30, 2024	(67,167)	(9,022)	—	3,074,714	7,798,417	815	7,799,232

Three-month period ended June 30, 2025 (From April 1 to June 30, 2025)

	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, 2025	1,694,685	1,775,713	(74,815)	1,187,586	2,419,978	4,757
Net profit for the period				124,243		
Other comprehensive income (loss)					(19,755)	9,437
Comprehensive income (loss) for the period	—	—	—	124,243	(19,755)	9,437
Transactions with owners:						
Issuance of new shares	27	27				
Acquisition of treasury shares		(20)	(51,605)			
Dividends				(154,413)		
Transfers from other components of equity				(724)		327
Share-based compensation		17,084				
Exercise of share-based awards		(2,296)	2,296			
Total transactions with owners	27	14,795	(49,309)	(155,137)	—	327
As of June 30, 2025	1,694,711	1,790,509	(124,124)	1,156,692	2,400,223	14,521

	Equity attributable to owners of the Company						
	Other components of equity				Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity			
As of April 1, 2025	(64,852)	(7,967)	—	2,351,915	6,935,084	895	6,935,979
Net profit for the period				—	124,243	36	124,279
Other comprehensive income (loss)	3,655	1,892	(397)	(5,168)	(5,168)	(11)	(5,178)
Comprehensive income (loss) for the period	3,655	1,892	(397)	(5,168)	119,076	25	119,101
Transactions with owners:							
Issuance of new shares				—	53		53
Acquisition of treasury shares				—	(51,625)		(51,625)
Dividends				—	(154,413)		(154,413)
Transfers from other components of equity			397	724	—		—
Share-based compensation				—	17,084		17,084
Exercise of share-based awards				—	—		—
Total transactions with owners	—	—	397	724	(188,901)	—	(188,901)
As of June 30, 2025	(61,197)	(6,075)	—	2,347,471	6,865,259	921	6,866,179

## (5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)	
	Three-month Period Ended June 30,	
	2024	2025
Cash flows from operating activities:		
Net profit for the period	95,299	124,279
Depreciation and amortization	192,220	181,636
Impairment losses	26,000	2,357
Equity-settled share-based compensation	15,386	16,531
Loss on sales and disposal of property, plant and equipment	2,088	584
Gain on divestment of business and subsidiaries	(6,229)	(17,900)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	(12)	764
Finance (income) and expenses, net	29,014	33,400
Share of loss of investments accounted for using the equity method	712	536
Income tax expenses	41,304	26,351
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	(47,744)	48,083
Increase in inventories	(10,079)	(13,069)
Decrease in trade and other payables	(37,455)	(27,780)
Increase (decrease) in provisions	6,120	(23,404)
Increase (decrease) in other financial liabilities	8,964	(17,531)
Other, net	(109,785)	(86,420)
Cash generated from operations	205,805	248,418
Income taxes paid	(37,811)	(36,653)
Tax refunds and interest on tax refunds received	2,310	3,658
Net cash from operating activities	170,304	215,423
Cash flows from investing activities:		
Interest received	4,331	4,850
Dividends received	206	250
Acquisition of property, plant and equipment	(57,441)	(47,913)
Proceeds from sales of property, plant and equipment	9	6,385
Acquisition of intangible assets	(80,357)	(27,155)
Acquisition of option to license	(15,693)	—
Acquisition of investments	(12,980)	(215)
Proceeds from sales and redemption of investments	5,317	1,128
Proceeds from sales of business, net of cash and cash equivalents divested	2,941	29,291
Payments for the settlement of forward exchange contracts designated as net investment hedges	(2,999)	—
Other, net	(28)	186
Net cash used in investing activities	(156,693)	(33,193)

	JPY (millions)	
	Three-month Period Ended June 30,	
	2024	2025
Cash flows from financing activities:		
Net decrease in short-term loans and commercial papers	(17,000)	(46,032)
Proceeds from issuance of bonds and long-term loans	507,638	183,555
Repayments of bonds and long-term loans	(50,109)	(125,296)
Proceeds from the settlement of cross currency interest rate swaps related to bonds and loans	46,880	—
Acquisition of treasury shares	(1,882)	(51,603)
Interest paid	(15,466)	(16,692)
Dividends paid	(138,110)	(145,295)
Repayments of lease liabilities	(10,916)	(12,205)
Other, net	(4,654)	(1,332)
Net cash from (used in) financing activities	316,381	(214,900)
Net increase (decrease) in cash and cash equivalents	329,991	(32,670)
Cash and cash equivalents at the beginning of the year	457,800	385,113
Effects of exchange rate changes on cash and cash equivalents	17,220	(2,435)
Cash and cash equivalents at the end of the period	805,012	350,008
Cash and cash equivalents reclassified to assets held for sale	(740)	—
Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)	804,272	350,008



## (6) Notes to Condensed Interim Consolidated Financial Statements

(Significant Uncertainty Regarding Going Concern Assumption)

Not applicable.

(Material Accounting Policies)

Material accounting policies adopted for the condensed interim consolidated financial statements are the same as those adopted for the consolidated financial statements as of and for the fiscal year ended March 31, 2025.

Takeda calculated income tax expenses for the three-month period ended June 30, 2025, based on the estimated average annual effective tax rate.

(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.

(Significant Changes in Equity Attributable to Owners of the Company)

Not applicable.

(Significant Subsequent Events)

On July 2, 2025, Takeda issued unsecured U.S. dollar-denominated senior guaranteed notes (the "Notes") in an aggregate principal amount of USD 2,400 million outlined below, through its indirect wholly owned finance subsidiary Takeda U.S. Financing, Inc. Payment of the principal of and interest on the Notes is fully guaranteed by Takeda.

In July 2025, the proceeds of the Notes were primarily used to repay USD 500 million Bilateral Loan, and redeem commercial paper drawings. The impact from these repayment and redemptions on the consolidated statements of profit or loss was not material.

	Unsecured U.S. Dollar-Denominated Senior Guaranteed Notes Due 2035	Unsecured U.S. Dollar-Denominated Senior Guaranteed Notes Due 2055
Issue Amount	USD 1,650 million	USD 750 million
Coupon	5.200% per annum	5.900% per annum
Issue Price	99.644% of the principal amount	99.734% of the principal amount
Maturity Date	July 7, 2035	July 7, 2055

# FINANCIAL APPENDIX



## Definition of Non-IFRS Measures

Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations	A-1
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## Reconciliations and Other Financial Information

FY2025 Q1 Reported Results with CER % Change	A-4
FY2025 Q1 Core Results with CER % Change	A-5
FY2025 Q1 Reconciliation from Reported to Core	A-6
FY2024 Q1 Reconciliation from Reported to Core	A-7
FY2025 Q1 Adjusted Free Cash Flow	A-8
FY2025 Q1 Adjusted Net Debt to Adjusted EBITDA	A-9
FY2024 Adjusted Net Debt to Adjusted EBITDA	A-10
FY2025 Q1 Net Profit to Adjusted EBITDA Bridge	A-11
FY2025 Q1 Net Profit to Adjusted EBITDA LTM Bridge	A-12
FY2025 Q1 CAPEX, Depreciation and Amortization and Impairment Losses	A-13
FY2025 Full Year Detailed Forecast	A-14
FY2025 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast	A-15
FY2025 Full Year FX Rates Assumptions and Currency Sensitivity vs. Forecast	A-16

## Important Notice

Important Notice, Forward-Looking Statements, Financial Information and Non-IFRS Measures, and Medical Information	A-17
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# 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 (including 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 (primarily revenue or related adjustments associated with divestments and liquidations). **Core Operating Profit** represents operating profit adjusted to exclude other operating expenses and income, amortization and impairment losses on intangible assets associated with products (including in-process R&D) and non-cash items or items unrelated to the underlying trends and business performance of Takeda's core operations. **Core Net Profit for the Year attributable to owners of the Company** represents net profit for the year attributable to owners of the Company, adjusted to eliminate 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. **Core EPS** is calculated by dividing Core Net Profit for the Year attributable to owners of the Company 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

**CER 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, except for the results of operations of subsidiaries in countries experiencing hyperinflation and for which IAS29, Financial Reporting in Hyperinflation Economies, is applied.

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.

## 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.

## 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, as well as impairment losses), finance income and expenses (excluding net interest expense), our share of profit or loss of investments accounted for using the equity method, other non-cash items such as non-cash equity-based compensation expense, and other items that management believes are unrelated to our core operations, including EBITDA from divested products, 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 year.

## 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.

## 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 = 144.17 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 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.

## FY2025 Q1 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2024 Q1	FY2025 Q1	AER		CER	(Million USD, except EPS) FY2025 Q1 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%	7,676
Cost of sales	(387.0)	(384.7)	2.3	0.6%	(4.3)%	(2,668)
Gross profit	821.0	722.0	(99.0)	(12.1)%	(7.6)%	5,008
Margin	68.0 %	65.2 %		(2.7) pp	(2.7) pp	65.2 %
SG&A expenses	(270.0)	(255.9)	14.1	5.2%	0.0%	(1,775)
R&D expenses	(168.5)	(143.9)	24.6	14.6%	9.7%	(998)
Amortization of intangible assets associated with products	(138.6)	(129.3)	9.3	6.7%	1.1%	(897)
Impairment losses on intangible assets associated with products <sup>*1</sup>	(24.2)	(2.3)	21.9	90.5%	89.6%	(16)
Other operating income	10.9	22.0	11.2	102.7%	102.1%	153
Other operating expenses	(64.3)	(28.1)	36.2	56.3%	53.6%	(195)
Operating profit	166.3	184.6	18.2	11.0%	14.0%	1,280
Margin	13.8 %	16.7 %		2.9 pp	2.5 pp	16.7 %
Finance income	30.7	73.8	43.1	140.4%	141.4%	512
Finance expenses	(59.7)	(107.2)	(47.5)	(79.5)%	(80.2)%	(743)
Share of profit (loss) of investments accounted for using the equity method	(0.7)	(0.5)	0.2	24.7%	69.6%	(4)
Profit before tax	136.6	150.6	14.0	10.3%	14.1%	1,045
Income tax (expenses) benefit	(41.3)	(26.4)	15.0	36.2%	32.9%	(183)
Net profit for the period	95.3	124.3	29.0	30.4%	34.5%	862
Non-controlling interests	(0.1)	(0.0)	0.0	29.9%	23.7%	(0)
Net profit attributable to owners of the Company	95.2	124.2	29.0	30.4%	34.5%	862
Basic EPS (JPY or USD)	60.71	79.40	18.69	30.8%	34.9%	0.55

<sup>\*1</sup> Includes in-process R&D

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 is presented as positive when favorable to profits, and negative when unfavorable to profits.

## FY2025 Q1 Core Results with CER % Change

(Billion JPY, except EPS)	FY2024 Q1	FY2025 Q1	AER		CER	(Million USD, except EPS) FY2025 Q1 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,208.0	1,106.7	(101.3)	(8.4)%	(3.7)%	7,676
Cost of sales	(387.1)	(384.9)	2.2	0.6%	(4.4)%	(2,670)
Gross profit	820.9	721.8	(99.1)	(12.1)%	(7.6)%	5,006
<i>Margin</i>	68.0 %	65.2 %		(2.7) pp	(2.7) pp	65.2 %
SG&A expenses	(270.2)	(256.0)	14.1	5.2%	0.0%	(1,776)
R&D expenses	(168.5)	(143.9)	24.6	14.6%	9.7%	(998)
Operating profit	382.3	321.8	(60.4)	(15.8)%	(11.9)%	2,232
<i>Margin</i>	31.6 %	29.1 %		(2.6) pp	(2.7) pp	29.1 %
Finance income	25.0	73.0	48.0	191.7%	192.9%	507
Finance expenses	(55.1)	(104.3)	(49.2)	(89.4)%	(90.0)%	(724)
Share of profit (loss) of investments accounted for using the equity method	0.4	(0.1)	(0.5)	—	(44.8)%	(1)
Profit before tax	352.6	290.4	(62.2)	(17.6)%	(13.4)%	2,014
Income tax (expenses) benefit	(75.7)	(53.3)	22.4	29.6%	24.8%	(370)
Net profit for the period	276.9	237.1	(39.8)	(14.4)%	(10.3)%	1,644
Non-controlling interests	(0.1)	(0.0)	0.0	29.9%	23.7%	(0)
Net profit attributable to owners of the Company	276.8	237.0	(39.8)	(14.4)%	(10.3)%	1,644
Basic EPS (JPY or USD)	176	151	(25)	(14.1)%	(10.0)%	1.05

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 is presented as positive when favorable to profits, and negative when unfavorable to profits.

## FY2025 Q1 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	1,106.7					1,106.7
Cost of sales	(384.7)				(0.2)	(384.9)
Gross profit	722.0				(0.2)	721.8
SG&A expenses	(255.9)				(0.1)	(256.0)
R&D expenses	(143.9)				(0.0)	(143.9)
Amortization of intangible assets associated with products	(129.3)	129.3				—
Impairment losses on intangible assets associated with products*1	(2.3)		2.3			—
Other operating income	22.0			(22.0)		—
Other operating expenses	(28.1)			28.1		—
Operating profit	184.6	129.3	2.3	6.0	(0.4)	321.8
Margin	16.7 %					29.1 %
Finance income and (expenses), net	(33.4)				2.1	(31.3)
Share of profit (loss) of investments accounted for using the equity method	(0.5)				0.4	(0.1)
Profit before tax	150.6	129.3	2.3	6.0	2.1	290.4
Income tax (expenses) benefit	(26.4)	(27.5)	(0.5)	1.9	(0.9)	(53.3)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	124.2	101.8	1.8	7.9	1.2	237.0
Basic EPS (JPY)	79					151
Number of shares (millions)	1,565					1,565

\*1 Includes in-process R&D.



## FY2024 Q1 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	1,208.0					1,208.0
Cost of sales	(387.0)				(0.1)	(387.1)
Gross profit	821.0				(0.1)	820.9
SG&A expenses	(270.0)				(0.1)	(270.2)
R&D expenses	(168.5)				(0.0)	(168.5)
Amortization of intangible assets associated with products	(138.6)	138.6				—
Impairment losses on intangible assets associated with products <sup>*1</sup>	(24.2)		24.2			—
Other operating income	10.9			(10.9)		—
Other operating expenses	(64.3)			64.3		—
Operating profit	166.3	138.6	24.2	53.4	(0.3)	382.3
Margin	13.8 %					31.6 %
Finance income and (expenses), net	(29.0)				(1.0)	(30.1)
Share of profit (loss) of investments accounted for using the equity method	(0.7)				1.1	0.4
Profit before tax	136.6	138.6	24.2	53.4	(0.2)	352.6
Income tax (expenses) benefit	(41.3)	(29.0)	(7.2)	(11.4)	13.2	(75.7)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	95.2	109.6	17.0	42.0	13.0	276.8
Basic EPS (JPY)	61					176
Number of shares (millions)	1,569					1,569

\*1 Includes in-process R&D.

## FY2025 Q1 Adjusted Free Cash Flow

(Billion JPY)	FY2024 Q1	FY2025 Q1	JPY Change	% Change	(Million USD) FY2025 Q1 Convenience USD Translation
Net profit	95.3	124.3	29.0	30.4 %	862
Depreciation, amortization and impairment losses	218.2	184.0	(34.2)		1,276
Decrease (increase) in trade working capital	(95.3)	7.2	102.5		50
Income taxes paid	(37.8)	(36.7)	1.2		(254)
Tax refunds and interest on tax refunds received	2.3	3.7	1.3		25
Other	(12.4)	(67.1)	(54.7)		(465)
Net cash from operating activities (Operating Cash Flow)	170.3	215.4	45.1	26.5 %	1,494
Acquisition of PP&E	(57.4)	(47.9)	9.5		(332)
Free Cash Flow <sup>*1</sup>	112.9	167.5	54.6	48.4 %	1,162
Adjustment for cash temporarily held by Takeda on behalf of third parties <sup>*2</sup>	11.6	13.2	1.6		91
Proceeds from sales of PP&E	0.0	6.4	6.4		44
Acquisition of intangible assets <sup>*3</sup>	(80.4)	(27.2)	53.2		(188)
Acquisition of option to license	(15.7)	—	15.7		—
Acquisition of investments	(13.0)	(0.2)	12.8		(1)
Proceeds from sales and redemption of investments	5.3	1.1	(4.2)		8
Proceeds from sales of business, net of cash and cash equivalents divested	2.9	29.3	26.4		203
Adjusted Free Cash Flow <sup>*1</sup>	23.7	190.1	166.5	703.6 %	1,319

\*1 Please refer to Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations for the definitions of Free Cash Flow and Adjusted Free Cash Flow.

\*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 sales of intangible assets are included in cash flow from operating activities, except certain immaterial transactions.

## FY2025 Q1 Adjusted Net Debt to Adjusted EBITDA

### ADJUSTED NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2025 Q1
Book value of bonds and loans on consolidated statement of financial position	(4,505.9)
Cash & cash equivalents	350.0
Net Debt <sup>*1</sup>	(4,155.9)
Application of equity credit <sup>*2</sup>	250.0
FX adjustment <sup>*3</sup>	(43.1)
Cash temporarily held by Takeda on behalf of third parties <sup>*4</sup>	(92.6)
Level 1 debt investments <sup>*4</sup>	76.7
Adjusted Net Debt <sup>*1</sup>	(3,965.0)
Adjusted EBITDA (LTM) <sup>*5</sup>	1,372.4
Adjusted Net Debt/Adjusted EBITDA ratio	2.9x
Book value of bonds and loans on consolidated statement of financial position	(4,505.9)
Application of equity credit <sup>*2</sup>	250.0
FX adjustment <sup>*3</sup>	(43.1)
Adjusted Gross Debt	(4,299.1)

### NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2024 Q1	FY2025 Q1	JPY Change	% Change
Net cash from operating activities (Operating Cash Flow)	170.3	215.4	45.1	26.5 %
Acquisition of PP&E	(57.4)	(47.9)		
Proceeds from sales of PP&E	0.0	6.4		
Acquisition of intangible assets	(80.4)	(27.2)		
Acquisition of option to license	(15.7)	—		
Acquisition of investments	(13.0)	(0.2)		
Proceeds from sales and redemption of investments	5.3	1.1		
Proceeds from sales of business, net of cash and cash equivalents divested	2.9	29.3		
Payments for the settlement of forward exchange contracts designated as net investment hedges	(3.0)	—		
Net increase (decrease) in short-term loans and commercial papers	(17.0)	(46.0)		
Proceeds from long-term loans	50.0	—		
Repayment of long-term loans	(50.1)	(10.0)		
Proceeds from issuance of bonds	457.6	183.6		
Repayment of bonds	—	(115.3)		
Proceeds from the settlement of cross currency interest rate swaps related to bonds and loans	46.9	—		
Acquisition of treasury shares	(1.9)	(51.6)		
Interest paid	(15.5)	(16.7)		
Dividends paid	(138.1)	(145.3)		
Others	(11.1)	(8.3)		
Net increase (decrease) in cash and cash equivalents	330.0	(32.7)	(362.7)	—

\*1 Please refer to Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations for the definitions of Net Debt and Adjusted Net Debt.

\*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.

\*5 LTM represents Last Twelve Months (July 2024 - June 2025). Calculated by subtracting FY2024 Q1 from FY2024 Full Year and adding FY2025 Q1.

## FY2024 Adjusted Net Debt to Adjusted EBITDA

### ADJUSTED NET DEBT/ADJUSTED EBITDA RATIO

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

### NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2023	FY2024	JPY Change	% Change
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 the definitions of Net Debt and Adjusted Net Debt.

\*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.

## FY2025 Q1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2024 Q1	FY2025 Q1	JPY Change	% Change
Net profit	95.3	124.3	29.0	30.4 %
Income tax expenses (benefit)	41.3	26.4		
Depreciation and amortization	192.2	181.6		
Interest expense, net	26.6	29.2		
EBITDA	355.4	361.5	6.0	1.7 %
Impairment losses	26.0	2.4		
Other operating expense (income), net, excluding depreciation and amortization and impairment losses	50.7	4.3		
Finance expense (income), net, excluding interest expense, net	2.4	4.2		
Share of loss (profit) of investments accounted for using the equity method	0.7	0.5		
Other costs <sup>*1</sup>	14.9	15.7		
Adjusted EBITDA	450.1	388.6	(61.5)	(13.7)%

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

## FY2025 Q1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2024 Full Year (Apr - Mar)	FY2024 Q1 (Apr - Jun)	FY2025 Q1 (Apr - Jun)	FY2025 Q1 LTM <sup>*1</sup> (Jul - Jun)
Net profit	108.1	95.3	124.3	137.1
Income tax expenses (benefit)	66.9	41.3	26.4	52.0
Depreciation and amortization	761.4	192.2	181.6	750.8
Interest expense, net	117.7	26.6	29.2	120.3
EBITDA	1,054.2	355.4	361.5	1,060.2
Impairment losses	106.5	26.0	2.4	82.9
Other operating expense (income), net, excluding depreciation and amortization and impairment losses	163.2	50.7	4.3	116.8
Finance expense (income), net, excluding interest expense, net	45.8	2.4	4.2	47.6
Share of loss (profit) of investments accounted for using the equity method	4.0	0.7	0.5	3.8
Other costs <sup>*2</sup>	67.4	14.9	15.7	68.3
Adjusted EBITDA	1,441.2	450.1	388.6	1,379.7
EBITDA from divested products <sup>*3</sup>	(0.2)			(7.2)
Adjusted EBITDA (LTM)	1,441.0			1,372.4

\*1 LTM represents Last Twelve Months (July 2024 - June 2025). Calculated by subtracting FY2024 Q1 from FY2024 Full Year and adding FY2025 Q1.

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

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

## FY2025 Q1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2024 Q1	FY2025 Q1	JPY Change	% Change	FY2025 Forecast
Capital expenditures <sup>*1</sup>	137.8	75.1	(62.7)	(45.5)%	270.0 - 320.0
Tangible assets	57.4	47.9	(9.5)	(16.6)%	
Intangible assets	80.4	27.2	(53.2)	(66.2)%	
Depreciation and amortization	192.2	181.6	(10.6)	(5.5)%	716.0
Depreciation of tangible assets <sup>*2</sup> (A)	43.9	42.6	(1.4)	(3.1)%	
Amortization of intangible assets (B)	148.3	139.1	(9.2)	(6.2)%	
Of which Amortization on intangible assets associated with products (C)	138.6	129.3	(9.3)	(6.7)%	500.0
Of which Amortization excluding intangible assets associated with products (D)	9.7	9.7	0.1	0.5 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	53.6	52.3	(1.3)	(2.4)%	216.0
Impairment losses	26.0	2.4	(23.6)	(90.9)%	
Impairment losses on intangible assets associated with products <sup>*3</sup>	24.2	2.3	(21.9)	(90.5)%	50.0
Amortization and impairment losses on intangible assets associated with products	162.8	131.6	(31.2)	(19.2)%	550.0

\*1 Cash flow base

\*2 Includes depreciation of investment properties

\*3 Includes in-process R&D

# FY2025 Full Year Detailed Forecast

(BN JPY)		FY2024 Actual	FY2025 Forecast (May 8, 2025)	JPY Change	% Change	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* <sup>1</sup>	(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* <sup>2</sup>	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* <sup>2</sup>	1,162.6	1,140.0	(22.6)	(1.9)%	Mainly due to FX headwinds
	Core EPS (yen)* <sup>2</sup>	491	485	(6)	(1.2)%	
	Adjusted Free Cash Flow* <sup>2</sup>	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)* <sup>2</sup>	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

(Billion JPY)	Reported	Reported to Core adjustments			Core
		Amortization of intangible assets	Impairment of intangible assets	Other operating income (expenses)	
Revenue	4,530.0				4,530.0
Cost of sales	(1,540.0)				(3,390.0)
Gross Profit	2,990.0				
SG&A expenses	(1,100.0)				
R&D expenses	(750.0)				
Amortization of intangible assets associated with products	(500.0)	500.0			—
Impairment losses on intangible assets associated with products <sup>*1</sup>	(50.0)		50.0		—
Other operating income	10.0			(10.0)	—
Other operating expenses	(125.0)			125.0	—
Operating profit	475.0	500.0	50.0	115.0	1,140.0

\*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)				
	FY2024 Actual (Apr-Jun)	FY2025 Actual (Apr-Jun)	FY2025 Full Year Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	155	145	150	1% depreciation	234.3	8.3	(1.1)	52.5
				1 yen depreciation	156.2	5.5	(0.7)	35.0
EUR	167	162	160	1% depreciation	65.6	(28.2)	(25.0)	(17.1)
				1 yen depreciation	41.0	(17.6)	(15.7)	(10.7)
RUB	1.7	1.8	1.7	1% depreciation	5.6	3.3	2.5	3.8
CNY	21.4	20.1	20.5		19.5	11.8	8.9	11.9
BRL	30.4	25.6	25.9		12.9	9.7	6.4	9.8

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