

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

October 30, 2025

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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 Six-month Period Ended September 30, 2025 (April 1 to September 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)	(%)
Six-month Period Ended September 30, 2025	2,219,481	(6.9)	253,561	(27.7)	178,804	(30.1)	112,550	(39.9)
Six-month Period Ended September 30, 2024	2,384,028	13.4	350,576	194.0	255,976	555.5	187,406	352.3
	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)	
Six-month Period Ended September 30, 2025	112,441	(40.0)	365,385	-	71.57		70.45	
Six-month Period Ended September 30, 2024	187,294	352.8	(239,979)	-	118.85		117.11	
	Core Operating Profit		Core EPS					
	(Billion JPY)	(%)	(JPY)					
Six-month Period Ended September 30, 2025	639.2	(11.2)	279					
Six-month Period Ended September 30, 2024	719.9	22.3	310					

### (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 September 30, 2025	14,470,300	7,131,690	7,130,697	49.3	4,514.26
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	—	100.00			
For the Fiscal Year Ending March 31, 2026 (Projection)			—	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	4,500,000	(1.8)	400,000	16.8	243,000	38.8	153,000	41.8	97.14

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: Yes

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	4,500,000	(1.7)	1,130,000	(2.8)	479

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: Yes

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 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	Low-single-digit % decline	Low-single-digit % decline

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:	
September 30, 2025	1,590,985,809 shares
March 31, 2025	1,590,949,609 shares
2) Number of shares of treasury stock at period end:	
September 30, 2025	11,391,535 shares
March 31, 2025	17,299,963 shares
3) Average number of outstanding shares (for the six-month period ended September 30):	
September 30, 2025	1,571,098,080 shares
September 30, 2024	1,575,881,562 shares

▪ **Earnings report (Kessan Tanshin) is exempt from review conducted by certified public accountants or an audit firm.**

▪ **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 Six-month Period Ended September 30, 2025 (4) 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 October 30, 2025, and its audio will be promptly posted on Takeda's website.

(Takeda Website):

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

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## [Financial Appendix]

## 1. Financial Highlights for the Six-month Period Ended September 30, 2025

### (1) Business Performance

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

	Billion JPY or percentage				
	FY2024 H1	FY2025 H1	AER		CER
			JPY Change	% Change	% Change
Revenue	2,384.0	2,219.5	(164.5)	(6.9)%	(3.9)%
Cost of sales	(781.3)	(764.7)	16.5	(2.1)%	0.9 %
Selling, general and administrative expenses	(538.3)	(509.4)	28.9	(5.4)%	(2.0)%
Research and development expenses	(344.0)	(305.4)	38.7	(11.2)%	(7.5)%
Amortization and impairment losses on intangible assets associated with products	(305.2)	(336.8)	(31.5)	10.3 %	13.5 %
Other operating income	13.9	23.5	9.6	68.8 %	68.6 %
Other operating expenses	(78.5)	(73.1)	5.4	(6.9)%	(4.9)%
Operating profit	350.6	253.6	(97.0)	(27.7)%	(26.0)%
Finance income and (expenses), net	(93.4)	(72.1)	21.2	(22.7)%	(21.6)%
Share of loss of investments accounted for using the equity method	(1.2)	(2.6)	(1.4)	109.7 %	85.3 %
Profit before tax	256.0	178.8	(77.2)	(30.1)%	(28.1)%
Income tax expenses	(68.6)	(66.3)	2.3	(3.4)%	(6.9)%
Net profit for the period	187.4	112.5	(74.9)	(39.9)%	(35.8)%
Net profit for the period attributable to owners of the Company	187.3	112.4	(74.9)	(40.0)%	(35.9)%

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 six-month period ended September 30, 2025 was JPY 2,219.5 billion (JPY -164.5 billion and -6.9% AER, -3.9% CER). The decline compared to the same period of the previous fiscal year was primarily attributable to a decrease in revenue in Neuroscience, one of our six key business areas and unfavorable foreign exchange rates. 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. While certain products faced headwinds due to the impact of the Medicare Part D redesign and 340B program expansion in the U.S., this was offset by stable demand in other regions and for other products. Revenue outside of our six key business areas was JPY 103.1 billion (JPY -23.7 billion and -18.7% AER, -17.5% CER).

### Revenue by Geographic Region

The following shows revenue by geographic region:

Revenue:	Billion JPY or percentage				
	FY2024 H1	FY2025 H1	AER		CER
			JPY Change	% Change	% Change
Japan	216.4	219.1	2.7	1.2 %	1.3 %
United States	1,247.6	1,091.9	(155.7)	(12.5)%	(7.9)%
Europe and Canada	533.0	535.2	2.2	0.4 %	0.8 %
Latin America	132.5	118.5	(14.0)	(10.6)%	(5.4)%
China	90.2	92.7	2.5	2.8 %	7.5 %
Asia (excluding Japan & China)	49.8	47.8	(2.0)	(4.1)%	(0.5)%
Russia/CIS	43.0	43.2	0.2	0.6 %	(2.3)%
Other*	71.6	71.2	(0.4)	(0.6)%	0.7 %
Total	2,384.0	2,219.5	(164.5)	(6.9)%	(3.9)%

\* 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 H1	FY2025 H1	AER		CER
			JPY Change	% Change	% Change
GI	695.2	692.8	(2.4)	(0.3)%	3.2 %
Rare Diseases	388.7	380.5	(8.2)	(2.1)%	0.7 %
PDT	535.7	517.4	(18.2)	(3.4)%	0.4 %
Oncology	285.0	287.8	2.8	1.0 %	3.4 %
Vaccines	38.1	31.7	(6.5)	(16.9)%	(16.8)%
Neuroscience	314.6	206.1	(108.4)	(34.5)%	(32.1)%
Other	126.8	103.1	(23.7)	(18.7)%	(17.5)%
Total	2,384.0	2,219.5	(164.5)	(6.9)%	(3.9)%

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

#### GI

In GI, revenue was JPY 692.8 billion (JPY -2.4 billion and -0.3% AER, +3.2% CER).

Sales of RESOLOR/MOTTEGRITY (for chronic idiopathic constipation) were JPY 3.6 billion (JPY -7.6 billion and -67.7% AER, -66.2% CER). The decrease was primarily due to the impact of multiple generic entrants in the U.S. beginning in January 2025.

Sales of DEXILANT (for acid reflux disease) were JPY 16.4 billion (JPY -3.5 billion and -17.4% AER, -12.4% CER). The decrease was primarily due to the impact of multiple generic entrants in Canada, accompanied by unfavorable foreign exchange rates.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 71.6 billion (JPY -1.6 billion and -2.2% AER, +2.0% CER). The decrease was primarily due to unfavorable foreign exchange rates, partially offset by the sales increase in the U.S., due to increased demand and expansion activities (pediatric indication label expansion).

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease (“CD”)) were JPY 479.2 billion (JPY +6.0 billion and +1.3% AER, +5.1% CER). Sales in the U.S. were JPY 318.9 billion (JPY -7.6 billion and -2.3% AER). The decrease was due to unfavorable foreign exchange rates, and a more competitive landscape, partially offset by growth of the subcutaneous formulation. Sales in Europe and Canada were JPY 120.2 billion (JPY +7.8 billion and +6.9% AER). The increase was primarily due to continued patient gains through an increased use of the subcutaneous formulation.

Sales of TAKECAB/VOCINTI (for acid-related diseases) were JPY 68.9 billion (JPY +4.6 billion and +7.2% AER, +8.6% CER). The increase was primarily due to strong demand in Japan and China.

### ***Rare Diseases***

In Rare Diseases, revenue was JPY 380.5 billion (JPY -8.2 billion and -2.1% AER, +0.7% CER).

Sales of ADYNOVATE/ADYNOVI (for hemophilia A) were JPY 28.8 billion (JPY -5.7 billion and -16.5% AER, -14.2% CER). The decrease was primarily due to competitive pressure in the U.S., accompanied by unfavorable foreign exchange rates.

Sales of ADVATE (for hemophilia A) were JPY 53.6 billion (JPY -5.2 billion and -8.8% AER, -6.2% CER). The decrease was primarily due to competitive pressure in the U.S., accompanied by unfavorable foreign exchange rates.

Sales of ELAPRASE (for Hunter syndrome) were JPY 49.1 billion (JPY -4.1 billion and -7.6% AER, -5.1% CER). The decrease was primarily due to a sales decrease in the Growth and Emerging Markets, accompanied by unfavorable foreign exchange rates.

Sales of REPLAGAL (for Fabry disease) were JPY 38.7 billion (JPY -2.6 billion and -6.3% AER, -5.4% CER). The decrease was primarily due to a sales decrease in Europe as a result of intensified competition.

Sales of LIVTENCITY (for post-transplant cytomegalovirus (“CMV”) infection/disease) were JPY 22.1 billion (JPY +6.6 billion and +42.6% AER, +47.7% 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 TAKHZYRO (for hereditary angioedema) were JPY 113.3 billion (JPY +2.3 billion and +2.0% AER, +5.9% CER). The increase was primarily due to higher demand in the Growth and Emerging Markets, U.S. and Europe, supported by strong patient persistency and prophylactic market growth, partially offset by unfavorable foreign exchange rates.

### ***PDT***

In PDT, revenue was JPY 517.4 billion (JPY -18.2 billion and -3.4% AER, +0.4% CER).

Sales of FEIBA (for hemophilia A and B) were JPY 17.4 billion (JPY -6.2 billion and -26.3% AER, -24.1% CER). The decrease was due to a sales decline in the Growth and Emerging Markets and Europe.

Aggregate sales of albumin products including HUMAN ALBUMIN and FLEXBUMIN (both primarily used for hypovolemia and hypoalbuminemia) were JPY 66.1 billion (JPY -4.2 billion and -6.0% AER, -2.4% CER). The decrease was primarily due to a sales decline in the Growth and Emerging Markets, as well as unfavorable foreign exchange rates.

Aggregate sales of immunoglobulin products were JPY 387.1 billion (JPY -4.0 billion and -1.0% AER, +3.1% CER). Excluding foreign exchange rates impact, sales increased due to the 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”)), which is a type of intravenous therapies, decreased primarily due to unfavorable foreign exchange rates. GAMMAGARD LIQUID was impacted by the Medicare Part D redesign and 340B program expansion in the U.S.

Aggregate sales of HEMOFIL (for hemophilia A), IMMUNATE (for hemophilia A), and IMMUNINE (for hemophilia B) were JPY 12.6 billion (JPY -1.9 billion and -13.3% AER, -11.9% CER). The decrease was primarily due to a sales decline in Europe.

### ***Oncology***

In Oncology, revenue was JPY 287.8 billion (JPY +2.8 billion and +1.0% AER, +3.4% CER).

Sales of ADCETRIS (for malignant lymphomas) were JPY 74.5 billion (JPY +6.3 billion and +9.2% AER, +11.5% CER). The increase was led by strong demand in the Growth and Emerging Markets.

Sales of FRUZAQLA (for colorectal cancer) were JPY 27.3 billion (JPY +4.2 billion and +18.2% AER, +22.2% CER). The increase was primarily due to the successful launch in Europe, Canada and Japan, as it addressed a need for new treatment options in metastatic colorectal cancer. The increase was partially offset by a sales decrease in the U.S., impacted by the Medicare Part D redesign.

Sales of NINLARO (for multiple myeloma) were JPY 41.4 billion (JPY -6.0 billion and -12.6% AER, -9.6% CER). The decrease was primarily due to intensified competition and decreased demand mainly in the U.S., partially offset by a sales increase in the Growth and Emerging Markets.

Sales of LEUPLIN/ENANTONE (for endometriosis, uterine fibroids, premenopausal breast cancer, prostate cancer, and other certain indications) were JPY 58.6 billion (JPY -1.8 billion and -3.0% AER, -1.9% CER). The decrease was primarily due to a sales decrease in the U.S., Europe and Canada.

### ***Vaccines***

In Vaccines, revenue was JPY 31.7 billion (JPY -6.5 billion and -16.9% AER, -16.8% CER).

Sales of QDenga (for prevention of dengue) were JPY 21.1 billion (JPY +1.2 billion and +6.0% AER, +6.2% CER). The increase was due to post-launch growth in the Growth and Emerging Markets, driven by higher demand.

Sales of other vaccine products in aggregate decreased primarily due to the reduced supply quantity of COVID-19 vaccine in Japan.

### ***Neuroscience***

In Neuroscience, revenue was JPY 206.1 billion (JPY -108.4 billion and -34.5% AER, -32.1% CER).

Sales of VYVANSE/ELVANSE (for ADHD) were JPY 106.6 billion (JPY -96.6 billion and -47.6% AER, -45.6% CER). The decrease was due to the continued impact of generic erosion mainly in the U.S.

Sales of TRINTELLIX (for major depressive disorder ("MDD")) were JPY 57.0 billion (JPY -7.2 billion, and -11.2% AER, -7.0% CER). The decrease was primarily due to the Medicare Part D redesign impacts in the U.S., as well as changes in the distribution model of a major customer.

Sales of ADDERALL XR (for ADHD) were JPY 10.6 billion (JPY -6.2 billion and -37.0% AER, -32.9% CER). The decrease was due to an increased penetration by generics in the U.S.

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

Cost of Sales was JPY 764.7 billion (JPY -16.5 billion and -2.1% AER, +0.9% CER). The decrease was primarily due to the decrease in revenue and the appreciation of the Japanese yen, largely offset by higher costs resulting from a change in product mix, mainly reflecting the continued impact of generic erosion, particularly for VYVANSE in the U.S.

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

SG&A Expenses were JPY 509.4 billion (JPY -28.9 billion and -5.4% AER, -2.0% CER). The decrease was primarily due to the appreciation of the Japanese yen and cost savings under the enterprise-wide efficiency program, which led mainly to reductions in personnel expenses.

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

R&D Expenses were JPY 305.4 billion (JPY -38.7 billion and -11.2% AER, -7.5% CER). The decrease was mainly due to cost reductions from the termination of certain development programs, the appreciation of the Japanese yen, and cost savings under the enterprise-wide efficiency program. This decrease was partially offset by incremental investments in late-stage pipelines.

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

Amortization and Impairment Losses on Intangible Assets Associated with Products were JPY 336.8 billion (JPY +31.5 billion and +10.3% AER, +13.5% CER). Amortization Expenses decreased (JPY -16.7 billion) reflecting the appreciation of the Japanese yen and lower amortizable intangible assets. Impairment Losses increased (JPY +48.3 billion) due to the larger impairment charges recorded in the six-month period ended September 30, 2025, compared with those recorded in the six-month period ended September 30, 2024. The impairment charges recognized in the six-month period ended September 30, 2025 primarily include JPY 58.2 billion of impairment charges related to the gamma delta T-cell therapy platform and associated Oncology program, and impairment charges for certain other in-process R&D assets, all of which were recorded following the decision to discontinue the related research and development activities. The impairment charges in the six-month period ended September 30, 2024 include JPY 21.5 billion impairment charge for soticlestat (TAK-935), following the failure of the Phase 3 studies to meet their primary endpoints.

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

Other Operating Income was JPY 23.5 billion (JPY +9.6 billion and +68.8% AER, +68.6% CER). The increase was mainly due to higher gains from Divestment of Business in the six-month period ended September 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 in the six-month period ended September 30, 2025, while a gain of JPY 6.1 billion was recognized on the completion of the transfer of the manufacturing operation of TACHOSIL in the six-month period ended September 30, 2024.

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

Other Operating Expenses were JPY 73.1 billion (JPY -5.4 billion and -6.9% AER, -4.9% CER). The decrease was primarily due to JPY34.2 billion reduction in restructuring expenses, mainly reflecting lower costs associated with the enterprise-wide efficiency program. It also reflected a decline in impairment losses for facilities, compared with the six-month period ended September 30, 2024. This decrease was largely offset by higher valuation reserve for pre-launch inventories recognized in the six-month period ended September 30, 2025.



### ***Operating Profit***

As a result of the above factors, Operating Profit was JPY 253.6 billion (JPY -97.0 billion and -27.7% AER, -26.0% CER).

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

Net Finance Expenses were JPY 72.1 billion (JPY -21.2 billion and -22.7% AER, -21.6% CER). The decrease primarily reflects JPY 18.3 billion impairment loss recognized in the six-month period ended September 30, 2024, due to the classification of Teva Takeda Pharma Ltd. shares to the Assets Held for Sale.

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

Share of Loss of Investments Accounted for Using the Equity Method was JPY 2.6 billion (JPY +1.4 billion and +109.7% AER, +85.3% CER).

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

As a result of the above factors, Profit Before Tax was JPY 178.8 billion (JPY -77.2 billion and -30.1% AER, -28.1% CER).

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

Income Tax Expenses were JPY 66.3 billion (JPY -2.3 billion and -3.4% AER, -6.9% CER). The decrease was primarily due to a reduction of tax expenses recognized in connection with the reassessment of the recoverability of Deferred Tax Assets, partially offset by lower tax credits in the six-month period ended September 30, 2025.

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

As a result of the above factors, Net Profit for the Period was JPY 112.5 billion (JPY -74.9 billion and -39.9% AER, -35.8% CER) and Net Profit for the Period attributable to owners of the Company was JPY 112.4 billion (JPY -74.9 billion and -40.0% AER, -35.9% CER).

## (ii) Results of Core Financial Measures (April 1 to September 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 H1	FY2025 H1	Billion JPY or percentage		
			AER		CER
			JPY Change	% Change	% Change
Core revenue	2,384.0	2,219.5	(164.5)	(6.9)%	(3.9)%
Core operating profit	719.9	639.2	(80.7)	(11.2)%	(8.8)%
Core net profit for the period	489.2	438.7	(50.5)	(10.3)%	(11.1)%
Core net profit for the period attributable to owners of the Company	489.1	438.6	(50.5)	(10.3)%	(11.1)%
Core EPS (yen)	310	279	(31)	(10.0)%	(10.8)%

### *Core Revenue*

Core Revenue was JPY 2,219.5 billion (JPY -164.5 billion and -6.9% AER, -3.9% CER). The decrease was primarily attributable to a decrease in revenue in Neuroscience and unfavorable foreign exchange rates. The decrease in Neuroscience revenue was largely attributable to the continued impact from generic erosion of VYVANSE in the U.S. Takeda’s Growth and Launch Products\* totaled JPY 1,143.0 billion (JPY +16.0 billion and +1.4% AER, +5.3% 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 639.2 billion (JPY -80.7 billion and -11.2% AER, -8.8% CER). The components of Core Operating Profit are as below:

	FY2024 H1	FY2025 H1	Billion JPY or percentage		
			AER		CER
			JPY Change	% Change	% Change
Core revenue	2,384.0	2,219.5	(164.5)	(6.9)%	(3.9)%
Core cost of sales	(781.5)	(765.2)	16.3	(2.1)%	0.9 %
Core selling, general and administrative (SG&A) expenses	(538.5)	(509.7)	28.9	(5.4)%	(2.0)%
Core research and development (R&D) expenses	(344.1)	(305.5)	38.7	(11.2)%	(7.5)%
Core operating profit	719.9	639.2	(80.7)	(11.2)%	(8.8)%

During the periods presented, these items fluctuated as follows:

### *Core Cost of Sales*

Core Cost of Sales was JPY 765.2 billion (JPY -16.3 billion and -2.1% AER, +0.9% CER). The decrease was primarily due to the decrease in revenue and the appreciation of the Japanese yen, largely offset by higher costs resulting from a change in product mix, mainly reflecting the continued impact of generic erosion, particularly for VYVANSE in the U.S.

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

Core SG&A expenses were JPY 509.7 billion (JPY -28.9 billion and -5.4% AER, -2.0% CER). The decrease was primarily due to the appreciation of the Japanese yen and cost savings under the enterprise-wide efficiency program, which led mainly to reductions in personnel expenses.

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

Core R&D expenses were JPY 305.5 billion (JPY -38.7 billion and -11.2% AER, -7.5% CER). The decrease was mainly due to cost reductions from the termination of certain development programs, the appreciation of the Japanese yen, and cost savings under the enterprise-wide efficiency program. This decrease was partially offset by incremental investments in late-stage pipelines.

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

Core Net Profit for the Period was JPY 438.7 billion (JPY -50.5 billion and -10.3% AER, -11.1% CER) and Core Net Profit attributable to owners of the Company was JPY 438.6 billion (JPY -50.5 billion and -10.3% AER, -11.1% CER) and are calculated from Core Operating Profit as below:

	Billion JPY or percentage				
	FY2024 H1	FY2025 H1	AER		CER
			JPY Change	% Change	% Change
Core operating profit	719.9	639.2	(80.7)	(11.2)%	(8.8)%
Core finance income and (expenses), net	(73.3)	(67.1)	6.2	(8.4)%	(7.1)%
Core share of profit (loss) of investments accounted for using the equity method	1.6	(0.6)	(2.2)	—	—
Core profit before tax	648.3	571.5	(76.8)	(11.8)%	(9.3)%
Core income tax expenses	(159.1)	(132.8)	26.3	(16.5)%	(3.6)%
Core net profit for the period	489.2	438.7	(50.5)	(10.3)%	(11.1)%
Core net profit for the period attributable to owners of the Company	489.1	438.6	(50.5)	(10.3)%	(11.1)%

During the periods presented, these items fluctuated as follows:

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

Core Net Finance Expenses were JPY 67.1 billion (JPY -6.2 billion and -8.4% AER, -7.1% CER).

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

For the six-month period ended September 30, 2025, Core Share of Loss of Investments Accounted for Using the Equity Method was JPY 0.6 billion (JPY -2.2 billion). For the six-month period ended September 30, 2024, Core Share of Profit of Investments Accounted for Using the Equity Method was JPY 1.6 billion.

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

Core Profit Before Tax was JPY 571.5 billion (JPY -76.8 billion and -11.8% AER, -9.3% CER).

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

Core Income Tax Expenses were JPY 132.8 billion (JPY -26.3 billion and -16.5% AER, -3.6% CER). The decrease was primarily due to a reduction of tax expenses recognized in connection with the reassessment of the recoverability of Deferred Tax Assets, partially offset by lower tax credits for the six-month period ended September 30, 2025.

### ***Core EPS***

Core EPS was JPY 279 (JPY -31 and -10.0% AER, -10.8% CER).

## (2) Consolidated Financial Position

	Billion JPY		
	As of		Change
	March 31, 2025	September 30, 2025	
Total Assets	14,248.3	14,470.3	222.0
Total Liabilities	7,312.4	7,338.6	26.2
Total Equity	6,936.0	7,131.7	195.7

### Assets

Total Assets as of September 30, 2025 were JPY 14,470.3 billion (JPY +222.0 billion). Cash and cash equivalents increased (JPY +296.4 billion). Goodwill increased (JPY +107.3 billion) mainly due to the effect of foreign currency translation. Inventories increased (JPY +82.1 billion) primarily driven by higher work-in-process and finished goods related to PDT products and ENTIVIO, as well as the effect of foreign currency translation. These increases were partially offset by the decrease of Intangible Assets (JPY -332.3 billion) mainly due to amortization.

### Liabilities

Total Liabilities as of September 30, 2025 were JPY 7,338.6 billion (JPY +26.2 billion). Total Bonds and Loans were JPY 4,645.3 billion\*, which increased (JPY +130.1 billion) mainly due to the effect of foreign currency and the issuances of unsecured JPY denominated senior bonds and unsecured U.S. dollar-denominated senior guaranteed notes, offset by redemption and repayment of bonds and loans. This increase was partially offset by the decrease of Other Current Liabilities (JPY -90.8 billion) mainly due to the payment of accrued bonus.

\* The carrying amount of Bonds was JPY 4,405.3 billion and that of Loans was JPY 240.1 billion as of September 30, 2025.  
The 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	75.4
Unsecured US Dollar Denominated Senior Notes (USD 1,500 million)	September 2016	September 2026	218.8
Unsecured Euro Denominated Senior Notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	519.8
Unsecured US Dollar Denominated Senior Notes (USD 1,750 million)	November 2018	November 2028	257.8
Unsecured US Dollar Denominated Senior Notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,029.2
Unsecured Euro Denominated Senior Notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	622.6
Unsecured JPY Denominated Senior Bonds	October 2021	October 2031	249.6
Hybrid Bonds (Subordinated Bonds)	June 2024	June 2084	458.2
Unsecured US Dollar Denominated Senior Notes (USD 3,000 million)	July 2024	July 2034 ~ July 2064	438.8
Unsecured JPY Denominated Senior Bonds	June 2025	June 2030 ~ June 2035	183.6
Unsecured US Dollar Denominated Senior Notes (USD 2,400 million)	July 2025	July 2035 ~ July 2055	351.4
Total			4,405.3

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
Syndicated Hybrid Loans (Subordinated Loans)	October 2024	October 2084	40.0
Other			0.1
Total			240.1

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 were 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.

On July 2, 2025, Takeda issued unsecured U.S. dollar-denominated senior guaranteed notes (the "USD Notes") in an aggregate principal amount of USD 2,400 million with maturity dates of July 7, 2035 and July 7, 2055, through its indirect wholly owned finance subsidiary Takeda U.S. Financing, Inc. The proceeds of the USD Notes were primarily used to repay USD 500 million Bilateral Loan on July 3, 2025, and redeem commercial paper drawings in July 2025.

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

***Equity***

Total Equity as of September 30, 2025 was JPY 7,131.7 billion (JPY +195.7 billion). The increase of Other Components of Equity (JPY +253.4 billion) was mainly due to a change in currency translation adjustments reflecting the depreciation of the Japanese yen. This increase was partially offset by the decrease in Retained Earnings (JPY -38.9 billion), driven by the decrease of JPY 154.4 billion related to dividend payments, primarily offset by the increase of JPY 112.4 billion from Net Profit for the Period.

### (3) Consolidated Cash Flows

	Billion JPY		
	FY2024 H1	FY2025 H1	Change
Net cash from operating activities	451.3	593.7	142.4
Net cash used in investing activities	(231.8)	(81.3)	150.5
Net cash from (used in) financing activities	206.3	(226.9)	(433.2)
Net increase in cash and cash equivalents	425.8	285.4	(140.3)
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	(24.6)	10.9	35.5
Cash and cash equivalents at the end of the period	859.0	681.5	(177.5)

#### ***Net Cash from Operating Activities***

Net Cash from Operating Activities was JPY 593.7 billion (JPY +142.4 billion). The increase was mainly due to favorable impacts from Changes in Assets and Liabilities primarily driven by changes in Trade and Other Receivables, as well as Trade and Other Payables. This 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 81.3 billion (JPY -150.5 billion). The decrease was mainly due to a decrease in cash outflow used in Acquisition of Intangible Assets, Acquisition of Option to License, and Acquisition of Investments as well as an increase in Proceeds from Sales of Business, Net of Cash and Cash Equivalents Divested.

#### ***Net Cash from (used) in Financing Activities***

Net Cash used in Financing Activities was JPY 226.9 billion (JPY +433.2 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 an increase in Acquisition of Treasury Shares during the six-month period ended September 30, 2025, and Proceeds from the Settlement of Cross Currency Interest Rate Swaps related to Bonds and Loans recorded during the six-month period ended September 30, 2024.

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

The full year consolidated forecast for the fiscal year ending March 31, 2026 (FY2025) has been revised from the forecast announced on May 8, 2025.

Takeda's FY2025 H1 results are consistent with our expectations for core business progress in this year of transition to a new phase focusing on new product launches. Our updated full-year outlook reflects impairment charges associated with strategic pipeline decisions taken in Q2, as well as transactional FX.

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

	Billion JPY or percentage			
	Original Forecast (May 8, 2025)	Revised Forecast (October 30, 2025)	JPY Change	% Change
Revenue	4,530.0	4,500.0	(30.0)	(0.7)%
Operating profit	475.0	400.0	(75.0)	(15.8)%
Profit before tax	307.0	243.0	(64.0)	(20.8)%
Net profit for the year (attributable to owners of the Company)	228.0	153.0	(75.0)	(32.9)%
EPS (JPY)	144.81	97.14	(47.66)	(32.9)%
Core revenue*	4,530.0	4,500.0	(30.0)	(0.7)%
Core operating profit*	1,140.0	1,130.0	(10.0)	(0.9)%
Core EPS (JPY)*	485	479	(6)	(1.2)%

\* 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 4,500.0 billion, a decrease of JPY 30.0 billion, or 0.7%, from the original forecast, mainly reflecting a revised forecast for ENTYVIO and a steeper than anticipated decline in VYVANSE sales in the U.S. due to generic erosion. These factors are partially offset by favorable overall changes in the assumptions of foreign exchange rates. The Core Revenue forecast has been revised in the same way as the Revenue forecast.

##### [Operating Profit]

Operating Profit is expected to decrease by JPY 75.0 billion, or 15.8%, from the original forecast to JPY 400.0 billion, primarily due to an unfavorable product mix as a result of lower revenue from high margin products, headwinds from transactional foreign exchange rates for certain products, and an increased forecast of impairment losses on intangible assets associated with products. These factors are expected to be partially offset by additional cost savings within R&D, including from pipeline prioritization and the enterprise-wide efficiency program, with such savings anticipated to broadly materialize as reductions in operating expenses. Core Operating Profit is expected to be JPY 1,130.0 billion, a decrease of JPY 10.0 billion, or 0.9%.

##### [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 153.0 billion, a decrease of JPY 75.0 billion, or 32.9%, from the original forecast. Profit Before Tax is expected to decrease by JPY 64.0 billion, or 20.8%, to JPY 243.0 billion, primarily due to the decrease in Operating Profit, while net finance expenses are expected to decrease by JPY 11.0 billion, or 6.6%, to JPY 156.0 billion. While Profit Before Tax is expected to decrease, the tax expense is anticipated to remain at a similar level to the original forecast due to an increase of non-deductible expenses mainly from impairments as well as derecognition of deferred tax assets, resulting in an assumed effective tax rate of approximately 37%.

Reported EPS is expected to be JPY 97.14, a decrease of JPY 47.66, or 32.9%, and Core EPS is expected to be JPY 479, a decrease of JPY 6, or 1.2%.

## Major assumptions used in preparing the FY2025 Forecast

		Original Forecast (May 8, 2025)	Billion JPY or percentage Revised Forecast (October 30, 2025)	
		Full Year	Full Year	H2
FX rates	USD/JPY	150 JPY	147 JPY	148 JPY
	EUR/JPY	160 JPY	170 JPY	174 JPY
	RUB/JPY	1.7 JPY	1.8 JPY	1.8 JPY
	CNY/JPY	20.5 JPY	20.5 JPY	20.8 JPY
	BRL/JPY	25.9 JPY	27.0 JPY	27.8 JPY
Cost of sales		(1,540.0)		(1,590.0)
SG&A expenses		(1,100.0)		(1,095.0)
R&D expenses		(750.0)		(685.0)
Amortization of intangible assets associated with products		(500.0)		(497.0)
Impairment of intangible assets associated with products*2		(50.0)		(110.0)
Other operating income		10.0		27.0
Other operating expenses*3		(125.0)		(150.0)
Finance income and (expenses), net		(167.0)		(156.0)
Adjusted free cash flow*1, 4		750.0 to 850.0		600.0 to 700.0
Capital expenditures (cash flow base)*4		(270.0) to (320.0)		(400.0) to (450.0)
Depreciation and amortization (excluding intangible assets associated with products)		(216.0)		(220.0)
Cash tax rate on adjusted EBITDA (excluding divestitures)*1		Mid teen%		Mid teen%

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

\*2 Includes in-process R&D.

\*3 Includes restructuring expense of JPY 56.0 billion in Revised Forecast, primarily related to the enterprise-wide efficiency program, compared with the Original Forecast of JPY 48.0 billion.

\*4 Includes expected USD 1.2 billion upfront payment to Innovent Biologics Inc. in the Revised 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 been revised from the management guidance announced on May 8, 2025.

	Original Management Guidance (May 8, 2025)	CER % Change*	
		Revised Management Guidance (October 30, 2025)	
Core revenue	Broadly Flat	Broadly Flat	
Core operating profit	Broadly Flat	Low-single-digit % decline	
Core EPS	Broadly Flat	Low-single-digit % decline	

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

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

- Reflect Takeda’s latest assumptions for the impact of tariffs, such as a 15% tariff on pharmaceutical products being imported into the U.S. from the European Union (EU) and Japan, as well as certain mitigation strategies including inventory management which Takeda is taking to minimize the impact. The impact from these tariff-related assumptions is expected to be immaterial.
- Assume global VYVANSE/ELVANSE sales of JPY 227.0 billion, a year-on-year decline of JPY 123.6 billion (35% 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.

### **(5) Interim Dividend for Fiscal 2025**

Takeda maintains its annual dividend projection of JPY 200 per share.

For the six-month period ended September 30, 2025, Takeda's Board of Directors approved the payment of an interim dividend of JPY 100 per share. The dividend will be paid from December 1, 2025.

## 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)	
	Six-month Period Ended September 30,	
	2024	2025
Revenue	2,384,028	2,219,481
Cost of sales	(781,265)	(764,736)
Selling, general and administrative expenses	(538,312)	(509,436)
Research and development expenses	(344,027)	(305,373)
Amortization and impairment losses on intangible assets associated with products	(305,245)	(336,793)
Other operating income	13,933	23,519
Other operating expenses	(78,537)	(73,101)
Operating profit	350,576	253,561
Finance income	34,793	118,154
Finance expenses	(128,145)	(190,296)
Share of loss of investments accounted for using the equity method	(1,247)	(2,615)
Profit before tax	255,976	178,804
Income tax expenses	(68,570)	(66,254)
Net profit for the period	187,406	112,550
Attributable to:		
Owners of the Company	187,294	112,441
Non-controlling interests	112	108
Net profit for the period	187,406	112,550
Earnings per share (JPY)		
Basic earnings per share	118.85	71.57
Diluted earnings per share	117.11	70.45

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

	JPY (millions)	
	Six-month Period Ended September 30,	
	2024	2025
Net profit for the period	187,406	112,550
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	(7,514)	27,311
Remeasurement of defined benefit pension plans	703	757
	(6,811)	28,067
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(452,433)	204,959
Cash flow hedges	26,304	16,611
Hedging cost	5,656	3,458
Share of other comprehensive loss of investments accounted for using the equity method	(101)	(260)
	(420,574)	224,768
Other comprehensive income (loss) for the period, net of tax	(427,385)	252,835
Total comprehensive income (loss) for the period	(239,979)	365,385
Attributable to:		
Owners of the Company	(240,081)	365,288
Non-controlling interests	102	97
Total comprehensive income (loss) for the period	(239,979)	365,385

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

	JPY (millions)	
	As of March 31, 2025	As of September 30, 2025
<b>ASSETS</b>		
Non-current assets:		
Property, plant and equipment	1,968,209	1,984,126
Goodwill	5,324,430	5,431,698
Intangible assets	3,631,560	3,299,225
Investments accounted for using the equity method	10,802	8,919
Other financial assets	351,124	365,413
Other non-current assets	70,282	70,531
Deferred tax assets	370,745	389,768
Total non-current assets	11,727,152	11,549,679
Current assets:		
Inventories	1,217,349	1,299,486
Trade and other receivables	709,465	688,963
Other financial assets	20,476	58,192
Income taxes receivable	15,789	13,275
Other current assets	159,603	166,386
Cash and cash equivalents	385,113	681,486
Assets held for sale	13,397	12,832
Total current assets	2,521,192	2,920,620
Total assets	14,248,344	14,470,300

	JPY (millions)	
	As of March 31, 2025	As of September 30, 2025
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Non-current liabilities:		
Bonds and loans	3,966,326	4,351,462
Other financial liabilities	550,900	545,763
Net defined benefit liabilities	135,429	144,101
Income taxes payable	317	2,307
Provisions	35,177	32,766
Other non-current liabilities	82,542	89,527
Deferred tax liabilities	35,153	33,029
Total non-current liabilities	4,805,844	5,198,955
Current liabilities:		
Bonds and loans	548,939	293,858
Trade and other payables	475,541	438,985
Other financial liabilities	219,120	226,170
Income taxes payable	133,497	122,907
Provisions	533,140	551,523
Other current liabilities	596,283	505,483
Liabilities held for sale	—	729
Total current liabilities	2,506,521	2,139,655
Total liabilities	7,312,365	7,338,610
<b>EQUITY</b>		
Share capital	1,694,685	1,694,759
Share premium	1,775,713	1,734,685
Treasury shares	(74,815)	(49,124)
Retained earnings	1,187,586	1,148,658
Other components of equity	2,351,915	2,605,315
Other comprehensive income associated with assets held for sale	—	(3,595)
Equity attributable to owners of the Company	6,935,084	7,130,697
Non-controlling interests	895	992
Total equity	6,935,979	7,131,690
Total liabilities and equity	14,248,344	14,470,300

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

Six-month period ended September 30, 2024 (From April 1 to September 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				187,294		
Other comprehensive income (loss)					(452,523)	(7,514)
Comprehensive income (loss) for the period	—	—	—	187,294	(452,523)	(7,514)
Transactions with owners:						
Issuance of new shares	18,064	18,064				
Acquisition of treasury shares			(1,918)			
Disposal of treasury shares		0	0			
Dividends				(147,653)		
Transfers from other components of equity				840		(137)
Share-based compensation		37,143				
Exercise of share-based awards		(64,476)	28,348			
Total transactions with owners	18,064	(9,269)	26,430	(146,813)	—	(137)
As of September 30, 2024	1,694,660	1,738,145	(24,829)	1,431,684	2,120,884	8,077

	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, 2024	(63,896)	(15,930)	—	2,509,310	7,273,264	741	7,274,005
Net profit for the period				—	187,294	112	187,406
Other comprehensive income (loss)	26,304	5,656	703	(427,375)	(427,375)	(10)	(427,385)
Comprehensive income (loss) for the period	26,304	5,656	703	(427,375)	(240,081)	102	(239,979)
Transactions with owners:							
Issuance of new shares				—	36,128		36,128
Acquisition of treasury shares				—	(1,918)		(1,918)
Disposal of treasury shares				—	0		0
Dividends				—	(147,653)		(147,653)
Transfers from other components of equity			(703)	(840)	—		—
Share-based compensation				—	37,143		37,143
Exercise of share-based awards				—	(36,129)		(36,129)
Total transactions with owners	—	—	(703)	(840)	(112,428)	—	(112,428)
As of September 30, 2024	(37,592)	(10,274)	—	2,081,095	6,920,754	843	6,921,597

Six-month period ended September 30, 2025 (From April 1 to September 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	
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				112,441		
Other comprehensive income (loss)					204,710	27,311
Comprehensive income (loss) for the period	—	—	—	112,441	204,710	27,311
Transactions with owners:						
Issuance of new shares	74	74				
Acquisition of treasury shares		(20)	(51,610)			
Dividends				(154,411)		
Transfers from other components of equity				3,042		(2,285)
Share-based compensation		36,219				
Exercise of share-based awards		(77,301)	77,301			
Transfer to other comprehensive income associated with assets held for sale					3,595	
Total transactions with owners	74	(41,028)	25,691	(151,369)	3,595	(2,285)
As of September 30, 2025	1,694,759	1,734,685	(49,124)	1,148,658	2,628,283	29,782

	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	Other comprehensive income related to assets held for sale			
As of April 1, 2025	(64,852)	(7,967)	—	2,351,915	—	6,935,084	895	6,935,979
Net profit for the period				—		112,441	108	112,550
Other comprehensive income (loss)	16,611	3,458	757	252,847		252,847	(11)	252,835
Comprehensive income (loss) for the period	16,611	3,458	757	252,847	—	365,288	97	365,385
Transactions with owners:								
Issuance of new shares				—		148		148
Acquisition of treasury shares				—		(51,630)		(51,630)
Dividends				—		(154,411)		(154,411)
Transfers from other components of equity			(757)	(3,042)		—		—
Share-based compensation				—		36,219		36,219
Exercise of share-based awards				—		—		—
Transfer to other comprehensive income associated with assets held for sale				3,595	(3,595)	—		—
Total transactions with owners	—	—	(757)	553	(3,595)	(169,674)	—	(169,674)
As of September 30, 2025	(48,241)	(4,509)	—	2,605,315	(3,595)	7,130,697	992	7,131,690

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

	JPY (millions)	
	Six-month Period Ended September 30,	
	2024	2025
Cash flows from operating activities:		
Net profit for the period	187,406	112,550
Depreciation and amortization	384,672	366,618
Impairment losses	36,065	87,143
Equity-settled share-based compensation	36,940	35,262
Loss on sales and disposal of property, plant and equipment	2,457	916
Gain on divestment of business and subsidiaries	(6,376)	(17,929)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	2,172	989
Finance (income) and expenses, net	93,352	72,142
Share of loss of investments accounted for using the equity method	1,247	2,615
Income tax expenses	68,570	66,254
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	(57,779)	38,286
Increase in inventories	(51,218)	(42,031)
Decrease in trade and other payables	(37,079)	(11,242)
Increase in provisions	12,527	8,533
Decrease in other financial liabilities	(17,455)	(5,309)
Other, net	(119,427)	(34,790)
Cash generated from operations	536,076	680,006
Income taxes paid	(89,081)	(91,891)
Tax refunds and interest on tax refunds received	4,272	5,535
Net cash from operating activities	451,267	593,651
Cash flows from investing activities:		
Interest received	9,198	7,726
Dividends received	207	584
Acquisition of property, plant and equipment	(106,914)	(88,008)
Proceeds from sales of property, plant and equipment	38	6,385
Acquisition of intangible assets	(91,552)	(39,885)
Acquisition of option to license	(31,784)	—
Acquisition of investments	(27,734)	(229)
Proceeds from sales and redemption of investments	23,115	4,010
Acquisition of shares in associates	—	(623)
Proceeds from sales of shares in associates	—	686
Proceeds from sales of business, net of cash and cash equivalents divested	8,330	29,645
Payments for the settlement of forward exchange contracts designated as net investment hedges	(13,990)	(1,536)
Other, net	(738)	(82)
Net cash used in investing activities	(231,824)	(81,326)



	JPY (millions)	
	Six-month Period Ended September 30,	
	2024	2025
Cash flows from financing activities:		
Net decrease in short-term loans and commercial papers	(317,000)	(341,780)
Proceeds from issuance of bonds and long-term loans	984,460	526,060
Repayments of bonds and long-term loans	(284,019)	(125,385)
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	(42,298)	(52,296)
Dividends paid	(147,309)	(154,082)
Repayments of lease liabilities	(23,375)	(22,318)
Other, net	(9,120)	(5,476)
Net cash from (used in) financing activities	206,336	(226,881)
Net increase in cash and cash equivalents	425,779	285,444
Cash and cash equivalents at the beginning of the year	457,800	385,113
Effects of exchange rate changes on cash and cash equivalents	(24,564)	10,929
Cash and cash equivalents at the end of the period	859,015	681,486

## **(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 six-month period ended September 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 Subsequent Events)

In October 2025, Takeda entered into a license and collaboration agreement with Innovent Biologics, Inc. ("Innovent") for the development, manufacturing and commercialization of two late-stage investigational medicines for solid tumors, IBI363 and IBI343, worldwide outside of China, Hong Kong, Macau and Taiwan. Takeda will also receive an exclusive option to license global rights outside of China, Hong Kong, Macau and Taiwan for IBI3001, an early-stage investigational medicine.

Takeda will make an upfront payment of USD 1,200 million upon closing of the transaction, which includes a minority equity investment in Innovent. The upfront payment will be funded through cash on hand. Regarding IBI363 and IBI343, Takeda may make potential milestone and royalty payments. Takeda and Innovent will co-develop IBI363 globally with a 60/40 (Takeda/Innovent) cost split. In addition, Takeda will lead and co-commercialize IBI363 in the U.S. with a 60/40 (Takeda/Innovent) profit or loss split. With respect to IBI3001, if the option is exercised, Takeda will make an option payment, as well as additional potential milestone and royalty payments. The transaction is subject to customary closing conditions, including regulatory approvals.

# FINANCIAL APPENDIX



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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, provided, however, that the results of operations of subsidiaries in countries experiencing hyperinflation, and for which IAS 29, Financial Reporting in Hyperinflationary Economies, is applied, are not adjusted for CER Change, and instead are calculated in accordance with IAS 29.

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 = 147.97 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 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 H1 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2024 H1	FY2025 H1	AER		CER	(Million USD, except EPS) FY2025 H1 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	2,384.0	2,219.5	(164.5)	(6.9) %	(3.9) %	15,000
Cost of sales	(781.3)	(764.7)	16.5	2.1 %	(0.9) %	(5,168)
Gross profit	1,602.8	1,454.7	(148.0)	(9.2) %	(6.2) %	9,831
Margin	67.2 %	65.5 %		(1.7) pp	(1.6) pp	65.5 %
SG&A expenses	(538.3)	(509.4)	28.9	5.4 %	2.0 %	(3,443)
R&D expenses	(344.0)	(305.4)	38.7	11.2 %	7.5 %	(2,064)
Amortization of intangible assets associated with products	(277.5)	(260.8)	16.7	6.0 %	2.1 %	(1,762)
Impairment losses on intangible assets associated with products*	(27.8)	(76.0)	(48.3)	(173.9) %	(169.9) %	(514)
Other operating income	13.9	23.5	9.6	68.8 %	68.6 %	159
Other operating expenses	(78.5)	(73.1)	5.4	6.9 %	4.9 %	(494)
Operating profit	350.6	253.6	(97.0)	(27.7) %	(26.0) %	1,714
Margin	14.7 %	11.4 %		(3.3) pp	(3.4) pp	11.4 %
Finance income	34.8	118.2	83.4	239.6 %	240.5 %	799
Finance expenses	(128.1)	(190.3)	(62.2)	(48.5) %	(49.5) %	(1,286)
Share of profit (loss) of investments accounted for using the equity method	(1.2)	(2.6)	(1.4)	(109.7) %	(85.3) %	(18)
Profit before tax	256.0	178.8	(77.2)	(30.1) %	(28.1) %	1,208
Income tax (expenses) benefit	(68.6)	(66.3)	2.3	3.4 %	6.9 %	(448)
Net profit for the period	187.4	112.5	(74.9)	(39.9) %	(35.8) %	761
Non-controlling interests	(0.1)	(0.1)	0.0	3.5 %	(3.9) %	(1)
Net profit attributable to owners of the Company	187.3	112.4	(74.9)	(40.0) %	(35.9) %	760
Basic EPS (JPY or USD)	118.85	71.57	(47.28)	(39.8) %	(35.7) %	0.48

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

(Billion JPY, except EPS)	FY2024 Q2 (Jul-Sep)	FY2025 Q2 (Jul-Sep)	AER		CER	(Million USD, except EPS) FY2025 Q2 (Jul-Sep) Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,176.0	1,112.8	(63.2)	(5.4) %	(4.0) %	7,520
Cost of sales	(394.3)	(380.1)	14.2	3.6 %	2.5 %	(2,569)
Gross profit	781.7	732.7	(49.0)	(6.3) %	(4.8) %	4,952
Margin	66.5 %	65.8 %		(0.6) pp	(0.5) pp	65.8 %
SG&A expenses	(268.3)	(253.6)	14.7	5.5 %	3.9 %	(1,714)
R&D expenses	(175.6)	(161.5)	14.1	8.0 %	5.3 %	(1,091)
Amortization of intangible assets associated with products	(138.9)	(131.4)	7.5	5.4 %	3.1 %	(888)
Impairment losses on intangible assets associated with products*	(3.5)	(73.7)	(70.2)	(1,978.7) %	(1,941.1) %	(498)
Other operating income	3.1	1.5	(1.6)	(51.4) %	(50.5) %	10
Other operating expenses	(14.3)	(45.0)	(30.8)	(215.3) %	(214.3) %	(304)
Operating profit	184.2	69.0	(115.3)	(62.6) %	(62.0) %	466
Margin	15.7 %	6.2 %		(9.5) pp	(9.5) pp	6.2 %
Finance income	6.5	44.4	37.9	579.4 %	579.4 %	300
Finance expenses	(70.9)	(83.1)	(12.3)	(17.3) %	(18.6) %	(562)
Share of profit (loss) of investments accounted for using the equity method	(0.5)	(2.1)	(1.5)	(288.2) %	(291.1) %	(14)
Profit before tax	119.4	28.2	(91.2)	(76.4) %	(76.4) %	190
Income tax (expenses) benefit	(27.3)	(39.9)	(12.6)	(46.4) %	(32.7) %	(270)
Net profit for the period	92.1	(11.7)	(103.8)	—	—	(79)
Non-controlling interests	(0.1)	(0.1)	(0.0)	(18.7) %	(27.1) %	(0)
Net profit attributable to owners of the Company	92.0	(11.8)	(103.8)	—	—	(80)
Basic EPS (JPY or USD)	58.21	(7.49)	(65.71)	—	—	(0.05)

\* 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 H1 Core Results with CER % Change

(Billion JPY, except EPS)	FY2024 H1	FY2025 H1	AER		CER	(Million USD, except EPS) FY2025 H1 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	2,384.0	2,219.5	(164.5)	(6.9) %	(3.9) %	15,000
Cost of sales	(781.5)	(765.2)	16.3	2.1 %	(0.9) %	(5,171)
Gross profit	1,602.6	1,454.3	(148.2)	(9.2) %	(6.2) %	9,829
Margin	67.2 %	65.5 %		(1.7) pp	(1.6) pp	65.5 %
SG&A expenses	(538.5)	(509.7)	28.9	5.4 %	2.0 %	(3,445)
R&D expenses	(344.1)	(305.5)	38.7	11.2 %	7.5 %	(2,064)
Operating profit	719.9	639.2	(80.7)	(11.2) %	(8.8) %	4,320
Margin	30.2 %	28.8 %		(1.4) pp	(1.5) pp	28.8 %
Finance income	28.8	117.7	88.9	309.3 %	310.3 %	795
Finance expenses	(102.0)	(184.8)	(82.7)	(81.1) %	(82.3) %	(1,249)
Share of profit (loss) of investments accounted for using the equity method	1.6	(0.6)	(2.2)	—	—	(4)
Profit before tax	648.3	571.5	(76.8)	(11.8) %	(9.3) %	3,862
Income tax (expenses) benefit	(159.1)	(132.8)	26.3	16.5 %	3.6 %	(897)
Net profit for the period	489.2	438.7	(50.5)	(10.3) %	(11.1) %	2,965
Non-controlling interests	(0.1)	(0.1)	0.0	3.5 %	(3.9) %	(1)
Net profit attributable to owners of the Company	489.1	438.6	(50.5)	(10.3) %	(11.1) %	2,964
Basic EPS (JPY or USD)	310	279	(31)	(10.0) %	(10.8) %	1.89

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

(Billion JPY, except EPS)	FY2024 Q2 (Jul-Sep)	FY2025 Q2 (Jul-Sep)	AER		CER	(Million USD, except EPS) FY2025 Q2 (Jul-Sep) Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,176.0	1,112.8	(63.2)	(5.4) %	(4.0) %	7,520
Cost of sales	(394.4)	(380.2)	14.1	3.6 %	2.5 %	(2,570)
Gross profit	781.7	732.6	(49.1)	(6.3) %	(4.8) %	4,951
Margin	66.5 %	65.8 %		(0.6) pp	(0.5) pp	65.8 %
SG&A expenses	(268.4)	(253.7)	14.7	5.5 %	3.9 %	(1,714)
R&D expenses	(175.6)	(161.5)	14.1	8.0 %	5.3 %	(1,092)
Operating profit	337.7	317.4	(20.3)	(6.0) %	(5.3) %	2,145
Margin	28.7 %	28.5 %		(0.2) pp	(0.4) pp	28.5 %
Finance income	6.1	44.7	38.5	627.4 %	627.4 %	302
Finance expenses	(49.4)	(80.5)	(31.1)	(63.0) %	(64.7) %	(544)
Share of profit (loss) of investments accounted for using the equity method	1.3	(0.5)	(1.7)	—	—	(3)
Profit before tax	295.7	281.1	(14.6)	(4.9) %	(4.4) %	1,900
Income tax (expenses) benefit	(83.3)	(79.5)	3.9	4.7 %	(15.6) %	(537)
Net profit for the period	212.3	201.6	(10.7)	(5.0) %	(12.2) %	1,363
Non-controlling interests	(0.1)	(0.1)	(0.0)	(18.7) %	(27.1) %	(0)
Net profit attributable to owners of the Company	212.3	201.6	(10.7)	(5.0) %	(12.2) %	1,362
Basic EPS (JPY or USD)	134	128	(6)	(4.7) %	(11.9) %	0.86

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 H1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments				Core
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	2,219.5					2,219.5
Cost of sales	(764.7)				(0.4)	(765.2)
Gross profit	1,454.7				(0.4)	1,454.3
SG&A expenses	(509.4)				(0.3)	(509.7)
R&D expenses	(305.4)				(0.1)	(305.5)
Amortization of intangible assets associated with products	(260.8)	260.8				—
Impairment losses on intangible assets associated with products*	(76.0)		76.0			—
Other operating income	23.5			(23.5)		—
Other operating expenses	(73.1)			73.1		—
Operating profit	253.6	260.8	76.0	49.6	(0.7)	639.2
Margin	11.4 %					28.8 %
Finance income and (expenses), net	(72.1)				5.0	(67.1)
Share of profit (loss) of investments accounted for using the equity method	(2.6)				2.0	(0.6)
Profit before tax	178.8	260.8	76.0	49.6	6.3	571.5
Income tax (expenses) benefit	(66.3)	(52.4)	(4.9)	(7.7)	(1.5)	(132.8)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	112.4	208.3	71.1	41.9	4.9	438.6
Basic EPS (JPY)	72					279
Number of shares (millions)	1,571					1,571

\* Includes in-process R&D.

## FY2025 Q2 (Jul-Sep) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments				Core
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,112.8					1,112.8
Cost of sales	(380.1)				(0.2)	(380.2)
Gross profit	732.7				(0.2)	732.6
SG&A expenses	(253.6)				(0.1)	(253.7)
R&D expenses	(161.5)				(0.0)	(161.5)
Amortization of intangible assets associated with products	(131.4)	131.4				—
Impairment losses on intangible assets associated with products*	(73.7)		73.7			—
Other operating income	1.5			(1.5)		—
Other operating expenses	(45.0)			45.0		—
Operating profit	69.0	131.4	73.7	43.6	(0.3)	317.4
Margin	6.2 %					28.5 %
Finance income and (expenses), net	(38.7)				2.9	(35.8)
Share of profit (loss) of investments accounted for using the equity method	(2.1)				1.6	(0.5)
Profit before tax	28.2	131.4	73.7	43.6	4.2	281.1
Income tax (expenses) benefit	(39.9)	(24.9)	(4.4)	(9.6)	(0.6)	(79.5)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	(11.8)	106.5	69.3	33.9	3.6	201.6
Basic EPS (JPY)	(7)					128
Number of shares (millions)	1,575					1,575

\* Includes in-process R&D.

## FY2024 H1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments					Core
		Amortization of intangible assets	Impairment of intangible assets	Teva JV related adjustment* <sup>2</sup>	Other operating income/expenses	Others	
Revenue	2,384.0						2,384.0
Cost of sales	(781.3)					(0.2)	(781.5)
Gross profit	1,602.8					(0.2)	1,602.6
SG&A expenses	(538.3)					(0.2)	(538.5)
R&D expenses	(344.0)					(0.1)	(344.1)
Amortization of intangible assets associated with products	(277.5)	277.5					—
Impairment losses on intangible assets associated with products* <sup>1</sup>	(27.8)		27.8				—
Other operating income	13.9				(13.9)		—
Other operating expenses	(78.5)				78.5		—
Operating profit	350.6	277.5	27.8		64.6	(0.5)	719.9
Margin	14.7 %						30.2 %
Finance income and (expenses), net	(93.4)			18.3		1.7	(73.3)
Share of profit (loss) of investments accounted for using the equity method	(1.2)					2.9	1.6
Profit before tax	256.0	277.5	27.8	18.3	64.6	4.1	648.3
Income tax (expenses) benefit	(68.6)	(58.1)	(8.0)	(5.6)	(14.7)	(4.1)	(159.1)
Non-controlling interests	(0.1)						(0.1)
Net profit attributable to owners of the Company	187.3	219.4	19.8	12.7	49.9	(0.0)	489.1
Basic EPS (JPY)	119						310
Number of shares (millions)	1,576						1,576

\*1 Includes in-process R&D.

\*2 An impairment loss of JPY 18.3 billion recorded as a result of the classification of Teva Takeda Pharma Ltd. shares as assets held for sale for the six-month period ended September 30, 2024.

## FY2024 Q2 (Jul-Sep) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments					Core
		Amortization of intangible assets	Impairment of intangible assets	Teva JV related adjustment* <sup>2</sup>	Other operating income/expenses	Others	
Revenue	1,176.0						1,176.0
Cost of sales	(394.3)					(0.1)	(394.4)
Gross profit	781.7					(0.1)	781.7
SG&A expenses	(268.3)					(0.1)	(268.4)
R&D expenses	(175.6)					(0.0)	(175.6)
Amortization of intangible assets associated with products	(138.9)	138.9					—
Impairment losses on intangible assets associated with products* <sup>1</sup>	(3.5)		3.5				—
Other operating income	3.1				(3.1)		—
Other operating expenses	(14.3)				14.3		—
Operating profit	184.2	138.9	3.5		11.2	(0.2)	337.7
Margin	15.7 %						28.7 %
Finance income and (expenses), net	(64.3)			18.3		2.8	(43.2)
Share of profit (loss) of investments accounted for using the equity method	(0.5)					1.8	1.3
Profit before tax	119.4	138.9	3.5	18.3	11.2	4.3	295.7
Income tax (expenses) benefit	(27.3)	(29.1)	(0.8)	(5.6)	(3.3)	(17.3)	(83.3)
Non-controlling interests	(0.1)						(0.1)
Net profit attributable to owners of the Company	92.0	109.8	2.8	12.7	7.9	(13.0)	212.3
Basic EPS (JPY)	58						134
Number of shares (millions)	1,581						1,581

\*1 Includes in-process R&D.

\*2 An impairment loss of JPY 18.3 billion recorded as a result of the classification of Teva Takeda Pharma Ltd. shares as assets held for sale for the quarter ended September 30, 2024.

## FY2025 H1 Adjusted Free Cash Flow

(Billion JPY)	FY2024 H1	FY2025 H1	JPY Change	% Change	(Million USD) FY2025 H1 Convenience USD Translation
Net profit	187.4	112.5	(74.9)	(39.9)%	761
Depreciation, amortization and impairment losses	420.7	453.8	33.0		3,067
Decrease (increase) in trade working capital	(146.1)	(15.0)	131.1		(101)
Income taxes paid	(89.1)	(91.9)	(2.8)		(621)
Tax refunds and interest on tax refunds received	4.3	5.5	1.3		37
Other	74.0	128.7	54.7		870
Net cash from operating activities (Operating Cash Flow)	451.3	593.7	142.4	31.6 %	4,012
Acquisition of PP&E	(106.9)	(88.0)	18.9		(595)
Free Cash Flow* <sup>1</sup>	344.4	505.6	161.3	46.8 %	3,417
Adjustment for cash temporarily held by Takeda on behalf of third parties* <sup>2</sup>	8.5	19.8	11.3		134
Proceeds from sales of PP&E	0.0	6.4	6.3		43
Acquisition of intangible assets* <sup>3</sup>	(91.6)	(39.9)	51.7		(270)
Acquisition of option to license	(31.8)	—	31.8		—
Acquisition of investments* <sup>4</sup>	(13.5)	(0.2)	13.3		(2)
Proceeds from sales and redemption of investments	23.1	4.0	(19.1)		27
Acquisition of shares in associates	—	(0.6)	(0.6)		(4)
Proceeds from sales of shares in associates	—	0.7	0.7		5
Proceeds from sales of business, net of cash and cash equivalents divested	8.3	29.6	21.3		200
Adjusted Free Cash Flow* <sup>1</sup>	247.5	525.4	277.9	112.3 %	3,551

\*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.

\*4 Acquisition of JPY 14.3 billion debt investments classified as Level 1 in the fair value hierarchy is excluded for the six-month period ended September 30, 2024.

# FY2025 H1 Adjusted Net Debt to Adjusted EBITDA

## ADJUSTED NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2025 H1
Book value of bonds and loans on consolidated statement of financial position	(4,645.3)
Cash & cash equivalents	681.5
Net Debt <sup>*1</sup>	(3,963.8)
Application of equity credit <sup>*2</sup>	250.0
FX adjustment <sup>*3</sup>	63.3
Cash temporarily held by Takeda on behalf of third parties <sup>*4</sup>	(86.0)
Level 1 debt investments <sup>*4</sup>	79.2
Adjusted Net Debt <sup>*1</sup>	(3,657.3)
Adjusted EBITDA (LTM) <sup>*5</sup>	1,353.9
Adjusted Net Debt/Adjusted EBITDA ratio	2.7x
Book value of bonds and loans on consolidated statement of financial position	(4,645.3)
Application of equity credit <sup>*2</sup>	250.0
FX adjustment <sup>*3</sup>	63.3
Adjusted Gross Debt	(4,332.0)

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

(Billion JPY)	FY2024 H1	FY2025 H1	JPY Change	% Change
Net cash from operating activities (Operating Cash Flow)	451.3	593.7	142.4	31.6 %
Acquisition of PP&E	(106.9)	(88.0)		
Proceeds from sales of PP&E	0.0	6.4		
Acquisition of intangible assets	(91.6)	(39.9)		
Acquisition of option to license	(31.8)	—		
Acquisition of investments	(27.7)	(0.2)		
Proceeds from sales and redemption of investments	23.1	4.0		
Acquisition of shares in associates	—	(0.6)		
Proceeds from sales of shares in associates	—	0.7		
Proceeds from sales of business, net of cash and cash equivalents divested	8.3	29.6		
Payments for the settlement of forward exchange contracts designated as net investment hedges	(14.0)	(1.5)		
Net increase (decrease) in short-term loans and commercial papers	(317.0)	(341.8)		
Proceeds from long-term loans	50.0	—		
Repayment of long-term loans	(50.2)	(10.1)		
Proceeds from issuance of bonds	934.5	526.1		
Repayment of bonds	(233.8)	(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	(42.3)	(52.3)		
Dividends paid	(147.3)	(154.1)		
Others	(23.8)	(19.6)		
Net increase (decrease) in cash and cash equivalents	425.8	285.4	(140.3)	(33.0)%

\*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 (October 2024 - September 2025). Calculated by subtracting FY2024 H1 from FY2024 Full Year and adding FY2025 H1.



## 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 H1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2024 H1	FY2025 H1	JPY Change	% Change
Net profit	187.4	112.5	(74.9)	(39.9)%
Income tax expenses (benefit)	68.6	66.3		
Depreciation and amortization	384.7	366.6		
Interest expense, net	58.3	63.3		
EBITDA	699.0	608.7	(90.3)	(12.9)%
Impairment losses	36.1	87.1		
Other operating expenses (income), net, excluding depreciation and amortization, and impairment losses	54.2	37.1		
Finance expenses (income), net, excluding interest expense, net	35.0	8.9		
Share of loss (profit) of investments accounted for using the equity method	1.2	2.6		
Other costs*	34.2	33.8		
Adjusted EBITDA	859.8	778.2	(81.5)	(9.5)%

\* Includes adjustments for non-cash items such as non-cash equity-based compensation expense, and other items that management believes are unrelated to our core operations, including purchase accounting effects and transaction related costs.

## FY2025 H1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2024 Full Year (Apr - Mar)	FY2024 H1 (Apr - Sep)	FY2025 H1 (Apr - Sep)	FY2025 H1 LTM <sup>*1</sup> (Oct - Sep)
Net profit	108.1	187.4	112.5	33.3
Income tax expenses (benefit)	66.9	68.6	66.3	64.6
Depreciation and amortization	761.4	384.7	366.6	743.3
Interest expense, net	117.7	58.3	63.3	122.6
EBITDA	1,054.2	699.0	608.7	963.9
Impairment losses	106.5	36.1	87.1	157.6
Other operating expenses (income), net, excluding depreciation and amortization, and impairment losses	163.2	54.2	37.1	146.1
Finance expenses (income), net, excluding interest expense, net	45.8	35.0	8.9	19.7
Share of loss (profit) of investments accounted for using the equity method	4.0	1.2	2.6	5.4
Other costs <sup>*2</sup>	67.4	34.2	33.8	67.0
Adjusted EBITDA	1,441.2	859.8	778.2	1,359.6
EBITDA from divested products <sup>*3</sup>	(0.2)			(5.8)
Adjusted EBITDA (LTM)	1,441.0			1,353.9

\*1 LTM represents Last Twelve Months (October 2024 - September 2025). Calculated by subtracting FY2024 H1 from FY2024 Full Year and adding FY2025 H1.

\*2 Includes adjustments for non-cash items such as non-cash equity-based compensation expense, and other items that management believes are unrelated to our core operations, including purchase accounting effects and transaction related costs.

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

## FY2025 H1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2024 H1	FY2025 H1	JPY Change	% Change	Revised Forecast (October 30,2025)
Capital expenditures <sup>*1</sup>	198.5	127.9	(70.6)	(35.6)%	400.0 - 450.0
Tangible assets	106.9	88.0	(18.9)	(17.7)%	
Intangible assets	91.6	39.9	(51.7)	(56.4)%	
Depreciation and amortization	384.7	366.6	(18.1)	(4.7)%	717.0
Depreciation of tangible assets <sup>*2</sup> (A)	87.6	85.7	(1.9)	(2.1)%	
Amortization of intangible assets (B)	297.1	280.9	(16.2)	(5.4)%	
Of which Amortization on intangible assets associated with products (C)	277.5	260.8	(16.7)	(6.0)%	497.0
Of which Amortization excluding intangible assets associated with products (D)	19.6	20.1	0.5	2.8 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	107.2	105.9	(1.3)	(1.2)%	220.0
Impairment losses	36.1	87.1	51.1	141.6 %	
Impairment losses on intangible assets associated with products <sup>*3</sup>	27.8	76.0	48.3	173.9 %	110.0
Amortization and impairment losses on intangible assets associated with products	305.2	336.8	31.5	10.3 %	607.0

\*1 Cash flow base

\*2 Includes depreciation of investment properties

\*3 Includes in-process R&D

# FY2025 Full Year Detailed Forecast

(BN JPY)		Original Forecast (May 8, 2025)	Revised Forecast (October 30, 2025)	JPY Change	% Change	Variations
REPORTED	Revenue	4,530.0	4,500.0	(30.0)	(0.7)%	Decline in sales forecasts for products including ENTYVIO and VYVANSE, partially offset by favorable revisions in FX assumptions
	Cost of sales	(1,540.0)	(1,590.0)	(50.0)	(3.2)%	
	Gross Profit	2,990.0	2,910.0	(80.0)	(2.7)%	Decrease in profit driven by the decrease in revenue forecasts, as well as unfavorable product mix impact and transactional FX impact
	SG&A expenses	(1,100.0)	(1,095.0)	5.0	0.5%	
	R&D expenses	(750.0)	(685.0)	65.0	8.7%	Additional cost savings, including from pipeline prioritization and the enterprise-wide efficiency program, and FX benefits
	Amortization of intangible assets associated with products	(500.0)	(497.0)	3.0	0.6%	Mainly due to FX benefits
	Impairment losses on intangible assets associated with products* <sup>1</sup>	(50.0)	(110.0)	(60.0)	(120.0)%	Revised full-year forecast reflecting first-half results, including the impairment related to gamma delta T-cell therapy (JPY 58.2 B) recorded in FY25 Q2
	Other operating income	10.0	27.0	17.0	170.0%	Increase in divestiture gains
	Other operating expenses	(125.0)	(150.0)	(25.0)	(20.0)%	Primarily reflects higher expenses for pre-launch inventories and higher restructuring expenses for the R&D organization (FY25 total restructuring expenses: originally JPY 48.0 B, revised JPY 56.0 B)
	Operating profit	475.0	400.0	(75.0)	(15.8)%	
	Finance income (expenses), net	(167.0)	(156.0)	11.0	6.6%	
	Profit before tax	307.0	243.0	(64.0)	(20.8)%	
	Net profit attributable to owners of the Company	228.0	153.0	(75.0)	(32.9)%	Assumes an effective tax rate of ~37%, mainly driven by non-deductible expenses related to impairments and derecognition of deferred tax assets
	Basic EPS (yen)	145	97	(48)	(32.9)%	
	Core Revenue* <sup>2</sup>	4,530.0	4,500.0	(30.0)	(0.7)%	Decline in sales forecasts for products including ENTYVIO and VYVANSE, partially offset by favorable revisions in FX assumptions
	Core Operating Profit* <sup>2</sup>	1,140.0	1,130.0	(10.0)	(0.9)%	Decline in sales forecasts for products including ENTYVIO and VYVANSE, offset by lower R&D expenses, but further reduced by unfavorable transactional and translational FX impacts
	Core EPS (yen)* <sup>2</sup>	485	479	(6)	(1.2)%	
	Adjusted Free Cash Flow* <sup>2</sup>	750.0 to 850.0	600.0 to 700.0			Reflects expected USD 1.2 B upfront payment under the strategic global partnership agreement with Innovent Biologics
	CAPEX (cash flow base)	(270.0) to (320.0)	(400.0) to (450.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(216.0)	(220.0)	(4.0)	(1.9)%	
	Cash tax rate on Adjusted EBITDA (excl. divestitures)* <sup>2</sup>	Mid teen%	Mid teen%			
USD/JPY		150	147	(3)	(2.0)%	
EUR/JPY		160	170	10	6.3%	

\*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	4,500.0				4,500.0
Cost of sales	(1,590.0)				(3,370.0)
Gross Profit	2,910.0				
SG&A expenses	(1,095.0)				
R&D expenses	(685.0)				
Amortization of intangible assets associated with products	(497.0)	497.0			—
Impairment losses on intangible assets associated with products*1	(110.0)		110.0		—
Other operating income	27.0			(27.0)	—
Other operating expenses	(150.0)			150.0	—
Operating profit	400.0	497.0	110.0	123.0	1,130.0

\*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 October 2025 to March 2026 (100 million JPY)				
	FY2024 H1 Actual (Apr-Sep)	FY2025 H1 Actual (Apr-Sep)	FY2025 Full Year Assumption (Apr-Mar)	FY2025 H2 Assumption (Oct-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	154	146	147	148	1% depreciation	92.2	(1.7)	(3.7)	14.7
					1 yen depreciation	62.3	(1.2)	(2.5)	10.0
EUR	166	166	170	174	1% depreciation	29.8	(13.6)	(9.3)	(8.8)
					1 yen depreciation	17.2	(7.8)	(5.3)	(5.1)
RUB	1.7	1.8	1.8	1.8	1% depreciation	1.6	0.7	0.4	0.9
CNY	21.3	20.3	20.5	20.8		9.5	5.9	3.7	5.9
BRL	28.9	26.2	27.0	27.8		5.5	4.0	2.5	4.0

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