

Earnings Report (*Kessan Tanshin*) for the Fiscal Year Ended March 31, 2026 (IFRS, Consolidated)

May 13, 2026

Takeda Pharmaceutical Company Limited

TSE Code: 4502

Representative: Christophe Weber, President & CEO

Contact: Christopher O'Reilly
Global Head of IR, Global Finance

Stock exchange listings:

URL: <https://www.takeda.com>

Tokyo, Nagoya, Sapporo, Fukuoka

Telephone: +81-3-3278-2111

Email: takeda.ir.contact@takeda.com

Scheduled date of annual general meeting of shareholders: June 24, 2026

Scheduled date of securities report submission: June 17, 2026

Scheduled date of dividend payment commencement: June 25, 2026

Supplementary materials for the financial statements: Yes

Presentation to explain for the financial statements: Yes

(Million JPY, rounded to the nearest million)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results

(Percentage figures represent changes over the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Net profit for the year		Net profit attributable to owners of the Company	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
For the Fiscal Year Ended March 31, 2026	4,505,720	(1.7)	408,761	19.3	260,189	48.6	192,026	77.6	191,762	77.7
For the Fiscal Year Ended March 31, 2025	4,581,551	7.5	342,586	60.0	175,084	231.7	108,143	(25.0)	107,928	(25.1)
	Total comprehensive income for the year		Basic earnings per share		Diluted earnings per share		Return on equity attributable to owners of the Company		Ratio of profit before income taxes to total assets	
	(Million JPY)	(%)	(JPY)		(JPY)		(%)		(%)	
For the Fiscal Year Ended March 31, 2026	1,124,427	-	121.75		119.64		2.6		1.8	
For the Fiscal Year Ended March 31, 2025	(57,698)	-	68.36		67.23		1.5		1.2	
	Ratio of operating profit to revenue		Core Revenue		Core Operating Profit		Core EPS			
	(%)		(Billion JPY)	(%)	(Billion JPY)	(%)	(JPY)			
For the Fiscal Year Ended March 31, 2026	9.1		4,505.7	(1.6)	1,172.5	0.8	517			
For the Fiscal Year Ended March 31, 2025	7.5		4,579.8	7.4	1,162.6	10.2	491			

(Reference) Share of profit (loss) of investments accounted for using the equity method:

For the Fiscal Year Ended March 31, 2026 JPY -2,177 million For the Fiscal Year Ended March 31, 2025 JPY -3,986 million

(2) Consolidated Financial Position

	Total assets (Million JPY)	Total equity (Million JPY)	Equity attributable to owners of the Company (Million JPY)	Ratio of equity attributable to owners of the Company to total assets (%)	Equity attributable to owners of the Company per share (JPY)
As of March 31, 2026	15,453,113	7,774,800	7,773,592	50.3	4,920.50
As of March 31, 2025	14,248,344	6,935,979	6,935,084	48.7	4,407.01

(3) Consolidated Cash Flows

	Net cash from (used in) operating activities (Million JPY)	Net cash from (used in) investing activities (Million JPY)	Net cash from (used in) financing activities (Million JPY)	Cash and cash equivalents at the end of the year (Million JPY)
For the Fiscal Year Ended March 31, 2026	1,041,431	(369,141)	(496,820)	595,054
For the Fiscal Year Ended March 31, 2025	1,057,182	(367,060)	(751,425)	385,113

2. Dividends

	Annual dividends per share (JPY)					Total Dividends (Million JPY)	Dividend Pay- out ratio (%) (Consolidated)	Ratio of dividends to net assets (%) (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total			
For the Fiscal Year Ended March 31, 2025	—	98.00	—	98.00	196.00	310,656	286.7	4.3
For the Fiscal Year Ended March 31, 2026	—	100.00	—	100.00	200.00	316,964	164.3	4.3
For the Fiscal Year Ending March 31, 2027 (Projection)		102.00		102.00	204.00		—	

3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentage figures represent changes over the previous fiscal year)

	Revenue		Operating profit		Profit before taxes		Net profit attributable to owners of the Company		Basic earnings per share
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)
For the Fiscal Year Ending March 31, 2027	4,640,000	3.0	420,000	2.7	252,000	(3.1)	166,000	(13.4)	104.26

Forecasts for Core financial measures are shown below.

(Percentage figures represent changes over the previous fiscal year)

	Core Revenue		Core Operating Profit		Core EPS
	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)
For the Fiscal Year Ending March 31, 2027	4,640,000	3.0	1,160,000	(1.1)	472

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, 2027

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

Change at CER	Core Revenue (%)	Core Operating Profit (%)	Core EPS (%)
For the Fiscal Year Ending March 31, 2027	Low-single digit % decline	5% to 8% decline	Mid-teens % 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 year end:	
March 31, 2026	1,591,229,109 shares
March 31, 2025	1,590,949,609 shares
2) Number of shares of treasury stock at year end:	
March 31, 2026	11,392,279 shares
March 31, 2025	17,299,963 shares
3) Average number of outstanding shares (for the fiscal year ended March 31):	
March 31, 2026	1,575,062,414 shares
March 31, 2025	1,578,872,987 shares

(Reference) Summary of Unconsolidated Results

Summary of Unconsolidated Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Unconsolidated Operating Results

	Net sales		Operating income		Ordinary income	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
For the Fiscal Year Ended March 31, 2026	591,604	1.9	21,137	(42.7)	205,504	137.3
For the Fiscal Year Ended March 31, 2025	580,360	(2.6)	36,897	(23.2)	86,594	(69.8)
	Net income		Earnings per share		Fully diluted earnings per share	
	(Million JPY)	(%)	(JPY)		(JPY)	
For the Fiscal Year Ended March 31, 2026	197,335	29.1	125.29		125.26	
For the Fiscal Year Ended March 31, 2025	152,820	(54.9)	96.79		96.78	

(2) Unconsolidated Financial Position

	Total assets (Million JPY)	Net assets (Million JPY)	Shareholders' equity ratio (%)	Shareholders' equity per share (JPY)
As of March 31, 2026	9,639,677	3,758,926	39.0	2,378.68
As of March 31, 2025	9,489,375	3,989,355	42.0	2,534.39

(Reference) Shareholders' equity	As of March 31, 2026	JPY 3,757,932 million
	As of March 31, 2025	JPY 3,988,249 million

- **Earnings report (*Kessan Tanshin*) is exempt from audit conducted by certified public accountants or an audit firm**
- **Note to ensure appropriate use of forecasts and guidance, and other noteworthy items**
 - Takeda has adopted International Financial Reporting Standards (IFRS), and the disclosure information in this document is based on IFRS.
 - All forecasts and management guidance in this document are based on information and assumptions currently available to management, and do not represent a promise or guarantee to achieve these forecasts. Various uncertain factors could cause actual results to differ, such as changes in the business environment and fluctuations in foreign exchange rates. Should any significant event occur which requires the forecasts or guidance to be revised, Takeda will disclose it in a timely manner.
 - For details of the forecasts for consolidated operating results and the management guidance, please refer to "1. Financial Highlights for the Fiscal Year Ended March 31, 2026 (4) Outlook for the Fiscal Year Ending March 31, 2027" on page 12.
 - Supplementary materials for the financial statements including the Quarterly Financial Report and Earnings Presentation of the conference call on May 13, 2026 and its audio will be promptly posted on Takeda's website.

(Takeda Website):

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

Attachment Index

<u>1. Financial Highlights for the Fiscal Year Ended March 31, 2026</u>	<u>2</u>
<u>(1) Business Performance</u>	<u>2</u>
<u>(2) Consolidated Financial Position</u>	<u>9</u>
<u>(3) Consolidated Cash Flow</u>	<u>11</u>
<u>(4) Outlook for the Fiscal Year Ending March 31, 2027</u>	<u>12</u>
<u>(5) Capital Allocation Policy and Dividends for the Fiscal Year Ended March 31, 2026 and Ending March 31, 2027</u>	<u>14</u>
<u>2. Management Policy</u>	<u>15</u>
<u>(1) Basic Management Policy</u>	<u>15</u>
<u>(2) Business Environment, Mid- to Long-term Business Strategy and Issues to Be Addressed</u>	<u>15</u>
<u>3. Basic Approach to the Section of Accounting Standards</u>	<u>17</u>
<u>4. Consolidated Financial Statements [IFRS] and Major Notes</u>	<u>18</u>
<u>(1) Consolidated Statements of Profit or Loss</u>	<u>18</u>
<u>(2) Consolidated Statements of Comprehensive Income</u>	<u>19</u>
<u>(3) Consolidated Statements of Financial Position</u>	<u>20</u>
<u>(4) Consolidated Statements of Changes in Equity</u>	<u>22</u>
<u>(5) Consolidated Statements of Cash Flows</u>	<u>24</u>
<u>(6) Notes to Consolidated Financial Statements</u>	<u>26</u>
<u>(Going Concern Assumption)</u>	<u>26</u>
<u>(Significant Items that Form the Basis of Preparing the Consolidated Financial Statements)</u>	<u>26</u>
<u>(Operating Segment Information)</u>	<u>27</u>
<u>(Earnings Per Share)</u>	<u>27</u>
<u>(Significant Subsequent Events)</u>	<u>27</u>

[Financial Appendix]

1. Financial Highlights for the Fiscal Year Ended March 31, 2026

(1) Business Performance

(i) Business Overview

Takeda is a global R&D-driven biopharmaceutical company focused on discovering and delivering life-transforming treatments in our core therapeutic areas of gastrointestinal and inflammation, neuroscience and oncology, and through our plasma-derived therapies and vaccine business. Together with our partners, we advance the patient experience and expand treatment options for rare and more prevalent diseases through our robust, modality-diverse pipeline. Integration of advanced technologies and AI across our value chain is making our business operations more effective and efficient, increasing innovation and allowing us to better serve our stakeholders. We have a presence in approximately 80 countries and regions, a network of manufacturing sites around the world, and major research centers in Japan and the United States. Commercially, we have a very significant presence in the United States, Japan and Europe, as well as a growing business in China. Our employees around the world are united by our purpose and grounded in the values that have defined us for more than two centuries.

(ii) Consolidated Financial Results (April 1, 2025 to March 31, 2026)

	Billion JPY or percentage				
	For the fiscal year ended March 31,		AER		CER
	2025	2026	JPY Change	% Change	% Change
Revenue	4,581.6	4,505.7	(75.8)	(1.7)%	(2.7)%
Cost of sales	(1,580.2)	(1,571.6)	8.6	(0.5)%	(1.9)%
Selling, general and administrative expenses	(1,104.8)	(1,084.2)	20.6	(1.9)%	(2.5)%
Research and development expenses	(730.2)	(675.9)	54.3	(7.4)%	(7.0)%
Amortization and impairment losses on intangible assets associated with products	(643.2)	(633.5)	9.7	(1.5)%	(1.7)%
Other operating income	26.2	24.7	(1.5)	(5.6)%	(4.4)%
Other operating expenses	(206.7)	(156.4)	50.3	(24.3)%	(25.8)%
Operating profit	342.6	408.8	66.2	19.3 %	14.5 %
Finance income and (expenses), net	(163.5)	(146.4)	17.1	(10.5)%	(7.5)%
Share of loss of investments accounted for using the equity method	(4.0)	(2.2)	1.8	(45.4)%	(52.9)%
Profit before tax	175.1	260.2	85.1	48.6 %	36.6 %
Income tax expenses	(66.9)	(68.2)	(1.2)	1.8 %	(10.4)%
Net profit for the year	108.1	192.0	83.9	77.6 %	65.7 %
Net profit for the year attributable to owners of the Company	107.9	191.8	83.8	77.7 %	65.8 %

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 fiscal year ended March 31, 2026 was JPY 4,505.7 billion (JPY -75.8 billion and -1.7% AER, -2.7% CER). The decline compared to the previous fiscal year was primarily attributable to a decrease in revenue in Neuroscience, one of our six key business areas. The decrease in Neuroscience was largely attributable to the continued impact from generic erosion of VYVANSE (for attention deficit hyperactivity disorder (“ADHD”)) in the U.S. Revenue increased in our other five key business areas of Gastroenterology (“GI”), Rare Disease, Plasma-Derived Therapies (“PDT”), Oncology and Vaccines. Certain products faced headwinds due to the impact of the Medicare Part D redesign and 340B program expansion in the U.S., while there was stable demand in other regions and for other products. Revenue outside of our six key business areas was JPY 224.0 billion (JPY -33.4 billion and -13.0% AER, -15.9% CER).

Revenue by Geographic Region

The following shows revenue by geographic region:

Revenue:	Billion JPY or percentage				
	For the fiscal year ended March 31,		AER		CER
	2025	2026	JPY Change	% Change	% Change
Japan	418.5	433.1	14.6	3.5 %	3.4 %
United States	2,379.7	2,164.8	(214.8)	(9.0)%	(7.7)%
Europe and Canada	1,055.3	1,146.2	91.0	8.6 %	3.0 %
Latin America	235.8	254.1	18.3	7.8 %	4.9 %
China	191.7	195.1	3.4	1.8 %	1.4 %
Asia (excluding Japan & China)	99.4	98.7	(0.7)	(0.7)%	(0.3)%
Russia/CIS	72.4	79.7	7.4	10.2 %	0.7 %
Other*	128.8	133.9	5.0	3.9 %	1.0 %
Total	4,581.6	4,505.7	(75.8)	(1.7)%	(2.7)%

* Other includes the Middle East, Oceania and Africa.

Revenue by Business Area

The following shows revenue by business area:

Revenue:	Billion JPY or percentage				
	For the fiscal year ended March 31,		AER		CER
	2025	2026	JPY Change	% Change	% Change
GI	1,357.0	1,407.5	50.4	3.7 %	3.1 %
Rare Diseases	752.8	762.7	9.9	1.3 %	(0.3)%
PDT	1,032.7	1,057.5	24.9	2.4 %	1.9 %
Oncology	560.4	580.1	19.7	3.5 %	2.0 %
Vaccines	55.4	59.6	4.2	7.6 %	5.1 %
Neuroscience	565.8	414.3	(151.5)	(26.8)%	(27.2)%
Other	257.4	224.0	(33.4)	(13.0)%	(15.9)%
Total	4,581.6	4,505.7	(75.8)	(1.7)%	(2.7)%

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

GI

In GI, revenue was JPY 1,407.5 billion (JPY +50.4 billion and +3.7% AER, +3.1% CER).

Sales of ENTYVIO (for ulcerative colitis and Crohn's disease) were JPY 958.0 billion (JPY +43.9 billion and +4.8% AER, +4.2% CER). Sales in the U.S. were JPY 623.7 billion (JPY +4.5 billion and +0.7% AER). The increase was driven by growth of the subcutaneous formulation, offset by unfavorable foreign exchange rates against the U.S. dollar. Sales in Europe and Canada were JPY 256.7 billion (JPY +29.3 billion and +12.9% AER). The increase was primarily due to continued patient gains through an increased use of the subcutaneous formulation, accompanied by favorable foreign exchange rates against the Euro.

Sales of TAKECAB/VOCINTI (for acid-related diseases) were JPY 143.7 billion (JPY +12.9 billion and +9.9% AER, +9.6% CER). The increase was due to strong demand in China and Japan.

Sales of EOHILIA (for Eosinophilic Esophagitis) were JPY 8.8 billion (JPY +3.3 billion and +61.0% AER, +63.2% CER). The increase was due to strong demand in the U.S.

Sales of RESOLOR/MOTEGRITY (for chronic idiopathic constipation) were JPY 7.3 billion (JPY -12.2 billion and -62.7% AER, -62.8% CER). The decrease was primarily due to the impact of multiple generic entrants in the U.S. beginning in January 2025.

Rare Diseases

In Rare Diseases, revenue was JPY 762.7 billion (JPY +9.9 billion and +1.3% AER, -0.3% CER).

Sales of LIVTENCITY (for post-transplant cytomegalovirus infection/disease) were JPY 46.9 billion (JPY +13.9 billion and +42.2% AER, +41.0% 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 ADZYNMA (for congenital thrombotic thrombocytopenic purpura) were JPY 12.0 billion (JPY +4.9 billion and +68.8% AER, +65.1% CER). The increase was due to post-launch growth in Europe, reflecting an unmet need for treatment of an ultra-rare patient population.

Sales of VONVENDI (for von Willebrand Disease) were JPY 25.3 billion (JPY +4.3 billion and +20.8% AER, +18.6% CER). The increase was due to the expanded indication of VONVENDI, enabling prophylactic use for adult populations.

Sales of ADYNOVATE/ADYNOVI (for hemophilia A) were JPY 56.7 billion (JPY -7.9 billion and -12.3% AER, -13.1% CER). The decrease was primarily due to competitive pressure in the U.S.

Sales of ADVATE (for hemophilia A) were JPY 105.5 billion (JPY -6.2 billion and -5.6% AER, -6.8% CER). The decrease was primarily due to competitive pressure in the U.S.

PDT

In PDT, revenue was JPY 1,057.5 billion (JPY +24.9 billion and +2.4% AER, +1.9% CER).

Aggregate sales of immunoglobulin products, mainly used for the treatment of primary immunodeficiency, chronic inflammatory demyelinating polyneuropathy, and multifocal motor neuropathy, were JPY 790.6 billion (JPY +32.8 billion and +4.3% AER, +4.1% CER). The increase was driven by growth in subcutaneous immunoglobulin therapies, CUVITRU and HYQVIA, while sales of GAMMAGARD LIQUID/KIOVIG, which are intravenous immunoglobulin therapies, slightly increased, despite the impacts of the Medicare Part D redesign in the U.S. and unfavorable foreign exchange rates against the U.S. dollar.

Sales of FEIBA (for hemophilia A and B) were JPY 32.9 billion (JPY -6.6 billion and -16.6% AER, -17.7% CER). The decrease was driven by competitive pressure from recombinant therapies globally.

Oncology

In Oncology, revenue was JPY 580.1 billion (JPY +19.7 billion and +3.5% AER, +2.0% CER).

Sales of ADCETRIS (for malignant lymphomas) were JPY 140.2 billion (JPY +11.2 billion and +8.7% AER, +5.3% CER). The increase was led by strong demand in Europe and the Growth and Emerging Markets, accompanied by favorable foreign exchange rates against the Euro.

Sales of FRUZAQLA (for colorectal cancer) were JPY 55.1 billion (JPY +7.2 billion and +14.9% AER, +14.6% CER). The increase was due to the successful launch in Europe, Japan and the Growth and Emerging Markets, as it addressed a need for new treatment options in metastatic colorectal cancer. The increase was partially offset by a sales decline in the U.S., impacted by the Medicare Part D redesign.

Sales of ICLUSIG (for leukemia) were JPY 75.0 billion (JPY +4.3 billion and +6.1% AER, +5.6% CER). The increase was primarily due to a sales increase in Canada.

Sales of LEUPLIN/ENANTONE (for endometriosis, uterine fibroids, premenopausal breast cancer, prostate cancer, and other certain indications) were JPY 120.8 billion (JPY +1.5 billion and +1.3% AER, -0.4% CER). The increase was primarily due to favorable foreign exchange rates against the Euro.

Sales of NINLARO (for multiple myeloma) were JPY 82.1 billion (JPY -9.1 billion and -10.0% AER, -10.5% 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.

Vaccines

In Vaccines, revenue was JPY 59.6 billion (JPY +4.2 billion and +7.6% AER, +5.1% CER).

Sales of QDENG A (for prevention of dengue) were JPY 40.8 billion (JPY +5.2 billion and +14.6% AER, +10.7% 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 continued temporary suspension of shipments of MR vaccine (for prevention of measles and rubella) in Japan.

Neuroscience

In Neuroscience, revenue was JPY 414.3 billion (JPY -151.5 billion and -26.8% AER, -27.2% CER).

Sales of VYVANSE/ELVANSE (for ADHD) were JPY 203.2 billion (JPY -147.4 billion and -42.0% AER, -43.0% CER). The decrease was due to the continued impact of generic erosion mainly in the U.S.

Cost of Sales

Cost of Sales was JPY 1,571.6 billion (JPY -8.6 billion and -0.5% AER, -1.9% CER). The decrease was primarily due to lower revenue as well as an adjustment to Cost of Sales recorded in the fiscal year ended March 31, 2025 following the implementation of an accounting process to recognize accumulated foreign currency impacts of inventories. However, these factors were largely offset by an increase in the cost ratio due to changes in product mix driven by generic erosion, particularly for VYVANSE in the U.S., and foreign exchange impacts from the depreciation of the Japanese yen against the Euro.

Selling, General and Administrative (SG&A) Expenses

SG&A Expenses were JPY 1,084.2 billion (JPY -20.6 billion and -1.9% AER, -2.5% CER). The decrease was primarily due to cost savings under the enterprise-wide efficiency program.

Research and Development (R&D) Expenses

R&D Expenses were JPY 675.9 billion (JPY -54.3 billion and -7.4% AER, -7.0% CER). The decrease was primarily due to lower expenses in various development programs resulting from the termination or progression of development activities, the co-development funding for mezagitamab recognized as a reduction of R&D expenses, and cost savings under the enterprise-wide efficiency program. This was partially offset by increased investment in late-stage pipeline programs, including zasocitinib and elritercept.

Amortization and Impairment Losses on Intangible Assets Associated with Products

Amortization and Impairment Losses on Intangible Assets Associated with Products were JPY 633.5 billion (JPY -9.7 billion and -1.5% AER, -1.7% CER). The decrease was due to lower amortization expenses (JPY -43.9 billion), mainly reflecting the completion of amortization of intangible assets related to VYVANSE/ELVANSE, partially offset by an increase in impairment losses (JPY +34.2 billion). Impairment losses for the fiscal year ended March 31, 2026 included JPY 58.2 billion related to the gamma delta T-cell therapy platform and associated oncology programs recorded following the decision to discontinue cell therapy research, and JPY 31.9 billion related to ALUNBRIG, a treatment for non-small cell lung cancer, recorded due to a reduction in future sales forecasts. Impairment losses for the fiscal year ended March 31, 2025 included JPY 27.8 billion recorded following the decision to terminate the development of TAK-186 and TAK-280 acquired through Maverick Therapeutics Inc., and JPY 21.5 billion recorded as a result of Phase 3 studies of soticlestat (TAK-935) failing to meet their primary endpoints.

Other Operating Income

Other Operating Income was JPY 24.7 billion (JPY -1.5 billion and -5.6% AER, -4.4% CER). The decrease was due to a gain arising from changes in the fair value of financial liabilities associated with contingent consideration agreement recorded in the fiscal year ended March 31, 2025 and other decreases in the fiscal year ended March 31, 2026 mostly offset by the increase in the divestiture gains recorded in the fiscal year ended March 31, 2026.

Other Operating Expenses

Other Operating Expenses were JPY 156.4 billion (JPY -50.3 billion and -24.3% AER, -25.8% CER). The decrease was primarily attributable to a JPY 57.3 billion decrease in restructuring expenses, reflecting lower costs under the enterprise-wide efficiency program for the fiscal year ended March 31, 2026. It also reflected the absence of one-time expenses related to post-trial access for terminated clinical trials, which had been recorded in the fiscal year ended March 31, 2025 as well as lower asset impairment losses. These decreases were partially offset by higher valuation reserves for pre-launch inventories.

Operating Profit

As a result of the above factors, Operating Profit was JPY 408.8 billion (JPY +66.2 billion and +19.3% AER, +14.5% CER).

Net Finance Expenses

Net Finance Expenses were JPY 146.4 billion (JPY -17.1 billion and -10.5% AER, -7.5% CER). The decrease was primarily attributable to an impairment loss of JPY 18.9 billion related to the sale of Teva Takeda Pharma Ltd. shares recognized in the fiscal year ended March 31, 2025.

Share of Loss of Investments Accounted for Using the Equity Method

Share of Loss of Investments Accounted for Using the Equity Method was JPY 2.2 billion (JPY -1.8 billion and -45.4% AER, -52.9% CER).

Income Tax Expenses

Income Tax Expenses were JPY 68.2 billion (JPY +1.2 billion and +1.8% AER, -10.4% CER). The increase was primarily attributable to higher Profit Before Tax and lower tax credits, largely offset by lower tax expenses recognized in connection with the reassessment of the recoverability of Deferred Tax Assets in the fiscal year ended March 31, 2026.

Net Profit for the Year

As a result of the above factors, Net Profit for the Year was JPY 192.0 billion (JPY +83.9 billion and +77.6% AER, +65.7% CER) and Net Profit for the Year attributable to owners of the Company was JPY 191.8 billion (JPY +83.8 billion and +77.7% AER, +65.8% CER).

(iii) Results of Core Financial Measures (April 1, 2025 to March 31, 2026)

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

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

	Billion JPY or percentage				
	For the fiscal year ended March 31,		AER		CER
	2025	2026	JPY Change	% Change	% Change
Core revenue	4,579.8	4,505.7	(74.1)	(1.6)%	(2.6)%
Core operating profit	1,162.6	1,172.5	9.8	0.8 %	(0.9)%
Core net profit for the year	775.8	814.4	38.6	5.0 %	2.9 %
Core net profit for the year attributable to owners of the Company	775.6	814.1	38.5	5.0 %	2.9 %
Core EPS (yen)	491	517	26	5.2 %	3.1 %

Core Revenue

Core Revenue for the fiscal year ended March 31, 2026 was JPY 4,505.7 billion (JPY -74.1 billion and -1.6% AER, -2.6% CER). The decrease was primarily attributable to a decrease in revenue in Neuroscience, largely attributable to the continued impact from generic erosion of VYVANSE in the U.S.

Takeda’s Growth and Launch Products^(Note) totaled JPY 2,313.3 billion (JPY +111.4 billion and +5.1% AER, +4.5% CER).

(Note) Takeda’s Growth and Launch Products for the fiscal year ended March 31, 2026

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 for the fiscal year ended March 31, 2026 was JPY 1,172.5 billion (JPY +9.8 billion and +0.8% AER, -0.9% CER). The components of Core Operating Profit are as below:

	Billion JPY or percentage				
	For the fiscal year ended March 31,		AER		CER
	2025	2026	JPY Change	% Change	% Change
Core revenue	4,579.8	4,505.7	(74.1)	(1.6)%	(2.6)%
Core cost of sales	(1,581.8)	(1,572.6)	9.2	(0.6)%	(1.9)%
Core selling, general and administrative (SG&A) expenses	(1,105.0)	(1,084.7)	20.4	(1.8)%	(2.5)%
Core research and development (R&D) expenses	(730.4)	(676.0)	54.4	(7.4)%	(7.0)%
Core operating profit	1,162.6	1,172.5	9.8	0.8 %	(0.9)%

During the periods presented, these items fluctuated as follows:

Core Cost of Sales

Core Cost of Sales was JPY 1,572.6 billion (JPY -9.2 billion and -0.6% AER, -1.9% CER). The decrease was primarily due to lower revenue as well as an adjustment to Cost of Sales recorded in the fiscal year ended March 31, 2025 following the implementation of an accounting process to recognize accumulated foreign currency impacts of inventories. However, these factors were largely offset by an increase in the cost ratio due to changes in product mix driven by generic erosion, particularly for VYVANSE in the U.S., and foreign exchange impacts from the depreciation of the Japanese yen against the Euro.

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

Core SG&A Expenses were JPY 1,084.7 billion (JPY -20.4 billion and -1.8% AER, -2.5% CER). The decrease was primarily due to cost savings under the enterprise-wide efficiency program.

Core Research and Development (R&D) Expenses

Core R&D Expenses were JPY 676.0 billion (JPY -54.4 billion and -7.4% AER, -7.0% CER). The decrease was primarily due to lower expenses in various development programs resulting from the termination or progression of development activities, the co-development funding for mezagitamab recognized as a reduction of R&D expenses, and cost savings under the enterprise-wide efficiency program. This was partially offset by increased investment in late-stage pipeline programs, including zasocitinib and elritercept.

Core Net Profit for the Year

Core Net Profit for the Year was JPY 814.4 billion (JPY +38.6 billion and +5.0% AER, +2.9% CER) and Core Net Profit attributable to owners of the Company was JPY 814.1 billion (JPY +38.5 billion and +5.0% AER, +2.9% CER) and are calculated from Core Operating Profit as below:

	Billion JPY or percentage				
	For the fiscal year ended March 31,		AER		CER
	2025	2026	JPY Change	% Change	% Change
Core operating profit	1,162.6	1,172.5	9.8	0.8 %	(0.9)%
Core finance income and (expenses), net	(140.7)	(133.2)	7.5	(5.3)%	(1.9)%
Core share of profit of investments accounted for using the equity method	1.1	(0.1)	(1.3)	—	(82.1)%
Core profit before tax	1,023.1	1,039.2	16.1	1.6 %	(0.9)%
Core income tax expenses	(247.3)	(224.8)	22.5	(9.1)%	(12.8)%
Core net profit for the year	775.8	814.4	38.6	5.0 %	2.9 %
Core net profit for the year attributable to owners of the Company	775.6	814.1	38.5	5.0 %	2.9 %

During the periods presented, these items fluctuated as follows:

Core Net Finance Expenses

Core Net Finance Expenses were JPY 133.2 billion (JPY -7.5 billion and -5.3% AER, -1.9% CER).

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

Core Share of Loss of Investments Accounted for Using the Equity Method was JPY -0.1 billion (JPY -1.3 billion) for the fiscal year ended March 31, 2026.

Core Profit Before Tax

Core Profit Before Tax was JPY 1,039.2 billion (JPY +16.1 billion and +1.6% AER, -0.9% CER).

Core Income Tax Expenses

Core Income Tax Expenses were JPY 224.8 billion (JPY -22.5 billion and -9.1% AER, -12.8% CER). The decrease was primarily due to the reassessment of recoverability of deferred tax assets leading to lower core tax expenses during the fiscal year ended March 31, 2026.

Core EPS

Core EPS was JPY 517 (JPY +26 and +5.2% AER, +3.1% CER).

(2) Consolidated Financial Position

	Billion JPY		
	As of		Change
	March 31, 2025	March 31, 2026	
Total Assets	14,248.3	15,453.1	1,204.8
Total Liabilities	7,312.4	7,678.3	365.9
Total Equity	6,936.0	7,774.8	838.8

Assets

Total Assets as of March 31, 2026 were JPY 15,453.1 billion (JPY +1,204.8 billion). Goodwill, Inventories, and Property, Plant and Equipment increased (JPY +484.6 billion, JPY +179.3 billion, and JPY +152.4 billion, respectively), mainly due to the effect of foreign currency translation. Trade and Other Receivables increased (JPY +134.8 billion), primarily due to higher receivables resulting from a reduction in the trade receivables sales program in the U.S., as well as the effect of foreign currency translation. Deferred Tax Assets increased (JPY +117.1 billion), primarily due to the amortization of intangible assets and the reassessment of the recoverability of Deferred Tax Assets. Total Other Financial Assets increased (JPY +110.2 billion), mainly driven by changes in the fair value of cross currency interest rate swaps in Japan. In addition, Cash and Cash Equivalents increased (JPY +209.9 billion). These increases were partially offset by the decrease of Intangible Assets (JPY -212.2 billion), mainly due to amortization and impairment.

Liabilities

Total Liabilities as of March 31, 2026 were JPY 7,678.3 billion (JPY +365.9 billion). Total Bonds and Loans were JPY 4,881.8 billion*, which increased (JPY +366.6 billion) mainly due to the foreign currency effects, as well as the issuances of unsecured JPY denominated senior bonds, unsecured U.S. dollar-denominated senior guaranteed notes and new Bilateral Loans, which were partially offset by redemption and repayment of certain bonds and loans.

* The carrying amount of Bonds was JPY 4,656.8 billion and that of Loans was JPY 225.0 billion as of March 31, 2026. 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	81.3
Unsecured US Dollar Denominated Senior Notes (USD 1,500 million)	September 2016	September 2026	237.7
Unsecured Euro Denominated Senior Notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	547.6
Unsecured US Dollar Denominated Senior Notes (USD 1,750 million)	November 2018	November 2028	278.4
Unsecured US Dollar Denominated Senior Notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,111.1
Unsecured Euro Denominated Senior Notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	655.8
Unsecured JPY Denominated Senior Bonds	October 2021	October 2031	249.6
Hybrid Bonds (Subordinated Bonds)	June 2024	June 2084	458.4
Unsecured US Dollar Denominated Senior Notes (USD 3,000 million)	July 2024	July 2034 ~ July 2064	473.8
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	379.4
Total			4,656.8

Loans:

Name of Loan (Face Value if Denominated in Foreign Currency)	Execution	Maturity	Carrying Amount (Billion JPY)
Bilateral Loans	March 2023 ~ March 2026	March 2029 ~ March 2034	185.0
Syndicated Hybrid Loans (Subordinated Loans)	October 2024	October 2084	40.0
Other			0.0
Total			225.0

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.

On March 31, 2026, Takeda repaid JPY 75.0 billion in Bilateral Loans falling due and on the same day entered into new Bilateral Loans of JPY 60.0 billion maturing on March 31, 2034. Takeda also entered into commitment facilities of JPY 350.0 billion and USD 2,100 million. These commitment facilities are effective from March 31, 2026 for five years at minimum. In connection with these new facilities, Takeda's existing commitment facility of JPY 700.0 billion expiring in September 2026 was cancelled on the same date. The purpose of the new facilities is for general business use.

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

Equity

Total Equity as of March 31, 2026 was JPY 7,774.8 billion (JPY +838.8 billion). The increase of Other Components of Equity (JPY +945.5 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 -131.1 billion), driven by the decrease of JPY 312.5 billion related to dividend payments, offset by the increase of JPY 192.0 billion from Net Profit for the Year.

(3) Consolidated Cash Flows

	Billion JPY		
	For the fiscal year ended March 31,		
	2025	2026	Change
Net cash from operating activities	1,057.2	1,041.4	(15.8)
Net cash used in investing activities	(367.1)	(369.1)	(2.1)
Net cash used in financing activities	(751.4)	(496.8)	254.6
Net increase (decrease) in cash and cash equivalents	(61.3)	175.5	236.8
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	(11.4)	34.5	45.9
Cash and cash equivalents at the end of the year	385.1	595.1	209.9

Net Cash from Operating Activities

Net Cash from Operating Activities was JPY 1,041.4 billion (JPY -15.8 billion). The decrease was mainly due to unfavorable impacts from Changes in Assets and Liabilities, primarily driven by changes in Other Financial Liabilities. The decrease was largely offset by an increase in net cash inflows from Settlement of Forward Exchange Contracts, Net and favorable impacts resulting from Net Profit for the Year adjusted for non-cash items and other adjustments.

Net Cash used in Investing Activities

Net Cash used in Investing Activities was JPY 369.1 billion (JPY +2.1 billion), essentially flat compared to the fiscal year ended March 31, 2025, reflecting offsetting changes in individual investing activities, including an increase in cash outflows used in Acquisition of Intangible Assets and a decrease in cash outflows from Acquisition of Investments.

Net Cash used in Financing Activities

Net Cash used in Financing Activities was JPY 496.8 billion (JPY -254.6 billion). The decrease was mainly due to higher net cash inflows from the issuance and repayments of bonds and loans.

(4) Outlook for the Fiscal Year Ending March 31, 2027

Consolidated forecast for the fiscal year ending March 31, 2027 (FY2026) is as below:

Consolidated Forecast for the Fiscal Year Ending March 31, 2027 (FY2026)

	FY2025 Actual Results	FY2026 Forecast	Billion JPY or percentage	
			JPY Change	% Change
Revenue	4,505.7	4,640.0	134.3	3.0 %
Operating profit	408.8	420.0	11.2	2.7 %
Profit before tax	260.2	252.0	(8.2)	(3.1)%
Net profit for the year (attributable to owners of the Company)	191.8	166.0	(25.8)	(13.4)%
EPS (JPY)	121.75	104.26	(17.49)	(14.4)%
Core revenue*	4,505.7	4,640.0	134.3	3.0 %
Core operating profit*	1,172.5	1,160.0	(12.5)	(1.1)%
Core EPS (JPY)*	517	472	(45)	(8.7)%

* 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 FY2026 revenue to be JPY 4,640.0 billion, an increase of JPY 134.3 billion, or 3.0%, from FY2025. The increase in revenue from New Launches*¹ and Core In-Line Brands*², together with a favorable year-on-year exchange impact reflecting yen depreciation from FY2025, is expected to more than offset the decrease in revenue from other products.

Because Takeda does not expect any significant non-core items that require adjustment, the Core Revenue forecast for FY2026 is the same as the Revenue forecast.

[Operating Profit]

Operating Profit is expected to increase by JPY 11.2 billion, or 2.7%, to JPY 420.0 billion, primarily attributable to higher revenue and lower amortization expenses of intangible assets due to the conclusion of amortization for VYVANSE/ELVANSE in FY2025. Cost savings from the transformation program designed to strengthen our competitiveness and accelerate future growth are expected to be fully reinvested to support new product launches and further investment in R&D, particularly in late-stage pipeline programs. Other operating expenses are expected to increase, reflecting higher restructuring expenses arising from the transformation program.

Core Operating Profit is expected to be JPY 1,160.0 billion, a decrease of JPY 12.5 billion, or 1.1%.

[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 166.0 billion, a decrease of JPY 25.8 billion, or 13.4%. Profit Before Tax is expected to decrease by JPY 8.2 billion, or 3.1%, to JPY 252.0 billion, reflecting an increase in net finance expenses, more than offsetting the increase in Operating Profit. The effective tax rate is assumed to be approximately 34%, compared to a lower tax rate of 26% rate in FY2025 that resulted from the reassessment of the recoverability of deferred tax assets related to tax loss carryforwards.

Reported EPS is expected to be JPY 104.26, a decrease of JPY 17.49, or 14.4%, and Core EPS is expected to be JPY 472, a decrease of JPY 45, or 8.7%.

*1 New Launches refers to select products launched within past 5 years (EOHILIA, LIVTENCITY, ADZYNMA, FRUZAQLA, QDENGGA) and upcoming launch products rusfertide, oreporexton, and zasocitinib. Revenue from upcoming launches subject to regulatory approvals.

*2 Core In-line Brands refers to select products launched 6 or more years ago that generate over JPY 100.0 billion in annual revenue and are actively promoted (ENTYVIO, GATTEX/REVESTIVE, TAKECAB/VOCINTI, TAKHZYRO, immunoglobulin products, albumin products, ADCETRIS).

Major assumptions used in preparing the FY2026 Forecast

	FY2025 Actual Results	Billion JPY or percentage FY2026 Forecast
FX rates	1 USD = 150 JPY 1 Euro = 174 JPY 1 RUB = 1.9 JPY 1 CNY = 21.1 JPY 1 BRL = 27.6 JPY	1 USD = 156 JPY 1 Euro = 182 JPY 1 RUB = 2.0 JPY 1 CNY = 22.4 JPY 1 BRL = 29.5 JPY
Cost of sales	(1,571.6)	(1,625.0)
SG&A expenses	(1,084.2)	(1,093.0)
R&D expenses	(675.9)	(762.0)
Amortization of intangible assets associated with products	(504.3)	(413.5)
Impairment of intangible assets associated with products ^{*2}	(129.3)	(100.0)
Other operating income	24.7	2.5
Other operating expenses ^{*3}	(156.4)	(229.0)
Finance income and (expenses), net	(146.4)	(170.0)
Adjusted free cash flow ^{*1, 4}	684.5	650.0 to 750.0
Capital expenditures (cash flow base) ^{*4}	(410.9)	(330.0) to (380.0)
Depreciation and amortization (excluding intangible assets associated with products)	(216.8)	(235.0)
Cash tax rate on adjusted EBITDA (excluding divestitures) ^{*1}	~12%	Low 10s%

*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 primarily related to the enterprise-wide efficiency program of JPY 70.8 billion in FY2025 actual results and the transformation program of JPY 170.0 billion in FY2026 forecast.

*4 Includes JPY 184.7 billion upfront payment to Innovent Biologics Inc in FY2025 actual results.

Management Guidance

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

	FY2026 Management Guidance CER % Change*
Core revenue	Low-single digit % decline
Core operating profit	5% to 8% decline
Core EPS	Mid-teens % decline

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

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. See “Important Notice—Forward-Looking Statements” in the Financial Appendix, including the documents mentioned therein. Should any significant event occur which requires the forecast to be revised, the Company will disclose it in a timely manner.

(5) Capital Allocation Policy and Dividends for the Fiscal Year Ended March 31, 2026 and Ending March 31, 2027

(i) Capital Allocation Policy

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

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

- Invest in growth drivers; and
- Shareholder returns.

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

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

(ii) Dividend

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

[FY2025] 200 yen per share
Year-end dividend per share: 100 yen
Together with the interim dividend of 100 yen per share, the annual dividend will be 200 yen per share.

[FY2026 guidance] 204 yen per share

2. Management Policy

(1) Basic Management Policy

Our corporate philosophy tells the story of Takeda — who we are, what we do, how we do it and why it matters. As we embark on Takeda's next era, we will stay committed to delivering on our generational promise to make our world healthier.

Our purpose is to contribute to better health for people and a brighter future for the world. We do this through the pursuit of our vision to discover and deliver life-transforming treatments. Our employees are united in our purpose and grounded in the values of Integrity, Honesty, Fairness and Perseverance, which have defined us for 245 years. This is how we create long-term value for patients, shareholders and society while sustaining positive impact for our people, the communities we serve and the planet we share.

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

Business Environment

The external environment for global biopharmaceutical companies remains complex, defined by continued geopolitical fragmentation and international policy uncertainties. Ongoing tensions, shifting alliances and evolving trade policies are sustaining ambiguities for cross-border operations and long-term investment planning. These dynamics increasingly influence regulatory approaches, supply chain resilience and the overall stability of global health care markets.

Across major geographies, pricing pressure remains a defining challenge. As governments shift budget priorities toward defense and confront slower growth, inflation, and broader fiscal pressures, public health care spending is coming under increasing strain and further intensifying pricing pressures. While governments would like to expand patient access, health care budgets continue to be more constrained, leading to tighter reimbursement frameworks and slower market access pathways around the world. In the U.S., continued implementation of pricing-related policy changes adds further unpredictability for innovative therapies and may influence future investment decisions. In Europe and Japan, structural budget limitations continue to cap growth in several therapeutic areas.

At the same time, the pace of scientific and technological change is accelerating rapidly. Advances in science, data analytics, automation and artificial intelligence are reshaping how we discover, develop and deliver new medicines. In this context, Takeda is prioritizing focused execution, strengthening supply and operating discipline, and advancing a technology-forward, human-centric transformation, while safeguarding scientific rigor and patient trust.

Takeda's continued progress in scientific discovery positions us well. Our work across targeted therapeutic areas and our growing use of digital tools strengthen our ability to deliver innovative medicines with greater speed and efficiency. As external pressures intensify, our commitment to patients — and to advancing science responsibly — remains foundational to how we navigate the years ahead.

Vision for Takeda's Future

In the face of rapid scientific advancement and complexity in global health care, Takeda's strategy is designed to deliver near-term, as we prepare to launch a series of new, transformative medicines, while also positioning us for accelerated growth. In 2025, we achieved strong Phase 3 results across our three leading late-stage assets — ovesporexton, rusfertide and zasocitinib — each with the potential for multi-billion-dollar revenue. These assets not only demonstrate the depth and rigor of our pipeline but also reflect our ability to deliver against demanding regulatory and commercial milestones.

As we look towards the future, we are operating with two horizons in view: horizon one strengthens our competitiveness and builds a growth engine through investment and transformation near-term; horizon two delivers accelerated growth in the mid-to-long term as we scale for the first wave of launches (ovesporexton, rusfertide, zasocitinib), while preparing for the next wave from our other late-stage assets, that will expand our impact for patients and create long-term growth for shareholder.

Horizon One: Transforming for Growth

The first horizon is focused on advancing product launches, executing on a robust late-stage pipeline and transforming how we operate.

Since January, we have implemented changes to our organizational structure and ways of working as the final phase of the CEO transition plan. CEO-Elect Julie Kim established her leadership team and redesigned the organization to bring leaders and teams closer to patients and customers. And as we build our new teams, which includes standardizing, simplifying and accelerating adoption of advanced technologies, we are also instilling a focus on speed and performance while remaining grounded in our values.

For more information on our major activities and progress on R&D from April 2025 to date, please see our discussion of Pipeline and R&D Activities in our Quarterly Financial Report for the Year Ended March 31, 2026.

In this first horizon we are ensuring the necessary resources to flawlessly execute on the multiple launches that we expect in the next 12 months. This horizon is also about advancing our robust pipeline in our key therapeutic areas of Gastrointestinal and Inflammation, Neuroscience and Oncology, including five late-stage assets, and keeping brands, such as ENTYVIO and GAMMAGARD LIQUID/KIOVIG, resilient and competitive, despite challenging market dynamics.

Cost discipline and strategic investment are the hallmarks of this horizon. We are pursuing more than JPY 200 billion in annualized gross savings by fiscal year 2028, reinvesting efficiencies into launches, pipeline development and technology — a commitment to maintaining financial discipline while positioning for accelerated growth. Generating strong adjusted Free Cash Flow* is core to our strategy, allowing us to fulfill our commitments and return value to shareholders.

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

Horizon Two: Growth Acceleration

Through the disciplined choices and a strong launch focus in Horizon One, we are building an engine to unlock Takeda's next era of growth in Horizon Two — shifting from a maturing portfolio to a new cohort of blockbuster brands. This new cohort will be led by oreporexton, rufertide and zasocitinib, followed by additional new product introductions from our late-stage pipeline. The new product revenues plus a steadfast commitment to operating with greater efficiency will position us to grow sustainably beyond the anticipated challenges of our mature portfolio.

The company also remains committed to scaling its positive impact on patients and society by deploying next-generation science and technology to redefine what is possible, both in the medicines it delivers and in the outcomes it helps enable.

Technology as the Engine of Transformation

In this new era, technology is not a standalone objective. It is central to Takeda's transformation and inseparable from the way we discover, develop and deliver value — acting as multipliers for curiosity, creativity and the collective expertise of our teams.

Artificial intelligence, digital platforms and advanced analytics are now embedded into every stage of the value chain. These technologies accelerate timelines, elevate the quality of decision-making and bring new standards of care to patients faster. Our digital capabilities also help break down silos, fostering a culture of rapid learning, cross-functional agility and operational excellence.

Across Takeda, technology is not just a tool, it is a collaborator that expands the possibilities. By equipping our people with advanced platforms and data-driven insights, we empower them to focus on what matters most: meeting urgent patient needs, driving impact, fueling our growth and building lasting trust with all stakeholders.

A Future Defined by Collaboration and Impact

We know that meaningful progress in health care is the product of partnership. Takeda's vision for the future continues to be grounded in collaboration — within our own teams, across the biopharmaceutical sector and in concert with the broader scientific, regulatory and patient communities. We actively seek diverse voices to co-create solutions, whether through public-private partnerships, global alliances or local community engagement.

Our commitment to collaboration extends to how we build the next wave of innovation. Open science, shared platforms and coalition-building are central to addressing the complexity of tomorrow's health challenges. By working together, across sectors and geographies, we will expand access, drive equitable outcomes and amplify the positive impact of our efforts for generations to come.

Financial Prospects

Built on a strong financial base and robust strategic framework, our financial approach is designed to support sustainable growth and long-term value creation.

Over the near-to-mid term, we are focused on delivering key regulatory and commercial milestones for a number of high-potential launches, including oreporexton, rufertide and zasocitinib, and to advance the broader late-stage pipeline, underpinned by the resilience and competitiveness of our maturing established portfolio.

To protect profitability, we will optimize our organizational structure and leverage data and technology to enhance decision-making and operational efficiency. We will also reduce Other Operating Expenses, including restructuring expenses, and lower Finance Expenses through debt reduction to improve reported net profit, supporting dividends and helping deliver ROE above 5%.

Disciplined capital allocation and cash generation will enable robust adjusted Free Cash Flow* to fund continued investment in growth, alongside further debt reduction and maintaining a progressive dividend policy, while enhancing capital efficiency.

In the long term, we expect new products to replace the current maturing portfolio as the primary drivers of growth acceleration. Topline growth and continued cost discipline should position us to improve profitability, with Core Operating Profit* margin progressing toward low-to-mid 30s%. We also target an adjusted net debt to adjusted EBITDA ratio* of 2x, further strengthening our financial position and enhancing capital flexibility for further investment in sustainable growth.

Taken together, these actions are expected to support sustained improvements in financial performance. Over time, this is expected to contribute to the continued enhancement of enterprise value and competitive total shareholder returns.

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

3. Basic Approach to the Selection of Accounting Standards

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

4. Consolidated Financial Statements [IFRS] and Major Notes

(1) Consolidated Statements of Profit or Loss

	JPY (millions)	
	For the year ended March 31,	
	2025	2026
Revenue	4,581,551	4,505,720
Cost of sales	(1,580,217)	(1,571,588)
Selling, general and administrative expenses	(1,104,766)	(1,084,215)
Research and development expenses	(730,227)	(675,924)
Amortization and impairment losses on intangible assets associated with products	(643,233)	(633,544)
Other operating income	26,212	24,747
Other operating expenses	(206,733)	(156,435)
Operating profit	342,586	408,761
Finance income	46,549	211,177
Finance expenses	(210,065)	(357,572)
Share of loss of investments accounted for using the equity method	(3,986)	(2,177)
Profit before tax	175,084	260,189
Income tax expenses	(66,941)	(68,163)
Net profit for the year	108,143	192,026
Attributable to:		
Owners of the Company	107,928	191,762
Non-controlling interests	215	264
Net profit for the year	108,143	192,026
Earnings per share (JPY)		
Basic earnings per share	68.36	121.75
Diluted earnings per share	67.23	119.64

(2) Consolidated Statements of Comprehensive Income

	JPY (millions)	
	For the year ended March 31,	
	2025	2026
Net profit for the year	108,143	192,026
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	(12,311)	(4,976)
Remeasurement of defined benefit pension plans	(7,046)	1,914
	(19,357)	(3,062)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(153,345)	903,895
Cash flow hedges	(956)	28,950
Hedging cost	7,963	3,159
Share of other comprehensive loss of investments accounted for using the equity method	(145)	(541)
	(146,484)	935,463
Other comprehensive income (loss) for the year, net of tax	(165,841)	932,401
Total comprehensive income (loss) for the year	(57,698)	1,124,427
Attributable to:		
Owners of the Company	(57,852)	1,124,114
Non-controlling interests	154	313
Total comprehensive income (loss) for the year	(57,698)	1,124,427

(3) Consolidated Statements of Financial Position

	JPY (millions)	
	As of March 31, 2025	As of March 31, 2026
ASSETS		
Non-current assets:		
Property, plant and equipment	1,968,209	2,120,639
Goodwill	5,324,430	5,809,010
Intangible assets	3,631,560	3,419,348
Investments accounted for using the equity method	10,802	8,796
Other financial assets	351,124	439,941
Other non-current assets	70,282	77,010
Deferred tax assets	370,745	487,867
Total non-current assets	11,727,152	12,362,611
Current assets:		
Inventories	1,217,349	1,396,620
Trade and other receivables	709,465	844,312
Other financial assets	20,476	41,888
Income taxes receivable	15,789	32,036
Other current assets	159,603	162,638
Cash and cash equivalents	385,113	595,054
Assets held for sale	13,397	17,955
Total current assets	2,521,192	3,090,503
Total assets	14,248,344	15,453,113

	JPY (millions)	
	As of March 31, 2025	As of March 31, 2026
LIABILITIES AND EQUITY		
LIABILITIES		
Non-current liabilities:		
Bonds and loans	3,966,326	4,369,681
Other financial liabilities	550,900	571,248
Net defined benefit liabilities	135,429	143,683
Provisions	35,177	37,550
Other non-current liabilities	82,859	99,818
Deferred tax liabilities	35,153	26,804
Total non-current liabilities	4,805,844	5,248,784
Current liabilities:		
Bonds and loans	548,939	512,157
Trade and other payables	475,541	491,345
Other financial liabilities	219,120	141,220
Income taxes payable	133,497	97,880
Provisions	533,140	595,957
Other current liabilities	596,283	590,152
Liabilities held for sale	—	818
Total current liabilities	2,506,521	2,429,530
Total liabilities	7,312,365	7,678,314
EQUITY		
Share capital	1,694,685	1,695,277
Share premium	1,775,713	1,776,352
Treasury shares	(74,815)	(49,128)
Retained earnings	1,187,586	1,056,532
Other components of equity	2,351,915	3,297,407
Other comprehensive income associated with assets held for sale	—	(2,848)
Equity attributable to owners of the Company	6,935,084	7,773,592
Non-controlling interests	895	1,208
Total equity	6,935,979	7,774,800
Total liabilities and equity	14,248,344	15,453,113

(4) Consolidated Statements of Changes in Equity

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

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

	JPY (millions)					
	Equity attributable to owners of the Company					Other components of equity
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2025	1,694,685	1,775,713	(74,815)	1,187,586	2,419,978	4,757
Net profit for the year				191,762		
Other comprehensive income (loss)					903,306	(4,976)
Comprehensive income (loss) for the year	—	—	—	191,762	903,306	(4,976)
Transactions with owners:						
Issuance of new shares	593	593				
Acquisition of treasury shares		(20)	(51,618)			
Dividends				(312,524)		
Transfers from other components of equity				(10,292)		12,205
Share-based compensation		77,371				
Exercise of share-based awards		(77,305)	77,305			
Transfer to other comprehensive income associated with assets held for sale					2,848	
Total transactions with owners	593	638	25,687	(322,815)	2,848	12,205
As of March 31, 2026	1,695,277	1,776,352	(49,128)	1,056,532	3,326,132	11,986

	Equity attributable to owners of the Company							
	Other components of equity							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	Total equity attributable to owners of the Company	Non-controlling interests	
As of April 1, 2025	(64,852)	(7,967)	—	2,351,915	—	6,935,084	895	6,935,979
Net profit for the year				—		191,762	264	192,026
Other comprehensive income (loss)	28,950	3,159	1,914	932,352		932,352	48	932,401
Comprehensive income (loss) for the year	28,950	3,159	1,914	932,352	—	1,124,114	313	1,124,427
Transactions with owners:								
Issuance of new shares				—		1,186		1,186
Acquisition of treasury shares				—		(51,638)		(51,638)
Dividends				—		(312,524)		(312,524)
Transfers from other components of equity			(1,914)	10,292		—		—
Share-based compensation				—		77,371		77,371
Exercise of share-based awards				—		—		—
Transfer to other comprehensive income associated with assets held for sale				2,848	(2,848)	—		—
Total transactions with owners	—	—	(1,914)	13,140	(2,848)	(285,606)	—	(285,606)
As of March 31, 2026	(35,903)	(4,808)	—	3,297,407	(2,848)	7,773,592	1,208	7,774,800

(5) Consolidated Statements of Cash Flows

	JPY (millions)	
	For the year ended March 31,	
	2025	2026
Cash flows from operating activities:		
Net profit for the year	108,143	192,026
Depreciation and amortization	761,396	721,127
Impairment losses	106,529	145,716
Equity-settled share-based compensation	72,867	72,775
Loss on sales and disposal of property, plant and equipment	4,495	3,068
Gain on divestment of business and subsidiaries	(10,198)	(18,265)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	(602)	1,006
Finance (income) and expenses, net	163,516	146,395
Share of loss of investments accounted for using the equity method	3,986	2,177
Income tax expenses	66,941	68,163
Changes in assets and liabilities:		
Increase in trade and other receivables	(58,959)	(70,166)
Increase in inventories	(34,973)	(61,293)
Decrease in trade and other payables	(7,118)	(3,150)
Increase in provisions	45,166	13,576
Decrease in other financial liabilities	(3,488)	(81,606)
Settlement of forward exchange contracts, net	5,945	129,727
Other, net	(16,052)	(47,282)
Cash generated from operations	1,207,595	1,213,993
Income taxes paid	(170,589)	(180,405)
Tax refunds and interest on tax refunds received	20,176	7,843
Net cash from operating activities	1,057,182	1,041,431
Cash flows from investing activities:		
Interest received	17,660	17,359
Dividends received	635	1,298
Acquisition of property, plant and equipment	(200,795)	(176,003)
Proceeds from sales of property, plant and equipment	78	6,454
Acquisition of intangible assets	(147,046)	(234,930)
Acquisition of option to license	(31,784)	(3,726)
Acquisition of investments	(97,536)	(15,895)
Proceeds from sales and redemption of investments	29,442	7,031
Acquisition of shares in associates	(1,004)	(623)
Proceeds from sales of shares in associates	57,691	880
Proceeds from sales of business, net of cash and cash equivalents divested	20,556	33,325
Settlement of forward exchange contracts designated as net investment hedges, net	(13,847)	(1,536)
Other, net	(1,111)	(2,775)
Net cash used in investing activities	(367,060)	(369,141)

	JPY (millions)	
	For the year ended March 31,	
	2025	2026
Cash flows from financing activities:		
Net increase (decrease) in short-term loans and commercial papers	27,490	(341,780)
Proceeds from issuance of bonds and long-term loans	1,024,460	586,060
Repayments of bonds and long-term loans	(1,321,090)	(200,432)
Settlement of cross currency interest swaps related to bonds and loans	46,880	—
Acquisition of treasury shares	(51,860)	(51,603)
Interest paid	(112,984)	(121,380)
Dividends paid	(302,498)	(311,901)
Repayments of lease liabilities	(45,174)	(42,772)
Other, net	(16,647)	(13,011)
Net cash used in financing activities	(751,425)	(496,820)
Net increase (decrease) in cash and cash equivalents	(61,303)	175,469
Cash and cash equivalents at the beginning of the year	457,800	385,113
Effects of exchange rate changes on cash and cash equivalents	(11,385)	34,472
Cash and cash equivalents at the end of the year	385,113	595,054

(6) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

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

1. Basis of Preparation

(1) Compliance

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

(2) Basis of Measurement

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

(3) Functional and Presentation Currency

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

(4) Changes in Presentation

(Consolidated Statements of Financial Position)

"Income taxes payable", which had been presented separately under "Non-current liabilities" in the fiscal year ended March 31, 2025, has been included in "Other non-current liabilities" from the fiscal year ended March 31, 2026 due to immateriality. To reflect this change in presentation, the Consolidated Statements of Financial Position as of March 31, 2025 have been reclassified on a consistent basis.

As a result, the amounts previously reported as "Income taxes payable" within non-current liabilities of JPY 317 million and "Other non-current liabilities" of JPY 82,542 million in the Consolidated Statements of Financial Position as of March 31, 2025 have been reclassified and presented as "Other non-current liabilities" totaling JPY 82,859 million.

(Consolidated Statements of Cash Flows)

Cash flows arising from the settlement of forward exchange contracts, which had been included in "Other (net)" within cash flows from operating activities in the fiscal year ended March 31, 2025, have been presented separately as "Settlement of forward exchange contracts, net" from the fiscal year ended March 31, 2026 due to its increased materiality.

To reflect this change in presentation, the Consolidated Statements of Cash Flows in the fiscal year ended March 31, 2025 have been reclassified on a consistent basis.

As a result, in the Consolidated Statements of Cash Flows for the fiscal year ended March 31, 2025, an amount of JPY 10,107 million previously presented within "Other (net)" under "Cash flows from operating activities" has been reclassified and presented as JPY 5,945 million in "Settlement of forward exchange contracts, net" and JPY 16,052 million in "Other (net)."

This change represents a reclassification within cash flows from operating activities and has no impact on the total amount of net cash flows from operating activities.

2. Material Accounting Policies

During the year ended March 31, 2026, the material accounting standards applied in Takeda's consolidated financial statements were consistent with those applied in the prior year's consolidated financial statements.

(Operating Segment Information)

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

(Earnings Per Share)

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

	For the year ended March 31,	
	2025	2026
Net profit for the year attributable to owners of the Company:		
Net profit for the year attributable to owners of the Company JPY (millions)	107,928	191,762
Net profit used for calculation of earnings per share JPY (millions)	107,928	191,762
Weighted-average number of ordinary shares outstanding during the year (thousands of shares) [basic]	1,578,873	1,575,062
Dilutive effect (thousands of shares)	26,450	27,721
Weighted-average number of ordinary shares outstanding during the year (thousands of shares) [diluted]	1,605,323	1,602,783
Earnings per share		
Basic (JPY)	68.36	121.75
Diluted (JPY)	67.23	119.64

(Significant Subsequent Events)

Not applicable.

FINANCIAL APPENDIX



Definition of Non-IFRS Measures

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

Reconciliations and Other Financial Information

FY2025 Reported Results with CER % Change	A-4
FY2025 Q4 (Jan-Mar) Reported Results with CER % Change	A-5
FY2025 Core Results with CER % Change	A-6
FY2025 Q4 (Jan-Mar) Core Results with CER % Change	A-7
FY2025 Reconciliation from Reported to Core	A-8
FY2025 Q4 (Jan-Mar) Reconciliation from Reported to Core	A-9
FY2024 Reconciliation from Reported to Core	A-10
FY2024 Q4 (Jan-Mar) Reconciliation from Reported to Core	A-11
FY2025 Adjusted Free Cash Flow	A-12
FY2025 Adjusted Net Debt to Adjusted EBITDA	A-13
FY2024 Adjusted Net Debt to Adjusted EBITDA	A-14
FY2025 Net Profit to Adjusted EBITDA Bridge	A-15
FY2025 CAPEX, Depreciation and Amortization and Impairment Losses	A-16
FY2025 Results vs. Forecast (Jan. 2026)	A-17
FY2026 Full Year Detailed Forecast	A-18
FY2026 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast	A-19
FY2026 Full Year FX Rates Assumptions and Currency Sensitivity vs. Forecast	A-20

Important Notice

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

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

Core Financial Measures

Takeda's Core Financial Measures, particularly **Core Revenue**, **Core Operating Profit**, **Core Net Profit for the Year attributable to owners of the Company** and **Core EPS**, exclude revenue from divestments, amortization and impairment losses on intangible assets associated with products (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 current quarter and the use of relevant spot rates for new non-JPY debt incurred and existing non-JPY debt redeemed during the current quarter, 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 = 159.08 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 31, 2026. 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 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2024	FY2025	AER		CER	(Million USD, except EPS) FY2025 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	4,581.6	4,505.7	(75.8)	(1.7) %	(2.7) %	28,324
Cost of sales	(1,580.2)	(1,571.6)	8.6	0.5 %	1.9 %	(9,879)
Gross profit	3,001.3	2,934.1	(67.2)	(2.2) %	(3.1) %	18,444
Margin	65.5 %	65.1 %		(0.4) pp	(0.3) pp	65.1 %
SG&A expenses	(1,104.8)	(1,084.2)	20.6	1.9 %	2.5 %	(6,816)
R&D expenses	(730.2)	(675.9)	54.3	7.4 %	7.0 %	(4,249)
Amortization of intangible assets associated with products	(548.2)	(504.3)	43.9	8.0 %	7.7 %	(3,170)
Impairment losses on intangible assets associated with products*	(95.0)	(129.3)	(34.2)	(36.0) %	(33.3) %	(813)
Other operating income	26.2	24.7	(1.5)	(5.6) %	(4.4) %	156
Other operating expenses	(206.7)	(156.4)	50.3	24.3 %	25.8 %	(983)
Operating profit	342.6	408.8	66.2	19.3 %	14.5 %	2,570
Margin	7.5 %	9.1 %		1.6 pp	1.3 pp	9.1 %
Finance income	46.5	211.2	164.6	353.7 %	353.8 %	1,327
Finance expenses	(210.1)	(357.6)	(147.5)	(70.2) %	(72.5) %	(2,248)
Share of profit (loss) of investments accounted for using the equity method	(4.0)	(2.2)	1.8	45.4 %	52.9 %	(14)
Profit before tax	175.1	260.2	85.1	48.6 %	36.6 %	1,636
Income tax (expenses) benefit	(66.9)	(68.2)	(1.2)	(1.8) %	10.4 %	(428)
Net profit for the year	108.1	192.0	83.9	77.6 %	65.7 %	1,207
Non-controlling interests	(0.2)	(0.3)	(0.0)	(22.9) %	(30.8) %	(2)
Net profit attributable to owners of the Company	107.9	191.8	83.8	77.7 %	65.8 %	1,205
Basic EPS (JPY or USD)	68.36	121.75	53.39	78.1 %	66.2 %	0.77

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

(Billion JPY, except EPS)	FY2024 Q4 (Jan-Mar)	FY2025 Q4 (Jan-Mar)	AER		CER	(Million USD, except EPS) FY2025 Q4 (Jan-Mar) Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,053.4	1,094.5	41.1	3.9 %	(2.2) %	6,880
Cost of sales	(382.1)	(405.7)	(23.6)	(6.2) %	0.4 %	(2,550)
Gross profit	671.3	688.8	17.5	2.6 %	(3.2) %	4,330
Margin	63.7 %	62.9 %		(0.8) pp	(0.7) pp	62.9 %
SG&A expenses	(295.9)	(292.0)	3.9	1.3 %	6.0 %	(1,836)
R&D expenses	(216.0)	(195.3)	20.7	9.6 %	11.5 %	(1,228)
Amortization of intangible assets associated with products	(136.5)	(107.4)	29.2	21.4 %	24.1 %	(675)
Impairment losses on intangible assets associated with products*	(66.5)	(47.5)	19.1	28.7 %	30.5 %	(298)
Other operating income	10.4	2.3	(8.2)	(78.3) %	(76.6) %	14
Other operating expenses	(41.8)	(62.6)	(20.8)	(49.9) %	(41.1) %	(393)
Operating profit	(74.9)	(13.6)	61.3	81.8 %	65.6 %	(86)
Margin	(7.1)%	(1.2)%		5.9 pp	4.6 pp	(1.2)%
Finance income	18.7	15.8	(2.9)	(15.6) %	(22.9) %	99
Finance expenses	(50.3)	(54.3)	(4.0)	(7.9) %	(5.7) %	(341)
Share of profit (loss) of investments accounted for using the equity method	(0.8)	(0.4)	0.4	54.2 %	50.4 %	(2)
Profit before tax	(107.3)	(52.5)	54.8	51.1 %	39.5 %	(330)
Income tax (expenses) benefit	4.2	28.2	24.0	571.8 %	612.4 %	177
Net profit for the period	(103.1)	(24.3)	78.8	76.5 %	66.1 %	(152)
Non-controlling interests	(0.1)	(0.1)	(0.0)	(10.7) %	(16.4) %	(0)
Net profit attributable to owners of the Company	(103.2)	(24.3)	78.8	76.4 %	66.0 %	(153)
Basic EPS (JPY or USD)	(65.25)	(15.39)	49.85	76.4 %	66.0 %	(0.10)

* 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 Core Results with CER % Change

(Billion JPY, except EPS)	FY2024	FY2025	AER		CER	(Million USD, except EPS) FY2025 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	4,579.8	4,505.7	(74.1)	(1.6) %	(2.6) %	28,324
Cost of sales	(1,581.8)	(1,572.6)	9.2	0.6 %	1.9 %	(9,886)
Gross profit	2,998.0	2,933.1	(64.9)	(2.2) %	(3.0) %	18,438
Margin	65.5 %	65.1 %		(0.4) pp	(0.2) pp	65.1 %
SG&A expenses	(1,105.0)	(1,084.7)	20.4	1.8 %	2.5 %	(6,818)
R&D expenses	(730.4)	(676.0)	54.4	7.4 %	7.0 %	(4,249)
Operating profit	1,162.6	1,172.5	9.8	0.8 %	(0.9) %	7,370
Margin	25.4 %	26.0 %		0.6 pp	0.4 pp	26.0 %
Finance income	34.3	211.1	176.8	515.3 %	515.3 %	1,327
Finance expenses	(175.0)	(344.3)	(169.3)	(96.7) %	(99.5) %	(2,164)
Share of profit (loss) of investments accounted for using the equity method	1.1	(0.1)	(1.3)	—	(82.1) %	(1)
Profit before tax	1,023.1	1,039.2	16.1	1.6 %	(0.9) %	6,532
Income tax (expenses) benefit	(247.3)	(224.8)	22.5	9.1 %	12.8 %	(1,413)
Net profit for the year	775.8	814.4	38.6	5.0 %	2.9 %	5,119
Non-controlling interests	(0.2)	(0.3)	(0.0)	(22.9) %	(30.8) %	(2)
Net profit attributable to owners of the Company	775.6	814.1	38.5	5.0 %	2.9 %	5,118
Basic EPS (JPY or USD)	491	517	26	5.2 %	3.1 %	3.25

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

(Billion JPY, except EPS)	FY2024 Q4 (Jan-Mar)	FY2025 Q4 (Jan-Mar)	AER		CER	(Million USD, except EPS) FY2025 Q4 (Jan-Mar) Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,051.7	1,094.5	42.9	4.1 %	(2.0) %	6,880
Cost of sales	(383.5)	(406.2)	(22.8)	(5.9) %	0.6 %	(2,554)
Gross profit	668.2	688.3	20.1	3.0 %	(2.8) %	4,327
Margin	63.5 %	62.9 %		(0.7) pp	(0.5) pp	62.9 %
SG&A expenses	(295.8)	(292.1)	3.7	1.2 %	5.9 %	(1,836)
R&D expenses	(216.0)	(195.3)	20.7	9.6 %	11.5 %	(1,228)
Operating profit	156.4	200.9	44.5	28.5 %	15.1 %	1,263
Margin	14.9 %	18.4 %		3.5 pp	2.6 pp	18.4 %
Finance income	12.9	15.8	2.9	22.9 %	12.3 %	99
Finance expenses	(47.4)	(50.0)	(2.6)	(5.6) %	(3.2) %	(314)
Share of profit (loss) of investments accounted for using the equity method	(0.4)	(0.4)	0.0	9.7 %	2.1 %	(2)
Profit before tax	121.4	166.3	44.9	36.9 %	19.5 %	1,045
Income tax (expenses) benefit	(44.7)	(25.7)	19.0	42.6 %	50.4 %	(161)
Net profit for the period	76.8	140.6	63.9	83.2 %	60.1 %	884
Non-controlling interests	(0.1)	(0.1)	(0.0)	(10.7) %	(16.4) %	(0)
Net profit attributable to owners of the Company	76.7	140.6	63.9	83.2 %	60.2 %	884
Basic EPS (JPY or USD)	49	89	40	83.4 %	60.3 %	0.56

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 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments				Core
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	4,505.7					4,505.7
Cost of sales	(1,571.6)				(1.0)	(1,572.6)
Gross profit	2,934.1				(1.0)	2,933.1
SG&A expenses	(1,084.2)				(0.5)	(1,084.7)
R&D expenses	(675.9)				(0.0)	(676.0)
Amortization of intangible assets associated with products	(504.3)	504.3				—
Impairment losses on intangible assets associated with products*	(129.3)		129.3			—
Other operating income	24.7			(24.7)		—
Other operating expenses	(156.4)			156.4		—
Operating profit	408.8	504.3	129.3	131.7	(1.5)	1,172.5
Margin	9.1 %					26.0 %
Finance income and (expenses), net	(146.4)				13.2	(133.2)
Share of profit (loss) of investments accounted for using the equity method	(2.2)				2.0	(0.1)
Profit before tax	260.2	504.3	129.3	131.7	13.7	1,039.2
Income tax (expenses) benefit	(68.2)	(107.2)	(17.5)	(27.0)	(4.9)	(224.8)
Non-controlling interests	(0.3)					(0.3)
Net profit attributable to owners of the Company	191.8	397.1	111.7	104.7	8.9	814.1
Basic EPS (JPY)	122					517
Number of shares (millions)	1,575					1,575

* Includes in-process R&D.

FY2025 Q4 (Jan-Mar) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments				Core
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,094.5					1,094.5
Cost of sales	(405.7)				(0.5)	(406.2)
Gross profit	688.8				(0.5)	688.3
SG&A expenses	(292.0)				(0.2)	(292.1)
R&D expenses	(195.3)				0.0	(195.3)
Amortization of intangible assets associated with products	(107.4)	107.4				—
Impairment losses on intangible assets associated with products*	(47.5)		47.5			—
Other operating income	2.3			(2.3)		—
Other operating expenses	(62.6)			62.6		—
Operating profit	(13.6)	107.4	47.5	60.3	(0.7)	200.9
Margin	(1.2)%					18.4 %
Finance income and (expenses), net	(38.5)				4.3	(34.2)
Share of profit (loss) of investments accounted for using the equity method	(0.4)					(0.4)
Profit before tax	(52.5)	107.4	47.5	60.3	3.6	166.3
Income tax (expenses) benefit	28.2	(27.3)	(11.4)	(14.2)	(1.1)	(25.7)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	(24.3)	80.1	36.1	46.1	2.6	140.6
Basic EPS (JPY)	(15)					89
Number of shares (millions)	1,580					1,580

* Includes in-process R&D.

FY2024 Reconciliation from Reported to Core

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

* Includes in-process R&D.

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

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

* Includes in-process R&D.

FY2025 Adjusted Free Cash Flow

(Billion JPY)	FY2024	FY2025	JPY Change	% Change	(Million USD) FY2025 Convenience USD Translation
Net profit	108.1	192.0	83.9	77.6 %	1,207
Depreciation, amortization and impairment losses	867.9	866.8	(1.1)		5,449
Decrease (increase) in trade working capital	(101.0)	(134.6)	(33.6)		(846)
Income taxes paid	(170.6)	(180.4)	(9.8)		(1,134)
Tax refunds and interest on tax refunds received	20.2	7.8	(12.3)		49
Settlement of forward exchange contracts, net	5.9	129.7	123.8		815
Other	326.6	160.0	(166.6)		1,006
Net cash from operating activities (Operating Cash Flow)	1,057.2	1,041.4	(15.8)	(1.5)%	6,547
Acquisition of PP&E	(200.8)	(176.0)	24.8		(1,106)
Free Cash Flow* ¹	856.4	865.4	9.0	1.1 %	5,440
Adjustment for cash temporarily held by Takeda on behalf of third parties* ²	2.1	26.6	24.5		167
Proceeds from sales of PP&E	0.1	6.5	6.4		41
Acquisition of intangible assets* ³	(147.0)	(234.9)	(87.9)		(1,477)
Acquisition of option to license	(31.8)	(3.7)	28.1		(23)
Acquisition of investments* ⁴	(17.4)	(15.9)	1.5		(100)
Proceeds from sales and redemption of investments	29.4	7.0	(22.4)		44
Acquisition of shares in associates	(1.0)	(0.6)	0.4		(4)
Proceeds from sales of shares in associates	57.7	0.9	(56.8)		6
Proceeds from sales of business, net of cash and cash equivalents divested	20.6	33.3	12.8		209
Adjusted Free Cash Flow* ¹	769.0	684.5	(84.4)	(11.0)%	4,303

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

FY2025 Adjusted Net Debt to Adjusted EBITDA

ADJUSTED NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2025
Book value of bonds and loans on consolidated statement of financial position	(4,881.8)
Cash & cash equivalents	595.1
Net Debt ^{*1}	(4,286.8)
Application of equity credit ^{*2}	250.0
FX adjustment ^{*3}	213.2
Cash temporarily held by Takeda on behalf of third parties ^{*4}	(79.2)
Level 1 debt investments ^{*4}	85.1
Adjusted Net Debt ^{*1}	(3,817.6)
Adjusted EBITDA	1,457.2
Adjusted Net Debt/Adjusted EBITDA ratio	2.6x
Book value of bonds and loans on consolidated statement of financial position	(4,881.8)
Application of equity credit ^{*2}	250.0
FX adjustment ^{*3}	213.2
Adjusted Gross Debt	(4,418.7)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2024	FY2025	JPY Change	% Change
Net cash from operating activities (Operating Cash Flow)	1,057.2	1,041.4	(15.8)	(1.5)%
Acquisition of PP&E	(200.8)	(176.0)		
Proceeds from sales of PP&E	0.1	6.5		
Acquisition of intangible assets	(147.0)	(234.9)		
Acquisition of option to license	(31.8)	(3.7)		
Acquisition of investments	(97.5)	(15.9)		
Proceeds from sales and redemption of investments	29.4	7.0		
Acquisition of shares in associates	(1.0)	(0.6)		
Proceeds from sales of shares in associates	57.7	0.9		
Proceeds from sales of business, net of cash and cash equivalents divested	20.6	33.3		
Settlement of forward exchange contracts designated as net investment hedges, net	(13.8)	(1.5)		
Net increase (decrease) in short-term loans and commercial papers	27.5	(341.8)		
Proceeds from long-term loans	90.0	60.0		
Repayment of long-term loans	(587.2)	(85.1)		
Proceeds from issuance of bonds	934.5	526.1		
Repayment of bonds	(733.8)	(115.3)		
Settlement of cross currency interest rate swaps related to bonds and loans	46.9	—		
Acquisition of treasury shares	(51.9)	(51.6)		
Interest paid	(113.0)	(121.4)		
Dividends paid	(302.5)	(311.9)		
Others	(44.6)	(39.9)		
Net increase (decrease) in cash and cash equivalents	(61.3)	175.5	236.8	(386.2)%

*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 current quarter 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 current quarter 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 the trade receivables sales program, which is not available to Takeda's immediate or general business use, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

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

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2023	FY2024	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		
Settlement of forward exchange contracts designated as net investment hedges, net	(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)		
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 current quarter 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 current quarter 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 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2024	FY2025	JPY Change	% Change
Net profit	108.1	192.0	83.9	77.6 %
Income tax expenses (benefit)	66.9	68.2		
Depreciation and amortization	761.4	721.1		
Interest expense, net	117.7	131.2		
EBITDA	1,054.2	1,112.6	58.4	5.5 %
Impairment losses	106.5	145.7		
Other operating expenses (income), net, excluding depreciation and amortization, and impairment losses	163.2	114.2		
Finance expenses (income), net, excluding interest expense, net	45.8	15.1		
Share of loss (profit) of investments accounted for using the equity method	4.0	2.2		
Other adjustments:	67.4	69.6		
Teva JV related adjustment	(1.7)	—		
Other costs ^{*1}	69.2	69.6		
EBITDA from divested products ^{*2}	(0.2)	(2.1)		
Adjusted EBITDA	1,441.0	1,457.2	16.2	1.1 %

*1 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.

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

FY2025 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2024	FY2025	JPY Change	% Change	2026 Forecast
Capital expenditures ^{*1}	347.8	410.9	63.1	18.1 %	330.0 - 380.0
Tangible assets	200.8	176.0	(24.8)	(12.3)%	
Intangible assets	147.0	234.9	87.9	59.8 %	
Depreciation and amortization	761.4	721.1	(40.3)	(5.3)%	648.5
Depreciation of tangible assets ^{*2} (A)	173.8	174.5	0.7	0.4 %	
Amortization of intangible assets (B)	587.6	546.6	(41.0)	(7.0)%	
Of which Amortization on intangible assets associated with products (C)	548.2	504.3	(43.9)	(8.0)%	413.5
Of which Amortization excluding intangible assets associated with products (D)	39.4	42.4	3.0	7.5 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	213.2	216.8	3.6	1.7 %	235.0
Impairment losses	106.5	145.7	39.2	36.8 %	
Impairment losses on intangible assets associated with products ^{*3}	95.0	129.3	34.2	36.0 %	100.0
Amortization and impairment losses on intangible assets associated with products	643.2	633.5	(9.7)	(1.5)%	513.5

*1 Cash flow base

*2 Includes depreciation of investment properties

*3 Includes in-process R&D

FY2025 Results vs. Forecast (Jan. 2026)

(BN JPY)		FY2025 Forecast (January 29, 2026)	FY2025 Actual	vs. Forecast		Variances
REPORTED	Revenue	4,530.0	4,505.7	(24.3)	(0.5)%	Lower-than-expected sales of products including ENTYVIO and PDT products, partially offset by favorable foreign exchange impacts
	Cost of sales	(1,595.0)	(1,571.6)	23.4	1.5%	
	Gross Profit	2,935.0	2,934.1	(0.9)	(0.0)%	Improvement in gross profit margin due to changes in product mix
	SG&A expenses	(1,098.0)	(1,084.2)	13.8	1.3%	Additional cost savings from the enterprise-wide efficiency program
	R&D expenses	(687.0)	(675.9)	11.1	1.6%	Additional cost savings from the enterprise-wide efficiency program
	Amortization of intangible assets associated with products	(507.0)	(504.3)	2.7	0.5%	
	Impairment losses on intangible assets associated with products*1	(110.0)	(129.3)	(19.3)	(17.5)%	Primarily due to impairment losses on ALUNBRIG (JPY 31.9 B)
	Other operating income	27.0	24.7	(2.3)	(8.3)%	
	Other operating expenses	(150.0)	(156.4)	(6.4)	(4.3)%	Increase in restructuring expenses (FY25 forecast: JPY 56.0 B vs. FY25 actual: JPY 70.8 B) due to the transformation program
	Operating profit	410.0	408.8	(1.2)	(0.3)%	
	Finance income (expenses), net	(163.0)	(146.4)	16.6	10.2%	Due to higher-than-expected gains on foreign exchange derivatives, as well as lower-than-expected interest expense reflecting the phasing of refinancing
	Profit before tax	245.0	260.2	15.2	6.2%	
	Net profit attributable to owners of the Company	154.0	191.8	37.8	24.5%	Improvement in the effective tax rate driven by the reassessment of deferred tax asset recoverability
	Basic EPS (yen)	98	122	24	24.5%	
	Core Revenue*2	4,530.0	4,505.7	(24.3)	(0.5)%	Lower-than-expected sales of products including ENTYVIO and PDT products, partially offset by favorable foreign exchange impacts
	Core Operating Profit*2	1,150.0	1,172.5	22.5	2.0%	Despite lower-than-expected revenue, cost savings under the enterprise-wide efficiency program more than offset the impact
	Core EPS (yen)*2	486	517	30	6.3%	Increase in Core OP, combined with improvement in the effective tax rate driven by the reassessment of deferred tax asset recoverability
	Adjusted Free Cash Flow*2	650.0 to 750.0	684.5			
	CAPEX (cash flow base)	(400.0) to (450.0)	(410.9)			
	Depreciation and amortization (excl. intangible assets associated with products)	(220.0)	(216.8)	3.2	1.4%	
	Cash tax rate on Adjusted EBITDA (excl. divestitures)*2	Low-teen%	~12%			
USD/JPY		150	150	(0)	(0.2)%	
EUR/JPY		174	174	0	0.0%	

*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.

FY2026 Full Year Detailed Forecast

(BN JPY)		FY2025 Actual	FY2026 Forecast (May 13, 2026)	JPY Change	% Change	Variances
REPORTED	Revenue	4,505.7	4,640.0	134.3	3.0%	FX tailwinds and contributions from newly launched products more than offset the negative impact from LOE products
	Cost of sales	(1,571.6)	(1,625.0)	(53.4)	(3.4)%	
	Gross Profit	2,934.1	3,015.0	80.9	2.8%	
	SG&A expenses	(1,084.2)	(1,093.0)	(8.8)	(0.8)%	Cost savings from the transformation program largely offset launch costs for new products and adverse FX impacts
	R&D expenses	(675.9)	(762.0)	(86.1)	(12.7)%	Increased expenses related to late-stage pipeline programs and adverse FX impacts partially offset by transformation program savings
	Amortization of intangible assets associated with products	(504.3)	(413.5)	90.8	18.0%	Amortization of VYVANSE concluded in January 2026.
	Impairment losses on intangible assets associated with products*1	(129.3)	(100.0)	29.3	22.6%	
	Other operating income	24.7	2.5	(22.2)	(89.9)%	Lower gains from divestitures
	Other operating expenses	(156.4)	(229.0)	(72.6)	(46.4)%	Primarily reflects higher restructuring expenses (FY25 actual: JPY 70.8 B vs. FY26 forecast: JPY 170.0 B)
	Operating profit	408.8	420.0	11.2	2.7%	
	Finance income (expenses), net	(146.4)	(170.0)	(23.6)	(16.1)%	Increase/decrease of gains and losses on foreign currency exchange and derivative financial assets related to foreign currency exchange
	Profit before tax	260.2	252.0	(8.2)	(3.1)%	
	Net profit attributable to owners of the Company	191.8	166.0	(25.8)	(13.4)%	
	Basic EPS (yen)	122	104	(17)	(14.4)%	
	Core Revenue*2	4,505.7	4,640.0	134.3	3.0%	FX tailwinds and contributions from newly launched products more than offset the negative impact from LOE products
	Core Operating Profit*2	1,172.5	1,160.0	(12.5)	(1.1)%	Revenue growth expected, but higher OPEX
	Core EPS (yen)*2	517	472	(45)	(8.7)%	
	Adjusted Free Cash Flow*2	684.5	650.0 to 750.0			Broadly in line with FY25. Core OP is expected to be flat year-on-year, with higher FY26 restructuring expenses offset by lower CAPEX.
	CAPEX (cash flow base)	(410.9)	(330.0) to (380.0)			FY25 actuals include USD 1.2 B upfront payment under the strategic global partnership agreement with Innovent Biologics. Up to USD 400 million in payments to Protagonist Therapeutics, associated with its exercise of the opt out right from the 50/50 U.S. profit and loss share structure, are included in FY26.
	Depreciation and amortization (excl. intangible assets associated with products)	(216.8)	(235.0)	(18.2)	(8.4)%	
	Cash tax rate on Adjusted EBITDA (excl. divestitures)*2	~12%	Low 10s%			
USD/JPY		150	156	6	3.9%	
EUR/JPY		174	182	8	4.8%	

*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 FY2026 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast.

FY2026 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	4,640.0				4,640.0
Cost of sales	(1,625.0)				(3,480.0)
Gross Profit	3,015.0				
SG&A expenses	(1,093.0)				
R&D expenses	(762.0)				
Amortization of intangible assets associated with products	(413.5)	413.5			—
Impairment losses on intangible assets associated with products*1	(100.0)		100.0		—
Other operating income	2.5			(2.5)	—
Other operating expenses	(229.0)			229.0	—
Operating profit	420.0	413.5	100.0	226.5	1,160.0

*1 Includes in-process R&D

FY2026 Full Year FX Rates Assumptions and Currency Sensitivity vs. Forecast

Average Exchange Rates vs. JPY				Impact of depreciation of yen from April 2026 to March 2027 (100 million JPY)				
	FY2024 Actual (Apr-Mar)	FY2025 Actual (Apr-Mar)	FY2026 Full Year Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	152	150	156	1% depreciation	206.1	4.2	(3.4)	37.3
				1 yen depreciation	132.1	2.7	(2.2)	23.9
EUR	163	174	182	1% depreciation	69.2	(28.4)	(20.6)	(17.7)
				1 yen depreciation	38.0	(15.6)	(11.3)	(9.7)
RUB	1.6	1.9	2.0	1% depreciation	4.5	2.7	1.8	2.9
CNY	21.1	21.1	22.4		19.9	12.2	8.2	12.2
BRL	27.4	27.6	29.5		14.2	11.5	7.7	11.6

Important Notice

For the purposes of this notice, “report” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Takeda Pharmaceutical Company Limited (“Takeda”) regarding this report. This report (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No shares or other securities are being offered to the public by means of this report. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. This report is being given (together with any further information which may be provided to the recipient) on the condition that it is for use by the recipient for information purposes only (and not for the evaluation of any investment, acquisition, disposal or any other transaction). Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

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

The product names appearing in this document are trademarks or registered trademarks owned by Takeda, or their respective owners.

Forward-Looking Statements

This report and any materials distributed in connection with this report may contain forward-looking statements, beliefs or opinions regarding Takeda’s future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “ensures”, “will”, “may”, “should”, “would”, “could”, “anticipates”, “estimates”, “projects”, “forecasts”, “outlook” or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda’s global business, including general economic conditions in Japan and the United States and with respect to international trade relations; competitive pressures and developments; changes to applicable laws and regulations, including drug pricing, tax, tariff and other trade-related rules; challenges inherent in new product development, including uncertainty of clinical success and decisions of regulatory authorities and the timing thereof; uncertainty of commercial success for new and existing products; manufacturing difficulties or delays; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic; the success of our environmental sustainability efforts, in enabling us to reduce our greenhouse gas emissions or meet our other environmental goals; the extent to which our efforts to increase efficiency, productivity or cost-savings, such as the integration of digital technologies, including artificial intelligence, in our business or other initiatives to restructure our operations will lead to the expected benefits; and other factors identified in Takeda’s most recent Annual Report on Form 20-F and Takeda’s other reports filed with the U.S. Securities and Exchange Commission, available on Takeda’s website at: <https://www.takeda.com/investors/sec-filings-and-security-reports/> or at www.sec.gov. Takeda does not undertake to update any of the forward-looking statements contained in this report or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this report may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda’s future results.

Financial Information and Non-IFRS Measures

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

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

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

Medical Information

This report contains information about products that may not be available in all countries, or may be available under different trademarks, for different indications, in different dosages, or in different strengths. Nothing contained herein should be considered a solicitation, promotion or advertisement for any prescription drugs including the ones under development.