Earnings Report (*Kessan Tanshin*) for the Three-month Period Ended June 30, 2026 (IFRS, Consolidated)

July 30, 2026

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

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Scheduled date of dividend payment commencement: -
Supplementary materials for the financial statements: Yes
Presentation to explain the financial statements: Yes

(Million JPY, rounded to the nearest million)

1. Consolidated Financial Results for the Three-month Period Ended June 30, 2026 (April 1 to June 30, 2026)

(1) Consolidated Operating Results (year to date)

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

	Revenue		Operating profit		Profit before tax		Net profit for the period	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
Three-month Period Ended June 30, 2026	1,219,900	10.2	201,417	9.1	162,718	8.0	113,256	(8.9)
Three-month Period Ended June 30, 2025	1,106,685	(8.4)	184,566	11.0	150,630	10.3	124,279	30.4

	Net profit attributable to owners of the Company		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)	(JPY)
Three-month Period Ended June 30, 2026	113,197	(8.9)	271,301	127.8	71.65	70.54
Three-month Period Ended June 30, 2025	124,243	30.4	119,101	(82.0)	79.40	78.23

	Core Operating Profit		Core EPS
	(Billion JPY)	(%)	(JPY)
Three-month Period Ended June 30, 2026	358.9	11.5	154
Three-month Period Ended June 30, 2025	321.8	(15.8)	151

(2) Consolidated Financial Position

	Total assets (Million JPY)	Total equity (Million JPY)	Equity attributable to owners of the Company (Million JPY)	Ratio of equity attributable to owners of the Company to total assets (%)	Equity attributable to owners of the Company per share (JPY)
As of June 30, 2026	15,663,271	7,558,876	7,557,887	48.3	4,782.57
As of March 31, 2026	15,511,506	7,430,649	7,429,441	47.9	4,702.66

2. Dividends

	Annual dividends per share (JPY)				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
For the Fiscal Year Ended March 31, 2026	—	100.00	—	100.00	200.00
For the Fiscal Year Ending March 31, 2027	—		—		
For the Fiscal Year Ending March 31, 2027 (Projection)		102.00	—	102.00	204.00

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

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

(Percentage figures represent changes from the previous fiscal year)

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

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: No

Forecasts for Core financial measures are shown below.

(Percentage figures represent changes from the previous fiscal year)

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

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: No

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 (April 1, 2026 to 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. The full year management guidance for the fiscal year ending March 31, 2027 (FY2026) has not been revised from the management guidance announced at the FY2025 financial results announcement on May 13, 2026.

	Core Revenue Growth	Core Operating Profit Growth	Core EPS Growth
	(%)	(%)	(%)
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 period end:

June 30, 2026	1,591,273,909 shares
March 31, 2026	1,591,229,109 shares

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

June 30, 2026	10,976,853 shares
March 31, 2026	11,392,279 shares

3) Average number of outstanding shares (for the three-month period ended June 30):

June 30, 2026	1,579,922,304 shares
June 30, 2025	1,564,729,658 shares

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

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

  - Takeda applies International Financial Reporting Standards (IFRS), and the disclosure information in this document is based on IFRS.
  - All forecasts and management guidance in this document are based on information and assumptions currently available to management, and do not represent a promise or guarantee to achieve these forecasts. Various uncertain factors could cause actual results to differ, such as changes in the business environment and fluctuations in foreign exchange rates. Should any significant event occur which requires the forecasts or guidance to be revised, Takeda will disclose it in a timely manner.
  - For details of the forecasts for consolidated operating results and the management guidance, please refer to "1. Financial Highlights for the Three-month Period Ended June 30, 2026 (4) Outlook for the Fiscal Year Ending March 31, 2027" on page 11.
  - Supplementary materials for the financial statements including the Quarterly Financial Report and Earnings Presentation of the conference call on July 30, 2026, and its audio will be promptly posted on Takeda's website.

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

Attachment Index

1. Financial Highlights for the Three-month Period Ended June 30, 2026

(1) Business Performance

(i) Consolidated Financial Results (April 1 to June 30, 2026)

Billion JPY or percentage

	FY2025 Q1	FY2026 Q1	AER		CER
			JPY Change	% Change	% Change
Revenue	1,106.7	1,219.9	113.2	10.2 %	(0.5)%
Cost of sales	(384.7)	(406.7)	(22.0)	5.7 %	(4.5)%
Selling, general and administrative expenses	(255.9)	(286.5)	(30.6)	12.0 %	1.6 %
Research and development expenses	(143.9)	(167.4)	(23.5)	16.3 %	6.8 %
Amortization and impairment losses on intangible assets associated with products	(131.6)	(110.9)	20.7	(15.7)%	(23.3)%
Other operating income	22.0	8.3	(13.8)	(62.5)%	(64.3)%
Other operating expenses	(28.1)	(55.2)	(27.2)	96.8 %	73.4 %
Operating profit	184.6	201.4	16.9	9.1 %	(3.1)%
Finance income and (expenses), net	(33.4)	(39.2)	(5.8)	17.5 %	17.1 %
Share of profit (loss) of investments accounted for using the equity method	(0.5)	0.5	1.1	—	—
Profit before tax	150.6	162.7	12.1	8.0 %	(6.8)%
Income tax expenses	(26.4)	(49.5)	(23.1)	87.7 %	71.7 %
Net profit for the period	124.3	113.3	(11.0)	(8.9)%	(23.5)%
Net profit for the period attributable to owners of the Company	124.2	113.2	(11.0)	(8.9)%	(23.5)%

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

Revenue

Revenue for the three-month period ended June 30, 2026 was JPY 1,219.9 billion (JPY +113.2 billion and +10.2% AER, -0.5% CER). The increase compared to the same period of the previous fiscal year was primarily attributable to foreign exchange impacts from the depreciation of the Japanese yen.

Revenue of our key business areas was JPY 1,169.2 billion (JPY +113.8 billion, +10.8% AER, +0.1% CER). Revenue outside of our key business areas was JPY 50.7 billion (JPY -0.6 billion and -1.1% AER, -11.8% CER).

Revenue by Geographic Region

The following shows revenue by geographic region:

Billion JPY or percentage

Revenue:	FY2025 Q1	FY2026 Q1	AER JPY Change	AER % Change	CER % Change
Japan	108.0	103.9	(4.1)	(3.8)%	(4.2)%
United States	546.7	568.9	22.2	4.1 %	(5.2)%
Europe[*2]	236.9	282.1	45.1	19.1 %	4.9 %
Latin America	57.6	74.2	16.6	28.9 %	10.1 %
China	43.2	52.3	9.1	21.0 %	4.3 %
Asia (excluding Japan & China)	23.0	26.6	3.5	15.4 %	7.6 %
Russia/CIS	28.9	35.4	6.4	22.2 %	5.3 %
Other[*1, 2]	62.4	76.7	14.3	22.9 %	8.5 %
Total	1,106.7	1,219.9	113.2	10.2 %	(0.5)%

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

*2 Following the implementation of a new organizational structure, the geographical classification previously presented as "Europe and Canada" through the prior fiscal year has been revised to "Europe" from the current fiscal year, and revenue attributable to Canada is now included in "Other". Accordingly, revenue for FY2025 Q1 in the above has been reclassified to conform to the FY2026 Q1 presentation. Revenue by geographic region for FY2025 Q1 previously presented under "Europe and Canada" and "Other" amounted to JPY 262.3 billion and JPY 37.0 billion, respectively.

Revenue by Business Area

The following shows revenue by business area:

Billion JPY or percentage

Revenue:	FY2025 Q1	FY2026 Q1	AER JPY Change	AER % Change	CER % Change
GI	339.3	386.1	46.8	13.8 %	3.1 %
Rare Diseases	196.4	206.0	9.6	4.9 %	(5.8)%
PDT	260.9	283.9	23.1	8.8 %	(2.1)%
Oncology	138.8	165.6	26.9	19.4 %	8.2 %
Vaccines	11.5	14.0	2.5	21.8 %	10.1 %
Neuroscience	108.6	113.6	5.0	4.6 %	(4.8)%
Other	51.2	50.7	(0.6)	(1.1)%	(11.8)%
Total	1,106.7	1,219.9	113.2	10.2 %	(0.5)%

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

GI

In GI, revenue was JPY 386.1 billion (JPY +46.8 billion and +13.8% AER, +3.1% CER).

Sales of ENTYVIO (for ulcerative colitis and Crohn's disease) were JPY 268.3 billion (JPY +35.7 billion and +15.4% AER, +3.8% CER). Sales in the U.S. were JPY 169.5 billion (JPY +13.2 billion and +8.4% AER). The increase was driven by favorable foreign exchange rates against the U.S. dollar, accompanied by growth of the subcutaneous formulation. Sales in Europe were JPY 63.5 billion (JPY +11.1 billion and +21.2% AER). The increase was due to favorable foreign exchange rates against the Euro, complemented by continued patient gains through an increased use of the subcutaneous formulation.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 41.4 billion (JPY +6.6 billion and +19.0% AER, +8.4% CER). The increase was primarily due to favorable foreign exchange rates, accompanied by a sales increase in the U.S. driven by stable demand.

Rare Diseases

In Rare Diseases, revenue was JPY 206.0 billion (JPY +9.6 billion and +4.9% AER, -5.8% CER).

Sales of TAKHZYRO (for hereditary angioedema) were JPY 59.9 billion (JPY +4.8 billion and +8.7% AER, -2.2% CER). The increase was primarily due to favorable foreign exchange rates, partially offset by a sales decline in the U.S. due to increased competition.

Sales of LIVTENCITY (for post-transplant cytomegalovirus infection/disease) were JPY 14.1 billion (JPY +3.5 billion and +33.7% AER, +20.8% CER). The increase was primarily attributable to continued performance in the U.S. market reflecting strong market penetration, accompanied by favorable foreign exchange rates.

Sales of VONVENDI (for von Willebrand Disease) were JPY 7.6 billion (JPY +2.1 billion and +37.6% AER, +24.2% CER). The increase was due to the expanded indication of VONVENDI, enabling prophylactic use for adult populations, complemented by favorable foreign exchange rates.

Sales of ADZYNMA (for congenital thrombotic thrombocytopenic purpura) were JPY 4.1 billion (JPY +1.7 billion and +69.4% AER, +52.2% 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 ADVATE (for hemophilia A) were JPY 25.8 billion (JPY -2.2 billion and -7.7% AER, -17.8% CER). The decrease was primarily due to competitive pressure in the U.S., partially offset by favorable foreign exchange rates.

PDT

In PDT, revenue was JPY 283.9 billion (JPY +23.1 billion and +8.8% AER, -2.1% CER).

Aggregate sales of immunoglobulin products, mainly used for the treatment of primary immunodeficiency, chronic inflammatory demyelinating polyneuropathy, and multifocal motor neuropathy, were JPY 213.9 billion (JPY +19.8 billion and +10.2% AER, -0.6% CER). Sales of CUVITRU and HYQVIA, which are subcutaneous immunoglobulin therapies, experienced double digit percentage sales growth, due to continued strong demand globally and growing supply, accompanied by favorable foreign exchange rates. Sale of GAMMAGARD LIQUID/KIOVIG, which are intravenous immunoglobulin therapies, slightly increased, primarily due to favorable foreign exchange rates.

Aggregate sales of albumin products including HUMAN ALBUMIN and FLEXBUMIN (both primarily used for hypovolemia and hypoalbuminemia) were JPY 34.6 billion (JPY +2.4 billion and +7.5% AER, -5.0% CER). The increase was primarily attributable to favorable foreign exchange rates, which was partially offset by a sales decline in the U.S.

Oncology

In Oncology, revenue was JPY 165.6 billion (JPY +26.9 billion and +19.4% AER, +8.2% CER).

Sales of ADCETRIS (for malignant lymphomas) were JPY 48.5 billion (JPY +11.3 billion and +30.3% AER, +14.4% CER). The increase was led by strong demand mainly in Latin America, as well as favorable foreign exchange rates against the Euro.

Sales of FRUZAQLA (for colorectal cancer) were JPY 17.1 billion (JPY +4.8 billion and +38.9% AER, +26.8% CER). The increase was primarily attributable to continued performance in Europe, as FRUZAQLA is addressing a need for new treatment options in metastatic colorectal cancer.

Sales of LEUPLIN/ENANTONE (for endometriosis, uterine fibroids, premenopausal breast cancer, prostate cancer, and other certain indications) were JPY 31.7 billion (JPY +4.3 billion and +15.8% AER, +8.0% CER). The increase was due to a sales increase in the U.S., as well as favorable foreign exchange rates.

Sales of NINLARO (for multiple myeloma) were JPY 24.0 billion (JPY +3.1 billion and +14.9% AER, +2.6% CER). The increase was primarily attributable to favorable foreign exchange rates.

Vaccines

In Vaccines, revenue was JPY 14.0 billion (JPY +2.5 billion and +21.8% AER, +10.1% CER).

Sales of QDENGA (for prevention of dengue) were JPY 11.5 billion (JPY +2.7 billion and +30.5% AER, +15.2% CER). The increase was due to post-launch growth in Latin America, as well as favorable foreign exchange rates.

Neuroscience

In Neuroscience, revenue was JPY 113.6 billion (JPY +5.0 billion and +4.6% AER, -4.8% CER).

Sales of TRINTELLIX (for major depressive disorder) were JPY 37.0 billion (JPY +8.9 billion, and +31.6% AER, +21.2% CER). The increase was due to lower sales in the same period of the previous year in the U.S. due to changes in the distribution model of a major customer, accompanied by favorable foreign exchange rates.

Sales of VYVANSE/ELVANSE (for attention deficit hyperactivity disorder) were JPY 54.1 billion (JPY -3.8 billion and -6.5% AER, -17.0% CER). The decrease was due to the continued impact of generic erosion mainly in the U.S., partially offset by favorable foreign exchange rates.

Cost of Sales

Cost of Sales was JPY 406.7 billion (JPY +22.0 billion and +5.7% AER, -4.5% CER). The increase was primarily due to foreign exchange impacts from the depreciation of the Japanese yen partially offset by an improvement in the cost ratio due to favorable product mix.

Selling, General and Administrative (SG&A) Expenses

SG&A Expenses were JPY 286.5 billion (JPY +30.6 billion and +12.0% AER, +1.6% CER). The increase was mainly due to foreign exchange impacts from the depreciation of the Japanese yen.

Research and Development (R&D) Expenses

R&D Expenses were JPY 167.4 billion (JPY +23.5 billion and +16.3% AER, +6.8% CER). The increase was mainly attributable to foreign exchange impacts from the depreciation of the Japanese yen and increased expenses related to late-stage pipeline programs, including elritercept, TAK-928, and TAK-921.

Amortization and Impairment Losses on Intangible Assets Associated with Products

Amortization and Impairment Losses on Intangible Assets Associated with Products were JPY 110.9 billion (JPY -20.7 billion and -15.7% AER, -23.3% CER). The decrease was due to lower amortization expenses (JPY -23.8 billion), mainly reflecting the completion of amortization of intangible assets related to VYVANSE/ELVANSE, partially offset by foreign exchange impacts from the depreciation of the Japanese yen. Impairment Losses increased (JPY +3.1 billion) in the three-month period ended June 30, 2026, reflecting the decision to terminate a development program in celiac disease.

Other Operating Income

Other Operating Income was JPY 8.3 billion (JPY -13.8 billion and -62.5% AER, -64.3% CER). The decrease was mainly due to lower divestiture gains. Gains of JPY 6.2 billion were recognized on the completion of the divestiture of RIOPAN, a non-core gastric acidity management agent, primarily marketed in Europe in the three-month period ended June 30, 2026, while gains of JPY 17.9 billion were recognized on the completion of the divestiture of non-core products and MEPACT mainly in Europe and the Middle East and North Africa regions in the three-month period ended June 30, 2025.

Other Operating Expenses

Other Operating Expenses were JPY 55.2 billion (JPY +27.2 billion and +96.8% AER, +73.4% CER). The increase was primarily attributable to a JPY 35.8 billion increase in restructuring expenses, reflecting ongoing implementation of the transformation program in the three-month period ended June 30, 2026. This increase was partially offset by a decrease in expenses related to pre-launch inventories compared to the three-month period ended June 30, 2025.

Operating Profit

As a result of the above factors, Operating Profit was JPY 201.4 billion (JPY +16.9 billion and +9.1% AER, -3.1% CER).

Net Finance Expenses

Net Finance Expenses were JPY 39.2 billion (JPY +5.8 billion and +17.5% AER, +17.1% CER). The increase was mainly attributable to interest expense relating to the unsecured U.S. dollar-denominated senior guaranteed notes issued on July 2, 2025.

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

Share of Profit of Investments Accounted for Using the Equity Method was JPY 0.5 billion (JPY +1.1 billion, compared to Share of Loss of Investments Accounted for Using the Equity Method of JPY 0.5 billion in the three-month period ended June 30, 2025).

Profit Before Tax

As a result of the above factors, Profit Before Tax was JPY 162.7 billion (JPY +12.1 billion and +8.0% AER, -6.8% CER).

Income Tax Expenses

Income Tax Expenses were JPY 49.5 billion (JPY +23.1 billion and +87.7% AER, +71.7% CER). The increase was primarily attributable to higher tax expense recognized in connection with the reassessment of the recoverability of Deferred Tax Assets, lower tax credits and higher U.S. international tax provisions in the three-month period ended June 30, 2026.

Net Profit for the Period

As a result of the above factors, Net Profit for the Period was JPY 113.3 billion (JPY -11.0 billion and -8.9% AER, -23.5% CER) and Net Profit for the Period attributable to owners of the Company was JPY 113.2 billion (JPY -11.0 billion and -8.9% AER, -23.5% CER).

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

Results of Core Operations

Billion JPY or percentage

	FY2025 Q1	FY2026 Q1	AER		CER
			JPY Change	% Change	% Change
Core revenue	1,106.7	1,219.9	113.2	10.2 %	(0.5)%
Core operating profit	321.8	358.9	37.1	11.5 %	(0.5)%
Core net profit for the period	237.1	242.9	5.9	2.5 %	(10.9)%
Core net profit for the period attributable to owners of the Company	237.0	242.9	5.8	2.5 %	(10.9)%
Core EPS (yen)	151	154	2	1.5 %	(11.8)%

Core Revenue

Core Revenue for the three-month period ended June 30, 2026 was JPY 1,219.9 billion (JPY +113.2 billion and +10.2% AER, -0.5% CER). The increase compared to the same period of the previous fiscal year was primarily attributable to foreign exchange impacts from the depreciation of the Japanese yen.

Excluding the foreign exchange impacts, Core Revenue was broadly flat, with steady growth of Core In-line Brands[*1] and New Launches[*2] offset by a decrease in loss of exclusivity-impacted and mature products.

*1 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). In the three-month period ended June 30, 2026, these products represented 58% of Core Revenue and grew by 2.3% at CER.

*2 New Launches refers to select products launched within past 5 years (EOHILIA, LIVTENCITY, ADZYNMA, FRUZAQLA, QDENGA) and upcoming launch products ORZEYFUL (oveporexton), rusfertide, and zasocitinib. In the three-month period ended June 30, 2026, these products represented 4% of Core Revenue and grew by 22.6% at CER.

Core Operating Profit

Core Operating Profit was JPY 358.9 billion (JPY +37.1 billion and +11.5% AER, -0.5% CER). The components of Core Operating Profit are as follows:

Billion JPY or percentage

	FY2025 Q1	FY2026 Q1	AER		CER
			JPY Change	% Change	% Change
Core revenue	1,106.7	1,219.9	113.2	10.2 %	(0.5)%
Core cost of sales	(384.9)	(407.0)	(22.1)	5.7 %	(4.5)%
Core selling, general and administrative (SG&A) expenses	(256.0)	(286.6)	(30.6)	11.9 %	1.6 %
Core research and development (R&D) expenses	(143.9)	(167.4)	(23.5)	16.3 %	6.8 %
Core operating profit	321.8	358.9	37.1	11.5 %	(0.5)%

During the periods presented, these items fluctuated as follows:

Core Cost of Sales

Core Cost of Sales was JPY 407.0 billion (JPY +22.1 billion and +5.7% AER, -4.5% CER). The increase was primarily due to foreign exchange impacts from the depreciation of the Japanese yen partially offset by an improvement in the cost ratio due to favorable product mix.

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

Core SG&A Expenses were JPY 286.6 billion (JPY +30.6 billion and +11.9% AER, +1.6% CER). The increase was mainly due to foreign exchange impacts from the depreciation of the Japanese yen.

Core Research and Development (R&D) Expenses

Core R&D Expenses were JPY 167.4 billion (JPY +23.5 billion and +16.3% AER, +6.8% CER). The increase was mainly attributable to foreign exchange impacts from the depreciation of the Japanese yen and increased expenses related to late-stage pipeline programs, including elritercept, TAK-928, and TAK-921.

Core Net Profit for the Period

Core Net Profit for the Period was JPY 242.9 billion (JPY +5.9 billion and +2.5% AER, -10.9% CER) and Core Net Profit for the Period attributable to owners of the Company was JPY 242.9 billion (JPY +5.8 billion and +2.5% AER, -10.9% CER). Core Net Profit for the Period is calculated from Core Operating Profit as follows:

Billion JPY or percentage

	FY2025 Q1	**FY2026 Q1**	AER		CER
			JPY Change	% Change	% Change
Core operating profit	321.8	358.9	37.1	11.5 %	(0.5)%
Core finance income and (expenses), net	(31.3)	(37.2)	(6.0)	19.0 %	18.9 %
Core share of profit (loss) of investments accounted for using the equity method	(0.1)	0.5	0.7	—	—
Core profit before tax	290.4	322.2	31.8	10.9 %	(2.4)%
Core income tax expenses	(53.3)	(79.3)	(25.9)	48.6 %	35.5 %
Core net profit for the period	237.1	242.9	5.9	2.5 %	(10.9)%
Core net profit for the period attributable to owners of the Company	237.0	242.9	5.8	2.5 %	(10.9)%

During the periods presented, these items fluctuated as follows:

Core Net Finance Expenses

Core Net Finance Expenses were JPY 37.2 billion (JPY +6.0 billion and +19.0% AER, +18.9% CER). The increase was mainly attributable to interest expense relating to the unsecured U.S. dollar-denominated senior guaranteed notes issued on July 2, 2025.

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

Core Share of Profit of Investments Accounted for Using the Equity Method was JPY 0.5 billion (JPY +0.7 billion, compared to Core Share of Loss of Investments Accounted for Using the Equity Method of JPY 0.1 billion in the three-month period ended June 30, 2025).

Core Profit Before Tax

Core Profit Before Tax was JPY 322.2 billion (JPY +31.8 billion and +10.9% AER, -2.4% CER).

Core Income Tax Expenses

Core Income Tax Expenses were JPY 79.3 billion (JPY +25.9 billion and +48.6% AER, +35.5% CER). The increase was primarily attributable to higher tax expense recognized in connection with the reassessment of the recoverability of Deferred Tax Assets, lower tax credits and higher U.S. international tax provisions in the three-month period ended June 30, 2026.

Core EPS

Core EPS was JPY 154 (JPY +2 and +1.5% AER, -11.8% CER).

(2) Consolidated Financial Position

Billion JPY

	As of March 31, 2026	As of June 30, 2026	Change
Total Assets	15,511.5	15,663.3	151.8
Total Liabilities	8,080.9	8,104.4	23.5
Total Equity	7,430.6	7,558.9	128.2

Assets

Total Assets as of June 30, 2026 were JPY 15,663.3 billion (JPY +151.8 billion). Trade and Other Receivables increased (JPY +86.1 billion), primarily due to higher receivables resulting from an increase in sales and the timing of cash collections, as well as the effect of foreign currency translation. Goodwill increased (JPY +77.9 billion), mainly due to the effect of foreign currency translation. Inventories increased (JPY +50.6 billion), primarily driven by higher work-in-process related to PDT products and ENTYVIO, as well as the effect of foreign currency translation. These increases were partially offset by the decrease of Cash and Cash Equivalents (JPY -134.1 billion).

Liabilities

Total Liabilities as of June 30, 2026 were JPY 8,104.4 billion (JPY +23.5 billion). Total Bonds and Loans were JPY 4,940.0 billion*, which increased (JPY +58.1 billion), mainly due to the effect of foreign currency effects. Trade and Other Payables decreased (JPY -44.6 billion), mainly due to a reduction in payables related to capital expenditure in the U.S., as well as lower trade payables.

* The carrying amount of Bonds was JPY 4,715.0 billion and that of Loans was JPY 225.0 billion as of June 30, 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	82.7
Unsecured US Dollar Denominated Senior Notes (USD 1,500 million)	September 2016	September 2026	242.7
Unsecured Euro Denominated Senior Notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	553.4
Unsecured US Dollar Denominated Senior Notes (USD 1,750 million)	November 2018	November 2028	283.3
Unsecured US Dollar Denominated Senior Notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,130.3
Unsecured Euro Denominated Senior Notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	662.8
Unsecured JPY Denominated Senior Bonds	October 2021	October 2031	249.6
Hybrid Bonds (Subordinated Bonds)	June 2024	June 2084	458.6
Unsecured US Dollar Denominated Senior Notes (USD 3,000 million)	July 2024	July 2034 ~ July 2064	482.0
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	386.0
Total			4,715.0

Loans:

Name of Loan	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

Equity

Total Equity as of June 30, 2026 was JPY 7,558.9 billion (JPY +128.2 billion). The increase of Other Components of Equity (JPY +166.7 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 -45.4 billion), driven by the decrease of JPY 158.2 billion related to dividend payments, offset by the increase of JPY 113.2 billion from Net Profit for the Period.

(3) Consolidated Cash Flows

Billion JPY

	FY2025 Q1	FY2026 Q1	Change
Net cash from operating activities	215.4	127.6	(87.8)
Net cash used in investing activities	(33.2)	(87.7)	(54.5)
Net cash used in financing activities	(214.9)	(180.3)	34.6
Net decrease in cash and cash equivalents	(32.7)	(140.4)	(107.8)
Cash and cash equivalents at the beginning of the year	385.1	595.1	209.9
Effects of exchange rate changes on cash and cash equivalents	(2.4)	6.4	8.8
Cash and cash equivalents at the end of the period	350.0	461.0	111.0

Net Cash from Operating Activities

Net Cash from Operating Activities was JPY 127.6 billion (JPY -87.8 billion). The decrease was mainly due to changes in working capital primarily resulting from an increase in Trade and Other Receivables. The decrease was partially offset by lower Income Taxes Paid and other changes.

Net Cash used in Investing Activities

Net Cash used in Investing Activities was JPY 87.7 billion (JPY +54.5 billion). The increase was mainly due to an increase in cash used in Acquisition of Intangible Assets and a decrease in Proceeds from Sales of Business, Net of Cash and Cash Equivalents Divested.

Net Cash used in Financing Activities

Net Cash used in Financing Activities was JPY 180.3 billion (JPY -34.6 billion). The decrease was mainly due to lower cash used in Purchase of Treasury Shares. The decrease was partially offset by decreased net cash from the issuance and repayments of bonds and loans due to no issuance or repayments during the three-month period ended June 30, 2026 as compared to net issuance during the three-month period ended June 30, 2025.

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

The full year consolidated forecast for the fiscal year ending March 31, 2027 (FY2026) has not been revised from the forecast announced at the FY2025 financial results announcement on May 13, 2026.

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

Billion JPY or percentage

	FY2025 Actual Results	FY2026 Forecast	JPY Change	% Change
Revenue	4,505.7	4,640.0	134.3	3.0 %
Operating profit	6.2	420.0	413.8	—
Profit (loss) before tax	(142.4)	252.0	394.4	—
Net profit (loss) for the year (attributable to owners of the Company)	(152.4)	166.0	318.4	—
EPS (JPY)	(96.75)	104.26	201.01	—
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.

Major assumptions used in preparing the FY2026 Forecast

Billion JPY or percentage

	FY2025 Actual Results	FY2026 Forecast
FX rates	1 USD = 150 JPY 1 EUR = 174 JPY 1 RUB = 1.9 JPY 1 CNY = 21.1 JPY 1 BRL = 27.6 JPY	1 USD = 156 JPY 1 EUR = 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	(559.0)	(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 the recognition of provisions for legal proceedings following the jury verdict in the AMITIZA antitrust litigation of JPY 403.5 billion in FY2025 actual results, and 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 for the Fiscal Year Ending March 31, 2027 (FY2026)

Takeda uses change in Core Revenue, Core Operating Profit and Core EPS at Constant Exchange Rate (CER) basis as its Management Guidance. The full year management guidance for the fiscal year ending March 31, 2027 (FY2026) has not been revised from the management guidance announced at the FY2025 financial results announcement on May 13, 2026.

	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.

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

(1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions, except per share data) Three-month Period Ended June 30,	
	2025	2026
Revenue	1,106,685	1,219,900
Cost of sales	(384,675)	(406,676)
Selling, general and administrative expenses	(255,885)	(286,513)
Research and development expenses	(143,891)	(167,395)
Amortization and impairment losses on intangible assets associated with products	(131,638)	(110,928)
Other operating income	22,030	8,258
Other operating expenses	(28,061)	(55,229)
Operating profit	184,566	201,417
Finance income	73,758	24,608
Finance expenses	(107,158)	(63,845)
Share of profit (loss) of investments accounted for using the equity method	(536)	538
Profit before tax	150,630	162,718
Income tax expenses	(26,351)	(49,462)
Net profit for the period	124,279	113,256
Attributable to:		
Owners of the Company	124,243	113,197
Non-controlling interests	36	60
Net profit for the period	124,279	113,256
Earnings per share (JPY)		
Basic earnings per share	79.40	71.65
Diluted earnings per share	78.23	70.54

(2) Condensed Interim Consolidated Statements of Comprehensive Income

	JPY (millions)	
	Three-month Period Ended June 30,	
	2025	2026
Net profit for the period	124,279	113,256
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	9,437	(7,887)
Remeasurement of defined benefit pension plans	(397)	(485)
	9,040	(8,371)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(19,647)	163,296
Cash flow hedges	3,655	525
Hedging cost	1,892	3,029
Share of other comprehensive loss of investments accounted for using the equity method	(119)	(434)
	(14,218)	166,415
Other comprehensive income (loss) for the period, net of tax	(5,178)	158,044
Total comprehensive income for the period	119,101	271,301
Attributable to:		
Owners of the Company	119,076	271,277
Non-controlling interests	25	23
Total comprehensive income for the period	119,101	271,301

(3) Condensed Interim Consolidated Statements of Financial Position

	JPY (millions)	
	As of March 31, 2026	As of June 30, 2026
ASSETS		
Non-current assets:		
Property, plant and equipment	2,120,639	2,142,280
Goodwill	5,809,010	5,886,905
Intangible assets	3,419,348	3,391,152
Investments accounted for using the equity method	8,796	10,078
Other financial assets	439,941	463,140
Other non-current assets	77,010	80,301
Deferred tax assets	546,260	539,145
Total non-current assets	12,421,004	12,513,001
Current assets:		
Inventories	1,396,620	1,447,259
Trade and other receivables	844,312	930,377
Other financial assets	41,888	66,600
Income taxes receivable	32,036	25,763
Other current assets	162,638	188,778
Cash and cash equivalents	595,054	460,982
Assets held for sale	17,955	30,511
Total current assets	3,090,503	3,150,269
Total assets	15,511,506	15,663,271

	JPY (millions)	
	As of March 31, 2026	As of June 30, 2026
LIABILITIES AND EQUITY		
LIABILITIES		
Non-current liabilities:		
Bonds and loans	4,369,681	4,419,998
Other financial liabilities	571,248	596,531
Net defined benefit liabilities	143,683	141,790
Provisions	37,550	37,932
Other non-current liabilities	99,818	116,557
Deferred tax liabilities	26,804	27,039
Total non-current liabilities	5,248,784	5,339,847
Current liabilities:		
Bonds and loans	512,157	519,970
Trade and other payables	491,345	446,784
Other financial liabilities	141,220	110,115
Income taxes payable	97,880	117,931
Provisions	998,501	995,053
Other current liabilities	590,152	572,325
Liabilities held for sale	818	2,369
Total current liabilities	2,832,074	2,764,547
Total liabilities	8,080,858	8,104,394
EQUITY		
Share capital	1,695,277	1,695,376
Share premium	1,776,352	1,789,905
Treasury shares	(49,128)	(47,440)
Retained earnings	712,381	667,007
Other components of equity	3,297,407	3,464,093
Other comprehensive income associated with assets held for sale	(2,848)	(11,055)
Equity attributable to owners of the Company	7,429,441	7,557,887
Non-controlling interests	1,208	989
Total equity	7,430,649	7,558,876
Total liabilities and equity	15,511,506	15,663,271

(4) Condensed Interim Consolidated Statements of Changes in Equity

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

JPY (millions)

	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2025	1,694,685	1,775,713	(74,815)	1,187,586	2,419,978	4,757
Net profit for the period				124,243		
Other comprehensive income (loss)					(19,755)	9,437
Comprehensive income (loss) for the period	—	—	—	124,243	(19,755)	9,437
Transactions with owners:						
Issuance of new shares	27	27				
Acquisition of treasury shares		(20)	(51,605)			
Dividends				(154,413)		
Transfers from other components of equity				(724)		327
Share-based compensation		17,084				
Exercise of share-based awards		(2,296)	2,296			
Total transactions with owners	27	14,795	(49,309)	(155,137)	—	327
As of June 30, 2025	1,694,711	1,790,509	(124,124)	1,156,692	2,400,223	14,521

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

Three-month period ended June 30, 2026 (From April 1 to June 30, 2026)

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, 2026	1,695,277	1,776,352	(49,128)	712,381	3,326,132	11,986
Net profit for the period				113,197		
Other comprehensive income (loss)					162,898	(7,887)
Comprehensive income (loss) for the period	—	—	—	113,197	162,898	(7,887)
Transactions with owners:						
Issuance of new shares	99	99				
Acquisition of treasury shares			(1,010)			
Dividends				(158,172)		
Transfers from other components of equity				(399)		(86)
Share-based compensation		16,153				
Exercise of share-based awards		(2,699)	2,699			
Transfer to other comprehensive income associated with assets held for sale					8,207	
Total transactions with owners	99	13,553	1,689	(158,570)	8,207	(86)
As of June 30, 2026	1,695,376	1,789,905	(47,440)	667,007	3,497,237	4,013

	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, 2026	(35,903)	(4,808)	—	3,297,407	(2,848)	7,429,441	1,208	7,430,649
Net profit for the period				—		113,197	60	113,256
Other comprehensive income (loss)	525	3,029	(485)	158,080		158,080	(36)	158,044
Comprehensive income (loss) for the period	525	3,029	(485)	158,080	—	271,277	23	271,301
Transactions with owners:								
Issuance of new shares				—		198		198
Acquisition of treasury shares				—		(1,010)		(1,010)
Dividends				—		(158,172)	(242)	(158,414)
Transfers from other components of equity			485	399		—		—
Share-based compensation				—		16,153		16,153
Exercise of share-based awards				—		—		—
Transfer to other comprehensive income associated with assets held for sale				8,207	(8,207)	—		—
Total transactions with owners	—	—	485	8,606	(8,207)	(142,831)	(242)	(143,073)
As of June 30, 2026	(35,378)	(1,779)	—	3,464,093	(11,055)	7,557,887	989	7,558,876

(5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)	
	Three-month Period Ended June 30,	
	2025	2026
Cash flows from operating activities:		
Net profit for the period	124,279	113,256
Depreciation and amortization	181,636	163,042
Impairment losses	2,357	29,997
Equity-settled share-based compensation	16,531	18,190
Loss on sales and disposal of property, plant and equipment	584	194
Gain on divestment of business and subsidiaries	(17,900)	(6,196)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	764	8
Finance (income) and expenses, net	33,400	39,237
Share of loss (profit) of investments accounted for using the equity method	536	(538)
Income tax expenses	26,351	49,462
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	48,083	(70,970)
Increase in inventories	(13,069)	(33,405)
Decrease in trade and other payables	(27,780)	(22,910)
Decrease in provisions	(23,404)	(19,381)
Decrease in other financial liabilities	(17,531)	(34,906)
Settlement of forward exchange contracts, net	19,364	(4,759)
Other, net	(105,784)	(79,235)
Cash generated from operations	248,418	141,085
Income taxes paid	(36,653)	(16,900)
Tax refunds and interest on tax refunds received	3,658	3,438
Net cash from operating activities	215,423	127,623
Cash flows from investing activities:		
Interest received	4,850	4,741
Dividends received	250	225
Acquisition of property, plant and equipment	(47,913)	(53,811)
Proceeds from sales of property, plant and equipment	6,385	1,096
Acquisition of intangible assets	(27,155)	(49,425)
Acquisition of investments	(215)	(1,122)
Proceeds from sales and redemption of investments	1,128	375
Proceeds from sales of business, net of cash and cash equivalents divested	29,291	10,462
Other, net	186	(243)
Net cash used in investing activities	(33,193)	(87,703)

	JPY (millions)	
	Three-month Period Ended June 30,	
	2025	2026
Cash flows from financing activities:		
Net decrease in short-term loans and commercial papers	(46,032)	—
Proceeds from issuance of bonds and long-term loans	183,555	—
Repayments of bonds and long-term loans	(125,296)	(25)
Acquisition of treasury shares	(51,603)	(1,007)
Interest paid	(16,692)	(15,576)
Dividends paid	(145,295)	(150,131)
Repayments of lease liabilities	(12,205)	(11,262)
Other, net	(1,332)	(2,347)
Net cash used in financing activities	(214,900)	(180,348)
Net decrease in cash and cash equivalents	(32,670)	(140,427)
Cash and cash equivalents at the beginning of the year	385,113	595,054
Effects of exchange rate changes on cash and cash equivalents	(2,435)	6,355
Cash and cash equivalents at the end of the period	350,008	460,982

(6) Notes to Condensed Interim Consolidated Financial Statements

(Significant Uncertainty Regarding Going Concern Assumption)

Not applicable.

(Material Accounting Policies)

Material accounting policies adopted for the condensed interim consolidated financial statements are the same as those adopted for the consolidated financial statements as of and for the fiscal year ended March 31, 2026.

Takeda calculated income tax expenses for the three-month period ended June 30, 2026, based on the estimated average annual effective tax rate.

(Operating Segment Information)

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

(Significant Subsequent Events)

Not applicable.

FINANCIAL APPENDIX

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, 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 foreign exchange gains and losses arising directly from, or economically attributable to items excluded from the Core financial Measures. Core Net Profit for the Year attributable to owners of the Company is also adjusted to eliminate the tax effect associated with each of these 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 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 = 162.61 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 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.

FY2026 Q1 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2025 Q1	FY2026 Q1	AER		CER	(Million USD, except EPS) FY2026 Q1 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,106.7	1,219.9	113.2	10.2 %	(0.5) %	7,502
Cost of sales	(384.7)	(406.7)	(22.0)	(5.7) %	4.5 %	(2,501)
Gross profit	722.0	813.2	91.2	12.6 %	1.7 %	5,001
Margin	*65.2 %*	*66.7 %*		*1.4 pp*	*1.4 pp*	*66.7 %*
SG&A expenses	(255.9)	(286.5)	(30.6)	(12.0) %	(1.6) %	(1,762)
R&D expenses	(143.9)	(167.4)	(23.5)	(16.3) %	(6.8) %	(1,029)
Amortization of intangible assets associated with products	(129.3)	(105.5)	23.8	18.4 %	26.2 %	(649)
Impairment losses on intangible assets associated with products*	(2.3)	(5.4)	(3.1)	(136.1) %	(135.7) %	(33)
Other operating income	22.0	8.3	(13.8)	(62.5) %	(64.3) %	51
Other operating expenses	(28.1)	(55.2)	(27.2)	(96.8) %	(73.4) %	(340)
Operating profit	184.6	201.4	16.9	9.1 %	(3.1) %	1,239
Margin	*16.7 %*	*16.5 %*		*(0.2) pp*	*(0.4) pp*	*16.5 %*
Finance income	73.8	24.6	(49.2)	(66.6) %	(70.4) %	151
Finance expenses	(107.2)	(63.8)	43.3	40.4 %	43.1 %	(393)
Share of profit (loss) of investments accounted for using the equity method	(0.5)	0.5	1.1	—	—	3
Profit (loss) before tax	150.6	162.7	12.1	8.0 %	(6.8) %	1,001
Income tax (expenses) benefit	(26.4)	(49.5)	(23.1)	(87.7) %	(71.7) %	(304)
Net profit for the period	124.3	113.3	(11.0)	(8.9) %	(23.5) %	696
Non-controlling interests	(0.0)	(0.1)	(0.0)	(65.1) %	(55.8) %	(0)
Net profit (loss) attributable to owners of the Company	124.2	113.2	(11.0)	(8.9) %	(23.5) %	696
Basic EPS (JPY or USD)	79.40	71.65	(7.76)	(9.8) %	(24.2) %	0.44

* 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.

FY2026 Q1 Core Results with CER % Change

(Billion JPY, except EPS)	FY2025 Q1	FY2026 Q1	AER		CER	(Million USD, except EPS) FY2026 Q1 Convenience USD Translation
			JPY Change	% Change	% Change	
Revenue	1,106.7	1,219.9	113.2	10.2 %	(0.5) %	7,502
Cost of sales	(384.9)	(407.0)	(22.1)	(5.7) %	4.5 %	(2,503)
Gross profit	721.8	812.9	91.1	12.6 %	1.7 %	4,999
Margin	*65.2 %*	*66.6 %*		*1.4 pp*	*1.4 pp*	*66.6 %*
SG&A expenses	(256.0)	(286.6)	(30.6)	(11.9) %	(1.6) %	(1,763)
R&D expenses	(143.9)	(167.4)	(23.5)	(16.3) %	(6.8) %	(1,029)
Operating profit	321.8	358.9	37.1	11.5 %	(0.5) %	2,207
Margin	*29.1 %*	*29.4 %*		*0.3 pp*	*(0.0) pp*	*29.4 %*
Finance income	73.0	24.5	(48.5)	(66.4) %	(70.2) %	151
Finance expenses	(104.3)	(61.8)	42.6	40.8 %	43.5 %	(380)
Share of profit (loss) of investments accounted for using the equity method	(0.1)	0.5	0.7	—	—	3
Profit before tax	290.4	322.2	31.8	10.9 %	(2.4) %	1,981
Income tax (expenses) benefit	(53.3)	(79.3)	(25.9)	(48.6) %	(35.5) %	(487)
Net profit for the period	237.1	242.9	5.9	2.5 %	(10.9) %	1,494
Non-controlling interests	(0.0)	(0.1)	(0.0)	(65.1) %	(55.8) %	(0)
Net profit attributable to owners of the Company	237.0	242.9	5.8	2.5 %	(10.9) %	1,493
Basic EPS (JPY or USD)	151	154	2	1.5 %	(11.8) %	0.95

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.

FY2026 Q1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	Reported	Reported to Core adjustments				Core
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,219.9					1,219.9
Cost of sales	(406.7)				(0.4)	(407.0)
Gross profit	813.2				(0.4)	812.9
SG&A expenses	(286.5)				(0.1)	(286.6)
R&D expenses	(167.4)				0.0	(167.4)
Amortization of intangible assets associated with products	(105.5)	105.5				—
Impairment losses on intangible assets associated with products*	(5.4)		5.4			—
Other operating income	8.3			(8.3)		—
Other operating expenses	(55.2)			55.2		—
Operating profit	201.4	105.5	5.4	47.0	(0.4)	358.9
Margin	16.5 %					29.4 %
Finance income and (expenses), net	(39.2)				2.0	(37.2)
Share of profit (loss) of investments accounted for using the equity method	0.5					0.5
Profit before tax	162.7	105.5	5.4	47.0	1.6	322.2
Income tax (expenses) benefit	(49.5)	(22.4)	(1.7)	(9.7)	4.1	(79.3)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	113.2	83.1	3.7	37.2	5.6	242.9
Basic EPS (JPY)	72					154
Number of shares (millions)	1,580					1,580

* Includes in-process R&D.

FY2025 Q1 Reconciliation from Reported to Core

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

* Includes in-process R&D.

FY2026 Q1 Adjusted Free Cash Flow

(Billion JPY)	FY2025 Q1	FY2026 Q1	JPY Change	% Change	(Million USD) FY2026 Q1 Convenience USD Translation
Net profit	124.3	113.3	(11.0)	(8.9)%	696
Depreciation, amortization and impairment losses	184.0	193.0	9.0		1,187
Decrease (increase) in trade working capital	7.2	(127.3)	(134.5)		(783)
Income taxes paid	(36.7)	(16.9)	19.8		(104)
Tax refunds and interest on tax refunds received	3.7	3.4	(0.2)		21
Settlement of forward exchange contracts, net	19.4	(4.8)	(24.1)		(29)
Other	(86.5)	(33.2)	53.3		(204)
Net cash from operating activities (Operating Cash Flow)	215.4	127.6	(87.8)	(40.8)%	785
Acquisition of PP&E	(47.9)	(53.8)	(5.9)		(331)
Free Cash Flow*1	167.5	73.8	(93.7)	(55.9)%	454
Adjustment for cash temporarily held by Takeda on behalf of third parties*2	13.2	33.4	20.2		205
Proceeds from sales of PP&E	6.4	1.1	(5.3)		7
Acquisition of intangible assets*3	(27.2)	(49.4)	(22.3)		(304)
Acquisition of investments	(0.2)	(1.1)	(0.9)		(7)
Proceeds from sales and redemption of investments	1.1	0.4	(0.8)		2
Proceeds from sales of business, net of cash and cash equivalents divested	29.3	10.5	(18.8)		64
Adjusted Free Cash Flow*1	190.1	68.6	(121.5)	(63.9)%	422

*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.

FY2026 Q1 Adjusted Net Debt to Adjusted EBITDA

ADJUSTED NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2026 Q1
Book value of bonds and loans on consolidated statement of financial position	(4,940.0)
Cash & cash equivalents	461.0
Net Debt[*1]	(4,479.0)
Application of equity credit[*2]	250.0
FX adjustment[*3]	176.1
Cash temporarily held by Takeda on behalf of third parties[*4]	(45.8)
Level 1 debt investments[*4]	86.1
Adjusted Net Debt[*1]	(4,012.6)
Adjusted EBITDA (LTM)[*5]	1,503.8
Adjusted Net Debt/Adjusted EBITDA ratio	2.7x
Book value of bonds and loans on consolidated statement of financial position	(4,940.0)
Application of equity credit[*2]	250.0
FX adjustment[*3]	176.1
Adjusted Gross Debt	(4,513.9)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2025 Q1	FY2026 Q1	JPY Change	% Change
Net cash from operating activities (Operating Cash Flow)	215.4	127.6	(87.8)	(40.8)%
Acquisition of PP&E	(47.9)	(53.8)		
Proceeds from sales of PP&E	6.4	1.1		
Acquisition of intangible assets	(27.2)	(49.4)		
Acquisition of investments	(0.2)	(1.1)		
Proceeds from sales and redemption of investments	1.1	0.4		
Proceeds from sales of business, net of cash and cash equivalents divested	29.3	10.5		
Net increase (decrease) in short-term loans and commercial papers	(46.0)	—		
Repayment of long-term loans	(10.0)	(0.0)		
Proceeds from issuance of bonds	183.6	—		
Repayment of bonds	(115.3)	—		
Acquisition of treasury shares	(51.6)	(1.0)		
Interest paid	(16.7)	(15.6)		
Dividends paid	(145.3)	(150.1)		
Others	(8.3)	(8.9)		
Net increase (decrease) in cash and cash equivalents	(32.7)	(140.4)	(107.8)	(329.8)%

*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.
*5 LTM represents Last Twelve Months (July 2025 - June 2026). Calculated by subtracting FY2025 Q1 from FY2025 Full Year and adding FY2026 Q1.

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	—

*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.

FY2026 Q1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2025 Q1	FY2026 Q1	JPY Change	% Change
Net profit	124.3	113.3	(11.0)	(8.9)%
Income tax expenses (benefit)	26.4	49.5		
Depreciation and amortization	181.6	163.0		
Interest expense, net	29.2	35.7		
EBITDA	361.5	361.4	(0.0)	(0.0)%
Impairment losses	2.4	30.0		
Other operating expenses (income), net, excluding depreciation and amortization, and impairment losses	4.3	21.7		
Finance expenses (income), net, excluding interest expense, net	4.2	3.6		
Share of loss (profit) of investments accounted for using the equity method	0.5	(0.5)		
Other costs*	15.7	17.2		
Adjusted EBITDA	388.6	433.4	44.8	11.5 %

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

FY2026 Q1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2025 Full Year (Apr - Mar)	FY2025 Q1 (Apr - Jun)	FY2026 Q1 (Apr - Jun)	FY2026 Q1 LTM[*1] (Jul - Jun)
Net profit	(152.1)	124.3	113.3	(163.1)
Income tax expenses (benefit)	9.8	26.4	49.5	32.9
Depreciation and amortization	721.1	181.6	163.0	702.5
Interest expense, net	131.2	29.2	35.7	137.7
EBITDA	710.0	361.5	361.4	710.0
Impairment losses	145.7	2.4	30.0	173.4
Other operating expenses (income), net, excluding depreciation and amortization, and impairment losses	516.7	4.3	21.7	534.1
Finance expenses (income), net, excluding interest expense, net	15.1	4.2	3.6	14.5
Share of loss (profit) of investments accounted for using the equity method	2.2	0.5	(0.5)	1.1
Other costs[*2]	69.6	15.7	17.2	71.1
Adjusted EBITDA	1,459.4	388.6	433.4	1,504.1
EBITDA from divested products[*3]	(2.1)			(0.4)
Adjusted EBITDA (LTM)[*1]	1,457.2			1,503.8

*1 LTM represents Last Twelve Months (July 2025 - June 2026). Calculated by subtracting FY2025 Q1 YTD from FY2025 Full Year and adding FY2026 Q1 YTD.

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

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

FY2026 Q1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2025 Q1	FY2026 Q1	JPY Change	% Change	2026 Forecast
Capital expenditures*1	75.1	103.2	28.2	37.5 %	330.0 - 380.0
Tangible assets	47.9	53.8	5.9	12.3 %	
Intangible assets	27.2	49.4	22.3	82.0 %	
Depreciation and amortization (A)+(B)	181.6	163.0	(18.6)	(10.2)%	648.5
Depreciation of tangible assets*2 (A)	42.6	45.7	3.1	7.4 %	
Amortization of intangible assets (B)=(C)+(D)	139.1	117.3	(21.7)	(15.6)%	
Of which Amortization on intangible assets associated with products (C)	129.3	105.5	(23.8)	(18.4)%	413.5
Of which Amortization excluding intangible assets associated with products (D)	9.7	11.8	2.1	21.6 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	52.3	57.5	5.2	10.0 %	235.0
Impairment losses	2.4	30.0	27.6	—	
Impairment losses on intangible assets associated with products*3 (E)	2.3	5.4	3.1	136.1 %	100.0
Amortization and impairment losses on intangible assets associated with products (C)+(E)	131.6	110.9	(20.7)	(15.7)%	513.5

*1 Cash flow base

*2 Includes depreciation of investment properties

*3 Includes in-process R&D

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	(559.0)	(229.0)	330.0	59.0%	Provision for AMITIZA Antitrust Litigation: FY25 JPY 403.5 B. Higher restructuring expenses (FY25 actual: JPY 70.8 B vs. FY26 forecast: JPY 170.0 B)
	Operating profit	6.2	420.0	413.8	-	
	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 (loss) before tax	(142.4)	252.0	394.4	-	
	Net profit (loss) attributable to owners of the Company	(152.4)	166.0	318.4	-	Tax benefit on provision for AMITIZA Antitrust Litigation: FY25 JPY 58.6 B
	Basic EPS (yen)	(97)	104	201	-	
	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)%	Lower effective tax rate in FY25 driven by the reassessment of deferred tax asset recoverability
	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

<table>
<tr><th rowspan="2">(Billion JPY)</th><th rowspan="2">Reported</th><th colspan="3">Reported to Core adjustments</th><th rowspan="2">Core</th></tr>
<tr><th>Amortization of intangible assets</th><th>Impairment of intangible assets</th><th>Other operating income (expenses)</th></tr>
<tr><td>Revenue</td><td>4,640.0</td><td></td><td></td><td></td><td>4,640.0</td></tr>
<tr><td>Cost of sales</td><td>(1,625.0)</td><td rowspan="5" colspan="3"></td><td rowspan="5">(3,480.0)</td></tr>
<tr><td>Gross Profit</td><td>3,015.0</td></tr>
<tr><td>SG&A expenses</td><td>(1,093.0)</td></tr>
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</table>

<table>
<tr><td>Impairment losses on intangible assets associated with products[*1]</td><td>(100.0)</td><td></td><td>100.0</td><td></td><td>—</td></tr>
</table>

*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)				
	FY2025 Actual (Apr-Jun)	FY2026 Actual (Apr-Jun)	FY2026 Full Year Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	145	159	156	1% depreciation	206.1	4.2	(3.4)	37.3
				1 yen depreciation	132.1	2.7	(2.2)	23.9
EUR	162	185	182	1% depreciation	69.2	(28.4)	(20.6)	(17.7)
				1 yen depreciation	38.0	(15.6)	(11.3)	(9.7)
RUB	1.8	2.1	2.0	1% depreciation	4.5	2.7	1.8	2.9
CNY	20.1	23.3	22.4		19.9	12.2	8.2	12.2
BRL	25.6	31.3	29.5		14.2	11.5	7.7	11.6

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