Company Registration No: 349143

Shire Pharmaceuticals Ireland Limited

Report and financial statements

For the year ended 31 March 2025

SHIRE PHARMACEUTICALS IRELAND LIMITED

COMPANY INFORMATION

Directors	D A Ahern S O'Reilly J Ryan
Company secretary	S O'Dowd
Registered office	Block 2 Miesian Plaza 50-58 Baggot Street Lower Dublin 2, D02 HW68 Republic of Ireland
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Republic of Ireland
Solicitors	Arthur Cox 10 Earlsfort Terrace Dublin 2 Republic of Ireland
Bankers	Citibank Europe PLC 1 Northwall Quay Dublin 1 Republic of Ireland

SHIRE PHARMACEUTICALS IRELAND LIMITED

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SHIRE PHARMACEUTICALS IRELAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Directors of Shire Pharmaceuticals Ireland Limited ('the Company') present their annual report and audited financial statements for the year ended 31 March 2025.

Principal activities
The Company was a wholly owned subsidiary within the Takeda Pharmaceutical Company Limited group during the year ("the Group" or "Takeda"), a leading biopharmaceutical company bringing better health and a brighter future to people worldwide.

As a part of overall Takeda reorganization, as of October 2022, all remaining sales and marketing activities were transitioned from this entity to other Takeda group companies and in the current year no trading activities have taken place in this Company. No future sales and marketing activities are planned to take place through this Company. The Company is identified for elimination in the foreseeable future as a part of Takeda group integration activities.

Fair review of the business
The Company's operating expenses for the financial year ended 31 March 2025 totalled €0.04 million (2024: €2.1 million). The decrease is primarily due to the further reduction in the Company's activities since the transfer of the Company's manufacturing, sales and marketing business to another group entity (Takeda Pharmaceuticals International AG Ireland Branch) as a part of ongoing reorganization post acquisition by Takeda.

The Company generated a profit before tax of €1.2 million in the financial year to 31 March 2025 (2024: loss before tax €0.9 million).The profit in the current year is attributable to interest receivable on amounts owed by group undertakings.

The Company's net assets as at 31 March 2025 were €48.1 million (2024: €47.2 million).

The Directors expect minimal activities in the entity going forward. There are no future planned developments for the Company and the Company is identified for elimination in the foreseeable future as a part of Takeda group integration activities. The assets and liabilities and financial position of the Company at the end of the financial year are set out on page 11.

Principal risks and uncertainties
During the year, the Company's operations are managed in conjunction with the objectives and performance of the Group. As a result, the principal risks and uncertainties of the Group influence and are therefore considered to be those of the Company.

In common with any biotechnology development and distribution business, the principal risks and uncertainties affecting the Company and Group are considered to relate to ongoing government regulation, control and approval, pricing and employee retention. Takeda group operations manage the risks discussed for all of its global companies and locations closely and has strong relationships in the markets.

Further information in respect of risk factors impacting the Company and the Group can be obtained from the Takeda Pharmaceutical Company Limited Annual Report, which does not form part of this annual report, and is available from the address in note 15.

Financial risk management
The Company's financial risks are managed on a Group basis.

Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk; liquidity risk and market risk (including foreign currency exchange risk, price risk and interest rate risk).

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a corporate treasury function conducted within a framework of policies and procedures approved periodically by Takeda committees. The corporate treasury function identifies, evaluates and hedges financial risks as needed for each subsidiary. As a matter of policy, the Group does not undertake speculative transactions that would increase currency or interest rate exposure.

Further information in respect of the financial risk management of the Group can be obtained from the Takeda Pharmaceutical Company Limited Annual Report, which does not form part of this annual report, and is available from the address in note 15.

Key performance indicators

The Company's operations are managed in conjunction with the objectives and performance of the Group. As a result, the key performance indicators of the Group influence and are therefore considered to be those of the Company.

Takeda has close involvement in the management of the Company and has used a range of key performance indicators. These are discussed in Takeda's Annual Report and financial statements, which do not form part of this annual report, and are available from the address in note 15.

Directors

The Directors who held office at any time during the financial year and up to the date of signature of the financial statements were as follows:

D A Ahern

S O'Reilly

S J Brennan (Resigned 19 July 2024)

J Ryan

Directors' and Secretary's Interest in Shares

The directors and secretary held no interest in shares in the Company at 1 April 2024 and 31 March 2025. The beneficial interests, including the interests of spouses and minor children, of the directors and the company secretaries, in the share capital of the ultimate parent company were not in excess of 1% of the total issued share capital of the parent company at 1 April 2024 and 31 March 2025.

Secretary

The Secretary who held office at any time during the year and up to the date of signature of the financial statements was as follows:

S O'Dowd

Results and dividends

The results for the financial year are set out on page 10.

No ordinary dividends were paid during the year ended 31 March 2025. The Directors do not recommend payment of a final dividend.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Going concern

The company is identified for elimination at a later date as a part of overall Takeda reorganization. Accordingly, the directors do not consider the going concern basis of accounting to be appropriate in preparing the annual report and financial statements.

The directors have reviewed the financial position of the Company and consider the assets to remain recoverable and that the Company has the ability to settle its liabilities. In determining this, the directors have reviewed the net assets and equity position as at the date of signing the financial statements and also the estimated position for the period up to 12 months after the date of approval of the financial statements. The existing accounting policies are therefore considered appropriate to follow and the annual report and financial statements have been prepared on this basis.

Events after the reporting date

There were no significant events after the reporting date that require either adjustment to, or disclosure in these financial statements. The elimination date for the entity has not yet been identified due to some regulatory activities which continue to be transferred to other Takeda entities.

Future developments

There are no future developments planned for the company at this time. The company is identified for elimination at a later date as part of overall Takeda reorganization.

Research and development

The Company incurred research and development costs of nil (2024: nil) in the financial year ended 31 March 2025.

Auditor

Pursuant to Section 383(4) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

Accounting records

The measures that the Directors have taken to ensure compliance with Sections 281-285 inclusive of the Companies Act 2014 are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The accounting records are held at Block 2 Miesian Plaza, 50-58 Baggot Street Lower, Dublin 2, D02 HW68, Republic of Ireland.

Political contributions

The company made no political contributions nor incurred any political expenditure during the year (2024: €nil).

Statement on relevant audit information

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

DocuSigned by:
Denis Ahern
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D A Ahern
Director

DocuSigned by:
John Ryan
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J Ryan
Director

Date: 22 October 2025

SHIRE PHARMACEUTICALS IRELAND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

DocuSigned by:
Denis Ahern
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D A Ahern
Director

DocuSigned by:
John Ryan
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J Ryan
Director

Date: 22 October 2025

KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIRE PHARMACEUTICALS IRELAND LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Shire Pharmaceuticals Ireland Limited ('the Company') for the year ended 31 March 2025 set out on pages 10 to 24, which comprise the income statement, the statement of financial position, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

The financial statements have not been prepared on the going concern basis for the reasons set out in note 1.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIRE PHARMACEUTICALS IRELAND LIMITED (CONTINUED)

Report on the audit of the financial statements(continued)

Other information (continued)

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

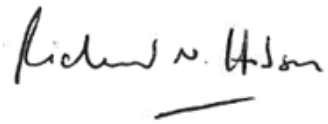
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIRE PHARMACEUTICALS IRELAND LIMITED (CONTINUED)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



22 October 2025

Richard Hobson
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St Stephens Green
Dublin 2
D02 DE03

SHIRE PHARMACEUTICALS IRELAND LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	Note	31 March 2025 €'000	31 March 2024 €'000
Administrative income/(expenses)		39	(2,106)
Impairment of investment in subsidiary	9	(38)	—
Operating profit/(loss)		1	(2,106)
Interest receivable and similar income	3	1,247	2,766
Interest payable and similar charges	4	—	(1,527)
Profit/(loss) on ordinary activities before taxation	5	1,248	(867)
Tax on profit/(loss) on ordinary activities	7	(303)	889
Profit for the financial year		945	22

All of the results in the current and prior periods were derived from discontinued operations.

No other gains and losses other than those above have occurred, therefore no separate statement of comprehensive income has been prepared.

SHIRE PHARMACEUTICALS IRELAND LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	31 March 2025 €'000	31 March 2024 €'000
Non-current assets			
Intangible assets	8	—	—
Financial assets	9	306	344
		306	344
Current assets			
Debtors: amounts falling due within one year	10	47,893	47,108
Cash at bank and in hand		196	296
		48,089	47,404
Current Liabilities			
Creditors: amounts falling due within one year	11	(275)	(573)
Net current assets		47,814	46,831
Net assets		48,120	47,175
Capital and reserves			
Called up share capital	12	—	—
Profit and loss account	12	48,120	47,175
Shareholder's funds		48,120	47,175

The financial statements on pages 10 to 24 were approved by the Board of Directors and authorised for issue and are signed on its behalf by:

DocuSigned by:
Denis Ahern
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D A Ahern
Director

DocuSigned by:
John Ryan
91368BA159C7487...

J Ryan
Director

Date: 22 October 2025

SHIRE PHARMACEUTICALS IRELAND LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital	Profit and loss account	Total Equity
	€'000	€'000	€'000
1 April 2023	—	47,153	47,153
Profit for the year	—	22	22
31 March 2024	—	47,175	47,175
Profit for the year	—	945	945
31 March 2025	—	48,120	48,120

1. Accounting policies

General information
Shire Pharmaceuticals Ireland Limited ("the Company") is a private company limited by shares incorporated, domiciled and registered in the Republic of Ireland, under the Companies Act 2014.

The address of the Company's registered office and principal place of business is Block 2 Miesian Plaza, 50-58 Baggot Street Lower, Dublin 2, D02 HW68, Ireland. The registration number of the Company is 349143.

The Company's principal activities and the nature of its operations are discussed in the Directors' Report on pages 3 to 6.

Basis of accounting
These financial statements have been prepared in accordance with FRS 102 "*The Financial Reporting Standard* applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of Irish statute comprising the Companies Act 2014, and under the historical cost convention. There have been no material departures from the standard. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimated with a significant risk of material adjustment in the next year are discussed in note 2.

Consolidated financial statements
The Company is exempt by virtue of section 300 of the Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Consolidated accounts of the Company's ultimate parent company at 31 March 2025, Takeda Pharmaceutical Company Limited, are prepared in conformity with International Financial Reporting Standards ('IFRS'), in which the financial results of the Company and its subsidiaries are included, and can be found in the Takeda Group Annual Report. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

The financial statements of the Company are consolidated in the financial statements of Takeda Pharmaceutical Company Limited. The consolidated financial statements of Takeda Pharmaceutical Company Limited are available from the address in note 15.

Reduced disclosures
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

1. Accounting policies (continued)

Reduced disclosures (continued)

- Section 26 'Share-based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.

- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Non going concern basis

The company is identified for elimination at a later date as part of overall Takeda reorganisation. As a consequence of plans to eliminate the Company, the Directors do not consider the going concern basis of accounting to be appropriate in preparing the annual report and financial statements.

The directors have reviewed the financial position of the Company and consider the assets to remain recoverable and that the Company has the ability to settle its liabilities. The existing accounting policies are therefore considered appropriate to follow and the annual report and financial statements have been prepared on this basis.

Given the large net assets position at year-end and that the Company's remaining assets at 31 March 2025 are primarily comprised of amounts owed by group undertakings, and given that the wording of FRS102 relating to going concern is closely aligned to the going concern wording in IFRS, the directors have decided to adopt the IFRS treatment of a non-going concern entity in these financial statements. Assets and liabilities have continued to be measured in line with the requirements in FRS102, and there has been no recognition of any future profits or losses subsequent to 31 March 2025. All assets are stated at their recoverable amounts. This approach is considered to be the most appropriate to the circumstances of the Company.

Functional and presentational currency

The financial statements are presented in Euros which is also the functional currency of the Company.

Monetary amounts in these financial statements are rounded to the nearest whole €1,000, except where otherwise indicated.

Discontinued operations

Discontinued operations are components of the company that have been disposed of at the reporting date and previously represented a separate major line of business or geographical area of operation.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

1. Accounting policies (continued)

Income

Interest income/receivable
Interest income or interest receivable is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Dividend income
Dividend income from investments in subsidiaries, and other investments is recognised when the Company's right to receive payment is established.

Intangible non-current assets – assets other than goodwill

Internally generated intangible assets
The cost of internally generated brands, logos, publishing titles, customer lists and similar items are expensed as incurred.

Other intangible assets
Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Patents	8 to 13 years
Trademarks	8 to 13 years
Purchased computer software	3 years

Intangible assets are amortised over the expected useful economic lives of the associated products.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

Impairments of non-current assets
An assessment is made at each reporting date of whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, where applicable, the recoverable amount of the cash-generating unit to which the asset belongs.

Shortfalls between the carrying value of non-current assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Borrowing costs/Interest payable
Borrowing costs and interest payable are expensed as incurred, by reference to the effective interest rate.

1. Accounting policies (continued)

Shares in group undertakings
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash at bank and in hand
Cash at bank and in hand includes cash in hand and deposits held at call with banks.

Financial instruments
The Company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1. Accounting policies (continued)

Financial assets

Basic financial assets

Basic financial assets, which include trade and other receivables, amounts owed by Group undertakings, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment

A provision for impairment of financial assets is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the asset over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, and amounts owed to Group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

1. Accounting policies (continued)

Provisions
Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. Critical accounting estimates and areas of judgement

In the application of the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and areas of judgement
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

In assessing the recoverability of the company's debtors, management makes assumptions as to the probability of the debt becoming bad by considering the age of the debt, the payment terms of the contract, the credibility of the counterparty and historic knowledge.

3. Interest receivable and similar income

	31 March 2025 €'000	31 March 2024 €'000
Interest receivable on loans due from Group undertakings	949	2,766
Other interest receivable	298	—
	1,247	2,766

4. Interest payable and similar charges

	31 March 2025 €'000	31 March 2024 €'000
Interest payable on amounts due to Group undertakings	—	1,527
	—	1,527

5. Profit on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	31 March 2025 €'000	31 March 2024 €'000
Foreign exchange losses	27	1,445

Fees payable in respect of audit services are as follows:

	31 March 2025 €'000	31 March 2024 €'000
Audit services – statutory audit of the Company	17	21

6. Employees

The Company had no employees during the year or prior year.

Directors Remuneration:

In respect of the Directors of Shire Pharmaceuticals Ireland Limited:	31 March 2025 €'000	31 March 2024 €'000
Emoluments in respect of qualifying services	**35**	**32**
Company contributions to defined contribution schemes	**2**	**2**
Employee share schemes	**6**	**8**
	43	**42**

No amounts were paid or payable by the Company to the directors in the current year and prior year. Directors are remunerated by other companies within the Takeda group. The above amounts represent amounts attributable to services provided by directors to the Company.

7. Tax on profit on ordinary activities

	31 March 2025 €'000	31 March 2024 €'000
Current tax		
Irish corporation tax	312	691
Adjustments in respect of previous periods	(9)	(1,580)
Total current tax	303	(889)
Deferred tax		
Origination and reversal of timing differences	—	—
Adjustments in respect of previous periods	—	—
Total deferred tax	—	—
Total tax on profit/(loss) on ordinary activities	303	(889)

Factors affecting the tax charge for the financial year.

The tax assessed for the year is equal to (prior period lower) than the standard rate of corporation tax in Ireland. The differences are explained below:

	31 March 2025 €'000	31 March 2024 €'000
Company profit/(loss) on ordinary activities before tax	1,248	(867)
Company profit /(loss) on ordinary activities multiplied by the standard rate of corporation tax of 25.0% (2024: 25.0%)	312	(217)
Effects of:		
Adjustments in respect of previous periods	(9)	(1,580)
Deferred taxes provided at rates different from average rates	—	908
	303	(889)

The standard rate of tax applied to reported profit on ordinary activities is 12.5 per cent. Corporation tax is charged at a rate of 12.5% on trading income. Corporation tax is charged at 25% on passive income. As the company has ceased trading, the standard rate of corporation tax applied is 25%.

The Company has losses of €nil (2024: €nil) available to carry forward against future taxable profit of the Company.

8. Intangible assets

	Intellectual property	Total
	€'000	€'000
Cost		
As at 1 April 2024	14,300	14,300
Disposals	—	—
As at 31 March 2025	14,300	14,300
Amortisation and impairment		
As at 1 April 2024	14,300	14,300
Amortisation charged in year	—	—
As at 31 March 2025	14,300	14,300
Net book value		
As at 31 March 2025	—	—
As at 31 March 2024	—	—

Intangible assets have been fully impaired in prior years.

9. Financial assets

	Shares in Group undertakings
	€'000
Cost	
As at 1 April 2024	453
Disposals	—
As at 31 March 2025	453
Impairment	
As at 1 April 2024	109
Current year charge	38
As at 31 March 2025	147
Net book value	
As at 31 March 2025	306
As at 31 March 2024	344

The directors have considered the carrying value of all subsidiary undertakings and have determined that an impairment of €37,694 was necessary.

Shares in Group Undertakings

Group undertakings	Percentage of shares held	Registered office	Principal activities
Shire Ukraine LLC(in liquidation)	100%	1	Marketing and distribution of pharmaceuticals
Takeda S.R.L.	7.0377%	2	Marketing and distribution of pharmaceuticals
Takeda Biopharmaceuticals India Pvt. Ltd.	2.1681%	3	Marketing and distribution of pharmaceuticals

[1] The registered office of the subsidiary is 11, Solomianska St., Kyiv, 03110, Ukraine

[2] The registered office of Takeda S.R.L. is Av Jorge Basadre Grohmann Nro. 607, Urb. Orrantia - Oficina 41,San Isidro,Lima,Peru

[3] The registered office of Takeda Biopharmaceuticals India Pvt. Ltd. is 6th Floor, Tower-C,Building No.8,DLF CyberCity, DLF Phase-II, Gurgaon 122001, Haryana, India

None of the shares of the above group undertakings are listed.

10. Debtors: amounts falling due within one year

	31 March 2025	31 March 2024
	€'000	€'000
Amounts owed by Group undertakings	43,205	38,457
VAT	—	4,030
Corporation tax	4,688	4,621
	47,893	47,108

Included within amounts due from Group undertakings are amounts of € nil, (2024: €9.2 million) that are denominated in various currencies including USD, Korean Won, Turkish Lira, and Mexican Pesos and €40 million (2024: €29.3 million) which bear interest at a variable rate and are due on demand. The remaining balance relates to other debtors with Group entities. These are issued under the Company's usual credit terms.

11. Creditors: amounts falling due within one year

	31 March 2025	31 March 2024
	€'000	€'000
Trade creditors	—	25
Amounts owed to Group undertakings	275	548
	275	573

The amounts owed to group undertakings relates to trade payables and other creditors with Group entities. These are payable in line with the Company's usual supplier payment policies.

12. Capital and reserves

Called up share capital

	31 March 2025	31 March 2025	31 March 2024	31 March 2024
	No	€'000	No	€'000
Allotted called up, issued and fully paid				
Ordinary shares of €1 each	1	—	1	—
		—		—

All called-up share capital above is presented as equity.

Ordinary share rights
The Company's Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company. In September 2022, the company effected a capital reduction exercise whereby the called up share capital was reduced to a nominal value of €1.

Reserves

Profit and loss account
The profit and loss account represents cumulative profit and loss net of distributions to owners.

13. Commitments and other contractual obligations

Intra-Group Revolving Credit Facility
On 1 October 2019 the Company entered into a Loan Facility Agreement with Shire Ireland Finance Trading Limited (the 'Lender') another Takeda Group company, whereupon the Lender proposed to provide the Company with a facility of up to €1,000,000,000 for an initial period of three hundred and sixty four days from the date of the agreement, to be renewed automatically for successive three hundred and sixty four days periods until terminated as per the clauses in the agreement. Upon drawing under the facility the Company would be liable to pay interest at floating rates of interest.

As at 31 March 2025 amounts drawn down under the facility totalled €nil (2024: €nil). There are no commitment fees payable under the agreement.

14. Related party transactions

The Company has taken advantage of the exemption in Section 33 of FRS 102 not to disclose transactions with wholly owned Group companies.

15. Ultimate parent company

The ultimate parent undertaking of the Company is Takeda Pharmaceutical Company Limited, a company incorporated in Japan. The head office of Takeda Pharmaceutical Company Limited is 1-1, Doshomachi 4-chome, Chuo-ku, Osaka 540-8645, Japan.

Takeda Pharmaceutical Company Limited, a company incorporated in Japan, is the immediate parent company of the Company. The registered office of Takeda Pharmaceutical Company Limited is 1-1, Doshomachi 4-chome, Chuo-ku, Osaka 540-8645, Japan.

At 31 March 2025, Takeda Pharmaceutical Company Limited heads the smallest and largest group which prepares consolidated accounts in which the results of the Company are included. The financial statements of Takeda Pharmaceutical Company Limited are available from the Company Secretary, 1-1, Doshomachi 4-chome, Chuo-ku, Osaka 540-8645, Japan, which is also the registered office of the ultimate parent, and on the group website at www.takeda.com.

16. Events after the reporting date

There were no significant events after the reporting date that require either adjustment to, or disclosure in these financial statements. The elimination date for the entity has not yet been identified due to some regulatory activities which continue to be transferred to other Takeda entities.

17. The board of directors approved these financial statements for issue on 22nd October 2025.

Annual Securities Report

From April 1, 2024 to March 31, 2025

(The 148th Fiscal Year)

Takeda Pharmaceutical Company Limited

As used in this annual securities report, references to the "Company," "Takeda," "we," "us" and "our" are to Takeda Pharmaceutical Company Limited and, except as the context otherwise requires, its consolidated subsidiaries.

In this annual securities report, we present our audited consolidated financial statements as of March 31, 2024 and 2025 and for the fiscal years ended March 31, 2024 and 2025. Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The term IFRS also includes International Accounting Standards ("IAS") and the related interpretations of the committees (Standard Interpretations Committee and International Financial Reporting Interpretations Committee).

As used in this annual securities report, "ADS" means an American Depositary Share, representing 0.5 shares of the Company's common stock, and "ADR" means an American Depositary Receipt evidencing one or more ADSs.

As used in this annual securities report, except as the context otherwise requires, the "Companies Act" means the Companies Act of Japan.

Amounts shown in this annual securities report have been rounded to the nearest indicated digit unless otherwise specified. In tables and graphs with rounded figures, sums may not add up due to rounding.

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Independent Auditor's Report

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Confirmation Letter

[Cover]

[Document Filed]	Annual Securities Report
[Applicable Law]	Article 24, paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	June 25, 2025
[Fiscal Year]	The 148th Fiscal Year (from April 1, 2024 to March 31, 2025)
[Company Name]	Takeda Pharmaceutical Company Limited
[Title and Name of Representative]	Christophe Weber, Representative Director, President & Chief Executive Officer
[Address of Head Office]	1-1, Doshomachi 4-chome, Chuo-ku, Osaka (The above address is the registered head office location and the ordinary business operations are conducted at the "Nearest Place of Contact")
[Telephone Number]	Not applicable
[Name of Contact Person]	Not applicable
[Nearest Place of Contact]	1-1, Nihonbashi-Honcho 2-chome, Chuo-ku, Tokyo (Global Headquarters)
[Telephone Number]	+81-3-3278-2111 (Main telephone number)
[Name of Contact Person]	Norimasa Takeda, Chief Accounting Officer & Corporate Controller, Global Finance
[Place for Public Inspection]	Takeda Pharmaceutical Company Limited (Global Headquarters) (1-1, Nihonbashi Honcho 2-chome, Chuo-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya) Fukuoka Stock Exchange (14-2, Tenjin 2-chome, Chuo-ku, Fukuoka) Sapporo Securities Exchange (14-1, Minamiichijonishi 5-chome, Chuo-ku, Sapporo)

Part 1. Information on Takeda

I. Overview of Takeda

1. Key Financial Data

(1) Consolidated Financial Data

JPY (millions), unless otherwise indicated

Fiscal Year	144th	145th	146th	147th	148th
Year Ended	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Revenue	¥ 3,197,812	¥ 3,569,006	¥ 4,027,478	¥ 4,263,762	¥ 4,581,551
Profit before tax	366,235	302,571	375,090	52,791	175,084
Net profit for the year	376,171	230,166	317,038	144,197	108,143
Net profit attributable to owners of the Company	376,005	230,059	317,017	144,067	107,928
Total comprehensive income (loss) for the year	697,416	824,427	911,574	1,139,206	(57,698)
Total equity	5,177,177	5,683,523	6,354,672	7,274,005	6,935,979
Total assets	12,912,293	13,178,018	13,957,750	15,108,792	14,248,344
Equity attributable to owners of the Company per share (JPY)	3,308.93	3,665.61	4,087.49	4,635.56	4,407.01
Basic earnings per share (JPY)	240.72	147.14	204.29	92.09	68.36
Diluted earnings per share (JPY)	238.96	145.87	201.94	91.16	67.23
Ratio of equity attributable to owners of the Company to total assets (%)	40.1	43.1	45.5	48.1	48.7
Return on equity attributable to owners of the Company (%)	7.6	4.2	5.3	2.1	1.5
Price earnings ratio (Times)	16.6	23.8	21.3	45.4	64.6
Net cash from (used in) operating activities	1,010,931	1,123,105	977,156	716,344	1,057,182
Net cash from (used in) investing activities	393,530	(198,125)	(607,102)	(463,862)	(367,060)
Net cash from (used in) financing activities	(1,088,354)	(1,070,265)	(709,148)	(354,416)	(751,425)
Cash and cash equivalents at the end of the year	966,222	849,695	533,530	457,800	385,113
Number of employees (Number of persons)	47,099	47,347	49,095	49,281	47,455

Notes:

(1) The consolidated financial statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRS).

(2) All figures shown are rounded to the nearest million JPY.

(2) Unconsolidated Financial Data

JPY (millions), unless otherwise indicated

Fiscal Year	144th	145th	146th	147th	148th
Year Ended	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	¥ 602,557	¥ 764,301	¥ 632,137	¥ 595,575	¥ 580,360
Ordinary income	50,010	550,876	340,122	286,399	86,594
Net income	247,513	324,450	330,649	338,874	152,820
Share capital	1,668,145	1,676,263	1,676,345	1,676,596	1,694,685
Total number of shares issued (Thousands of shares)	1,576,388	1,582,253	1,582,296	1,582,419	1,590,950
Net assets	4,434,889	4,294,899	4,206,219	4,088,198	3,989,355
Total assets	10,856,450	9,641,648	9,407,303	9,756,319	9,489,375
Net assets per share (JPY)	2,835.81	2,769.31	2,704.87	2,604.87	2,534.39
Dividend per share (JPY) [Interim dividend per share (JPY)]	180.00 [90.00]	180.00 [90.00]	180.00 [90.00]	188.00 [94.00]	196.00 [98.00]
Basic earnings per share (JPY)	158.45	207.50	213.06	216.60	96.79
Diluted earnings per share (JPY)	158.44	207.50	213.05	216.56	96.78
Equity ratio (%)	40.8	44.5	44.7	41.9	42.0
Return on equity (%)	5.5	7.4	7.8	8.2	3.8
Price earnings ratio (Times)	25.1	16.9	20.4	19.3	45.6
Payout ratio (%)	113.6	86.7	84.5	86.8	202.5
Number of employees (Number of persons)	4,966	5,149	5,486	5,474	4,808
Total shareholders return (%) [Comparative indicator: TOPIX Net Total Return (%)]	125.9 [142.1]	116.6 [145.0]	147.8 [153.4]	148.5 [216.8]	161.3 [213.4]
Highest stock price (JPY)	4,365	4,115	4,478	4,873	4,573
Lowest stock price (JPY)	3,119	2,993	3,495	3,900	3,852

Notes:

(1) All figures shown are rounded to the nearest million JPY.

(2) We have adopted Accounting Standard for Revenue Recognition (ASBJ Statement No.29 issued on March 31, 2020) at the beginning of the 145th fiscal year, and financial data presented for the 145th fiscal year onward has been adjusted.

(3) The highest and lowest stock prices are from the Tokyo Stock Exchange (the First Section on or before April 3, 2022 and the Prime Market on or after April 4, 2022).

2. History

June	1781	Started business selling Japanese and Chinese medicines
May	1871	Began import of Western medicines
August	1914	Set up research division
October	1915	Established Takeda Pharmaceutical Company (currently the Osaka Plant)
August	1921	Established Daigo Nutritive Chemicals, Ltd. (renamed to Nihon Pharmaceutical Co., Ltd. in June 1946 and divested in July 2024)
June	1922	Established Takeda Pure Chemicals Ltd. (later renamed to Wako Pure Chemical Industries, Ltd. in October 1947 and divested in April 2017)
January	1925	Established Chobei Takeda & Co., Ltd.
August	1943	Changed name to Takeda Pharmaceutical Industries, Ltd.
May	1946	Established the Hikari Plant in Yamaguchi prefecture
May	1949	Listed on the Tokyo Stock Exchange and Osaka Exchange
August	1962	Established Takeda Pharmaceuticals Taiwan, Ltd. (currently a consolidated subsidiary) in Taiwan
April	1984	Established dual headquarters in Osaka and Tokyo
May	1985	Established TAP Pharmaceuticals Inc., a joint venture with Abbott Laboratories Inc., in the U.S. (TAP Pharmaceuticals was first a wholly owned subsidiary according to the business reorganization in April 2008, and then, merged with Takeda Pharmaceuticals U.S.A., Inc., a consolidated subsidiary, in June 2008)
January	1988	Established Tsukuba Research Laboratories in Ibaraki prefecture (Integrated into Shonan Research Center (Kanagawa prefecture) in February 2011)
January	1992	Moved head office to its current location: 1-1, Doshomachi 4-chome, Chuo-ku, Osaka
March	1993	Established Takeda America, Inc. in the U.S. (Takeda America first merged with Takeda America Holdings, Inc. and others, and was renamed to Takeda America Holdings, Inc. in July 2001. It was then merged with Takeda Pharmaceuticals U.S.A., Inc. (currently a consolidated subsidiary) in March 2016)
October	1997	Established Takeda Global Research and Development Center, Inc. (currently Takeda Development Center Americas, Inc., a consolidated subsidiary) in the U.S.
October	1997	Established Takeda Ireland Limited (currently a consolidated subsidiary) in Ireland
December	1997	Established Takeda America Holdings, Inc. in the U.S. (merged with Takeda America Inc. in July 2001)
May	1998	Established Takeda Pharmaceuticals America, Inc. (currently Takeda Pharmaceuticals U.S.A., Inc., a consolidated subsidiary) in the U.S.
September	1998	Established Takeda Europe Research & Development Centre Ltd. (currently Takeda Development Centre Europe Ltd., a consolidated subsidiary), in the U.K.
March	2005	Acquired Syrrx, Inc. (renamed to Takeda California, Inc.) in the U.S. It was later merged with Takeda Development Center Americas, Inc., (currently a consolidated subsidiary) in July 2021
April	2005	Transferred shares of Japan EnviroChemicals, Ltd., engaged in life- environment business, to Osaka Gas Chemicals Co., Ltd., a subsidiary of Osaka Gas Co., Ltd.
June	2005	Transferred shares of Takeda Schering-Plough Animal Health K.K., engaged in animal health business, to Schering-Plough Corporation
January	2006	Transferred shares of BASF Takeda Vitamin K.K., engaged in sales of bulk vitamins, to BASF Japan Ltd.
April	2006	Transferred shares of Mitsui Takeda Chemicals, Inc., engaged in chemicals business, to Mitsui Chemicals, Inc.
August	2006	Established Takeda Pharmaceuticals Europe Limited (liquidated in July 2018) in the U.K.
April	2007	Transferred shares of Takeda- Kirin Food Corporation, engaged in food business, to Kirin Brewery Co., Ltd.
October	2007	Transferred shares of House Wellness Foods Corporation, engaged in beverage and food business, to House Foods Corporation
October	2007	Transferred shares of Sumitomo Chemical Takeda Agro Company, Ltd., engaged in agrochemical business, to Sumitomo Chemical Co., Ltd.
March	2008	Acquired Amgen K.K., a wholly owned subsidiary of U.S. Amgen Inc. (The entire business was transferred to the Company in April 2014 and liquidated in September 2014)
May	2008	Acquired Millennium Pharmaceutical Inc., (currently a consolidated subsidiary) through a public tender offer
September	2008	Established Takeda Clinical Research Singapore Private Limited (currently Takeda Development Center Asia, Pte. Ltd., a consolidated subsidiary) in Singapore
February	2011	Established Shonan Research Center in Kanagawa prefecture
September	2011	Acquired Nycomed A.S. (currently Takeda A/S, a consolidated subsidiary, planned to be liquidated) in Switzerland
June	2012	Acquired URL Pharma, Inc. in the U.S. The core business was merged with Takeda Pharmaceuticals U.S.A., Inc. in October 2012, and other businesses were divested in February 2013
October	2012	Acquired LigoCyte Pharmaceuticals, Inc. (currently Takeda Vaccines, Inc., a consolidated subsidiary) in the U.S.

November	2012	Acquired Envoy Therapeutics, Inc. in the U.S. It was later merged with Takeda California, Inc. in December 2013 and was merged with Takeda Development Center Americas, Inc., (currently a consolidated subsidiary) in July 2021
May	2013	Acquired Inviragen, Inc. in the U.S. It was later merged with Takeda Vaccines, Inc. (currently a consolidated subsidiary) in December 2013
April	2015	Transferred shares of Mizusawa Industrial Chemicals, Ltd., engaged in chemical manufacturing and sales, to Osaka Gas Chemicals Co., Ltd.
April	2016	Split off long listed products business by an absorption-type split and transferred it to a wholly owned Japanese subsidiary of Israel-based Teva Pharmaceutical Industries Ltd., and acquired shares of Teva Pharma Japan Inc. (renamed to Teva Takeda Pharma Ltd., in October 2016 and divested in March 2025)
February	2017	Acquired ARIAD Pharmaceuticals, Inc. (merged with Takeda Pharmaceuticals U.S.A., Inc. in January 2025) in the U.S. through a public tender offer
April	2017	Transferred shares of Wako Pure Chemical Industries, Ltd., engaged in reagent, chemical products, and clinical diagnostics agent business, to FUJIFILM Corporation
April	2018	Established Shonan Health Innovation Park ("Shonan iPark") in Kanagawa prefecture (renamed from Shonan Research Center. It became an associate accounted for using the equity method since the operation business was transferred to Industrial & Infrastructure Fund Investment Corporation and Mitsubishi Corporation in April 2023)
June	2018	Acquired TiGenix NV (liquidated in March 2020) in Belgium through a public tender offer
July	2018	Established the Global Headquarter in Chuo-ku, Tokyo
December	2018	Listed American Depositary Shares on the New York Stock Exchange
January	2019	Acquired Shire plc (renamed to Shire Limited and liquidated in March 2024) through a scheme of arrangement
March	2021	Transferred shares of Takeda Consumer Healthcare Company Limited (currently Alinamin Pharmaceutical Co., Ltd.) to Blackstone
October	2022	Succeeded businesses of Plasma-Derived Therapies of Nihon Pharmaceutical Co., Ltd. (divested in July 2024) excluding the business conducted at its Osaka Plant, through a company split
February	2023	Acquired all shares of Nimbus Lakshmi, Inc. with the late-stage pipeline in immune-mediated diseases
July	2024	Transferred shares of Nihon Pharmaceutical Co., Ltd. to Alinamin Pharmaceutical Co., Ltd.
March	2025	Transferred shares of Teva Takeda Pharma Ltd. to Teva Pharmaceutical Industries Ltd.

3. Description of Business

Takeda consists of 174 companies: Takeda Pharmaceutical Company Limited (the "Company"), 158 consolidated subsidiaries (including partnerships), and 15 associates accounted for using the equity method.

Takeda has a diverse portfolio, engaged primarily in the research, development, production and global commercialization of pharmaceutical products. Takeda's business is grouped into six key business areas: Gastroenterology ("GI"), Rare Diseases, Plasma-Derived Therapies ("PDT"), Oncology, Vaccines and Neuroscience. Our R&D efforts focus on three core therapeutic areas: Gastrointestinal and Inflammation, Neuroscience, and Oncology. We also make targeted R&D investments in PDT. We focus on developing innovative medicines that make a difference in people's lives by advancing the frontier of new treatment options and leveraging our collaborative R&D engine and capabilities to create a robust, modality-diverse pipeline. We focus on high unmet medical needs, both in rare and more prevalent conditions, to deliver high-quality medicines to patients and communities as quickly as possible. We have also accelerated our focus on data, digital and technology to make our business operations more effective and efficient, increase innovation and better serve our stakeholders.

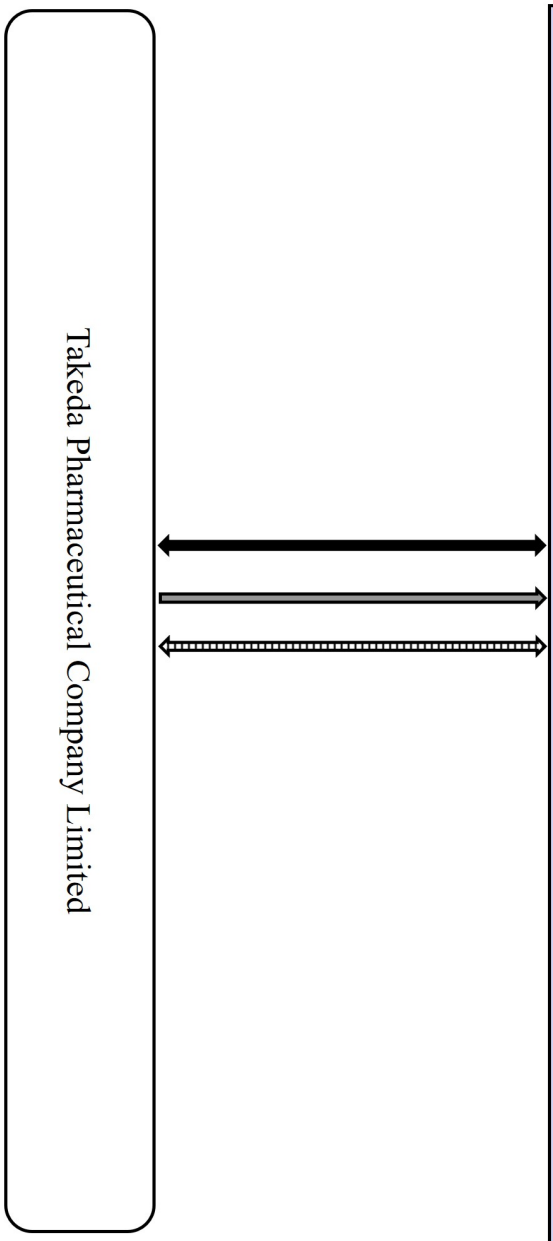
The outline of the roles of major subsidiaries which compose Takeda as of March 31, 2025 is as follows.

Segment information is omitted as Takeda operates a single reportable segment of Pharmaceuticals.

In Japan, the Company is engaged in research and development, manufacturing and marketing of pharmaceutical products.
In the areas other than Japan, subsidiaries and associates located in each country are engaged in research and development, manufacturing and marketing operations. Among these subsidiaries and associates, major subsidiaries are Takeda Pharmaceuticals U.S.A., Inc., Baxalta US Inc., Takeda Development Center Americas, Inc. and others in the U.S. and Takeda Pharmaceuticals International AG, Takeda GmbH and others in Europe and Canada. Major subsidiaries in the other areas include Takeda (China) International Trading Co., Ltd., Takeda Distribuidora Ltda. and others.

(Note) Associates include joint ventures.

Overview of Takeda group is as follows:



【Pharmaceuticals】

<United States >

★Takeda Pharmaceuticals U.S.A., Inc.	《Sales/ Holding intellectual properties/ Internal group finance》
★Takeda Vaccines, Inc.	《R&D/ Holding intellectual properties》
★Takeda Development Center Americas, Inc.	《R&D》
★Baxalta Incorporated	《Holding company/ Internal group finance》
★Dyax Corp.	《Holding intellectual properties》
★Takeda Ventures, Inc.	《Investment company》
★Baxalta US Inc.	《Production/ Holding intellectual properties》
★Shire Human Genetic Therapies, Inc.	《Production/ Holding intellectual properties》
★BioLife Plasma Services LP	《Plasma collection》
★Takeda Manufacturing U.S.A., Inc.	《Production》
★Takeda Pharmaceuticals America, Inc.	《Sales》

<Europe and Canada>

★Takeda Pharmaceuticals International AG	《R&D/ Supervision of sales for the areas other than Japan/ Holding intellectual properties/ Supervision of global manufacturing and product supply for all regions》
★Takeda GmbH	《Holding company/ Production/ Sales/ Holding intellectual properties》
★Takeda Italia S.p.A.	《Sales》
★Takeda Austria GmbH	《Production/ Sales/ Holding intellectual properties》
★Takeda France S.A.S.	《Sales》
★Takeda UK Limited	《Sales》
★Takeda Ireland Limited	《Production/ Holding intellectual properties》
★Shire Acquisitions Investments Ireland Designated Activity Company	《Internal group finance》
★Shire Ireland Finance Trading Limited	《Internal group finance》
★Takeda Canada Inc.	《Sales》
★Takeda Farmaceutica Espana S.A.	《Sales》
★Takeda Manufacturing Austria AG	《Production》
★Baxalta Manufacturing S.à r.l.	《Holding company/ Production/ Holding intellectual properties》
★Baxalta Innovations GmbH	《R&D》
★Takeda Pharma AB	《Sales》
★Takeda Pharma AG	《Sales》
★Takeda Nederland B.V.	《Sales》
★Baxalta Belgium Manufacturing S.A.	《Production》

<Russia/CIS>

★Takeda Pharmaceuticals Limited Liability Company	《Production/ Sales/ Provision of management services》

<Latin America>

★Takeda Distribuidora Ltda.	《Sales》
★Takeda Mexico S.A.de C.V.	《Production/ Sales》
★Takeda Pharma Ltda.	《Production/ Sales》
★Takeda Argentina S.A.	《Sales》

<China>

★Takeda (China) Holdings Co., Ltd.	《Holding company in China/ Internal group finance/ Provision of management services》
★Takeda (China) International Trading Co., Ltd.	《Sales》
★Tianjin Takeda Pharmaceuticals Co., Ltd.	《Production/ Sales》
★Takeda APAC Biopharmaceutical Research and Development Co., Ltd.	《R&D》

<Asia>

★Takeda Pharmaceuticals Korea Co., Ltd.	《Sales》
★Takeda Development Center Asia, Pte. Ltd.	《R&D》
★Takeda Manufacturing Singapore Pte. Ltd.	《Production/ Holding intellectual properties》

<Others>

★Takeda İlaç Sağlık Sanayi Ticaret Limited Şirketi	《Sales》

And others

Sales of products　Consign processing

Others

★:Consolidated subsidiaries

4. Overview of Subsidiaries and Associates

(Consolidated subsidiaries (including partnerships))

As of March 31, 2025

Region	Company Name	Address	Capital or Investment	Principal Business	Ownership of Voting Rights			Relationship with the Company			
					Direct-Ownership(%)	Indirect-Ownership (%)	Total (%)	Concurrent Position of Directors	Financial Assistance	Business Transaction	Others
United States of America	Takeda Pharmaceuticals U.S.A., Inc. (*)	Cambridge, MA, U.S.A.	US$21	Pharmaceuticals	72.7	27.3	100.0	—	✓	Purchases drugs from the Company	Loans fund Guarantees for payments of rental fees for real-estate and others
	Takeda Vaccines, Inc.	Cambridge, MA, U.S.A.	US$1	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Development Center Americas, Inc.	Cambridge, MA, U.S.A.	US$1	Pharmaceuticals	—	100.0	100.0	—	—	Conducts development of drugs and acquisition of approval on behalf of the Company	—
	Baxalta Incorporated	Bannockburn, IL, U.S.A.	US$10	Pharmaceuticals	—	100.0	100.0	—	—	—	Guarantees for redemption of bond
	Dyax Corp. (*)	Lexington, MA, U.S.A.	US$215	Pharmaceuticals	—	100.0	100.0	—	✓	—	Loans fund
	Takeda Ventures, Inc.	Cambridge, MA, U.S.A.	US$2	Pharmaceuticals	—	100.0	100.0	✓	—	—	—
	Baxalta US Inc. (*)	Bannockburn, IL, U.S.A.	US$1	Pharmaceuticals	—	100.0	100.0	—	—	Sells drugs to the Company	—
	Shire Human Genetic Therapies, Inc. (*)	Lexington, MA, U.S.A.	US$10	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	BioLife Plasma Services LP	Bannockburn, IL, U.S.A.	US$0	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Manufacturing U.S.A., Inc.	Cambridge, MA, U.S.A.	US$9 thousand	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Pharmaceuticals America, Inc. (*)	Cambridge, MA, U.S.A.	US$0	Pharmaceuticals	—	100.0	100.0	—	—	—	—

Region	Company Name	Address	Capital or Investment	Principal Business	Ownership of Voting Rights			Relationship with the Company			
					Direct-Ownership(%)	Indirect-Ownership (%)	Total (%)	Concurrent Position of Directors	Financial Assistance	Business Transaction	Others
Europe and Canada	Takeda Pharmaceuticals International AG (*)	Opfikon, Switzerland	€5 million	Pharmaceuticals	100.0	—	100.0	—	—	Produces drugs on behalf of the Company	Borrows fund
	Takeda GmbH	Konstanz, Germany	€11 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Italia S.p.A.	Rome, Italy	€11 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Austria GmbH	Linz, Austria	€15 million	Pharmaceuticals	—	100.0	100.0	—	—	Purchases drugs from the Company	—
	Takeda France S.A.S.	Paris, France	€3 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda UK Limited	London, United Kingdom	£50 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Ireland Limited	Kilruddery, Ireland	€396 million	Pharmaceuticals	100.0	—	100.0	—	—	Produces drugs on behalf of the Company	—
	Shire Acquisitions Investments Ireland Designated Activity Company	Dublin, Ireland	US$20	Pharmaceuticals	100.0	—	100.0	—	—	—	Guarantees for redemption of bond
	Shire Ireland Finance Trading Limited (*)	Dublin, Ireland	US$3,613 million	Pharmaceuticals	100.0	—	100.0	—	—	—	Borrows fund
	Takeda Canada Inc.	Toronto, Canada	CAD41 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Farmaceutica Espana S.A.	Madrid, Spain	€2 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Manufacturing Austria AG	Vienna, Austria	€100 thousand	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Baxalta Manufacturing S.à r.l.	Neuchatel, Switzerland	3 million Swiss franc	Pharmaceuticals	30.5	69.5	100.0	—	—	—	—
	Baxalta Innovations GmbH	Vienna, Austria	€36 million	Pharmaceuticals	—	100.0	100.0	—	—	—	Guarantees for lease payments
	Takeda Pharma AB	Stockholm, Sweden	2 million Swedish krona	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Pharma AG	Opfikon, Switzerland	550 thousand Swiss franc	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Nederland B.V.	Hoofddorp, Netherlands	€5 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Baxalta Belgium Manufacturing S.A.	Lessines, Belgium	€202 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
Russia/ CIS	Takeda Pharmaceuticals Limited Liability Company	Moscow, Russia	126 thousand Russian ruble	Pharmaceuticals	—	100.0	100.0	—	—	—	—

Region	Company Name	Address	Capital or Investment	Principal Business	Ownership of Voting Rights (%)			Relationship with the Company			
					Direct-Ownership(%)	Indirect-Ownership (%)	Total (%)	Concurrent Position of Directors	Financial Assistance	Business Transaction	Others
Latin America	Takeda Distribuidora Ltda.	São Paulo, Brazil	140 million Brazilian real	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Mexico S.A.de C.V.	Naucalpan, Mexico	820 million Mexican peso	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Pharma Ltda.	Jaguariúna, Brazil	7 million Brazilian real	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Argentina S.A.	Buenos Aires, Argentina	853 million Argentine peso	Pharmaceuticals	—	100.0	100.0	—	—	—	—
China	Takeda (China) Holdings Co., Ltd.	Shanghai, China	US$192 million	Pharmaceuticals	—	100.0	100.0	—	—	—	Borrows fund
	Takeda (China) International Trading Co., Ltd.	Shanghai, China	US$22 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Tianjin Takeda Pharmaceuticals Co., Ltd.	Tianjin, China	US$155 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda APAC Biopharmaceutical Research and Development Co., Ltd.	Shanghai, China	CNY50 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
Asia	Takeda Pharmaceuticals Korea Co., Ltd.	Seoul, Korea	2,100 million Korean won	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Takeda Development Center Asia, Pte. Ltd.	Singapore	S$5 million	Pharmaceuticals	100.0	—	100.0	—	—	—	—
	Takeda Manufacturing Singapore Pte. Ltd.	Singapore	US$305 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
Others	Takeda İlaç Sağlık Sanayi Ticaret Limited Şirketi	Istanbul, Turkey	TRY367 million	Pharmaceuticals	—	100.0	100.0	—	—	—	—
	Other 116 subsidiaries										

(Associates accounted for using the equity method) 15 associates

Notes:

(1) The amounts in the “Capital or Investment” are rounded to the nearest million of applicable currency if the company’s capital or investment is one million or more. If the company’s capital or investment is one thousand or more but less than one million, it is rounded to the nearest thousand of applicable currency.

(2) The “Principal business” column represents business segment information.

(3) Revenue of Takeda Pharmaceuticals U.S.A. Inc. (excluding intercompany revenue between consolidated companies) accounts for more than 10% of Takeda's revenue. The key financial information is as follows:

	Takeda Pharmaceuticals U.S.A. Inc. JPY (millions)
(1) Revenue	2,464,651
(2) Operating profit	97,398
(3) Net profit for the year	43,247
(4) Total equity	5,606,285
(5) Total assets	9,360,212

The figures for Takeda Pharmaceuticals U.S.A., Inc. are on a consolidated basis and include two of its subsidiaries, including Takeda Pharmaceuticals America, Inc.

(4) The term for concurrent position of directors is as follows:
Concurrent holding of positions: When one or more of Takeda's directors are directors of the companies concerned.

(5) (*) is a specified subsidiary.

5. Employees

(1) Takeda

As of March 31, 2025

Operating Segment	Number of Employees
Pharmaceuticals	47,455
Total	47,455

Note:

(1) The number of employees represents the number of permanent employees excluding temporary employees. It is calculated on full-time equivalent basis (*).
(*) If there are part-time workers among permanent employees, they are counted by converting into full- time employees.

(2) The Company

As of March 31, 2025

Number of Employees	Average Age	Average Length of Service (years)	Average Annual Salary JPY (thousands)
4,808	43.4	14.4	11,038

As of March 31, 2025

Operating Segment	Number of Employees
Pharmaceuticals	4,808
Total	4,808

Notes:

(1) The number of employees represents the number of permanent employees excluding temporary employees. It is calculated on a full-time equivalent basis (*).
(*) If there are part-time workers among permanent employees, they are counted by converting into full- time employees.

(2) The average annual salary includes bonuses and extra wages.

(3) Workers' Union

In 1948, the Federation of All Takeda Workers' Unions (FATWU: a coalition of local unions at each workplace organized in 1946) was founded. In July 1968, the coalition was unified and reorganized as the Takeda Pharmaceutical Workers' Union. The number of members is 3,572 in total as of March 31, 2025.

Regarding the workers' union of Takeda, the National Council of Takeda-Related Workers' Unions (NCTWU) was founded as a friendship organization in 1948 together with six workers' unions which have capital and business relationships with the Company. The union was renamed to TAKEZENKYO in 1969, and TAKEZENREN (National Federation of Takeda and Related Enterprise Based Unions) was founded as a federation in 2006. TAKEZENKYO was integrated into TAKEZENREN in 2009, and as of March 31, 2025, 14 enterprise-based unions including the Company, are joining.

The unions also join a superior body, UA ZENSEN (The Japanese Federation of Textile, Chemical, Food, Commercial, Service and General Workers' Unions), which is under the umbrella of RENGO (Japanese Trade Union Confederation) through TAKEZENREN.

There are no significant matters to report regarding labor-management relationships.

(4) Percentage of Female Workers in Management Positions, Percentage of Male Workers Taking Childcare Leave, and Difference in Wages Between Male and Female Workers

(a) The Company

As of and For the Year Ended March 31, 2025				
Percentage of Female Workers in Management Positions (%) (Note 1)	Percentage of Male Workers Taking Childcare Leave (%) (Note 2)	Difference in Wages Between Male and Female Workers - Ratio of Female Wages to Male Wages (%) (Notes 1 and 3)		
		Total Employees	Permanent Employees	Temporary Employees
21 %	81.5 %	77.6 %	80.3 %	63.3 %

Notes:

(1) Calculated in accordance with the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).

(2) The percentage of childcare leave taken is calculated as per Article 71-6-1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of Ministry of Labor No. 25 of 1991) based on the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991).

(3) Calculated based on the average annual salary (including base salary, various allowances, overtime pay, bonuses and excluding retirement and commuting allowances) and the average number of employees for the period from April 1, 2024 to March 31, 2025. Takeda aims to pay equitably for similar roles, and we rely on consistent grading structures, external survey data by reputable providers and an annual salary review process to ensure this is the case. Lower average pay for female workers compared to male workers is primarily the result of having fewer female workers in more senior roles. Takeda has initiatives and an action plan in place to increase the representation of women in management and other senior roles at the Company, which is expected to result in lower pay differentials over time.

(b) Takeda

As of March 31, 2025
Percentage of Female Workers in Management Positions (%) (Note 1)
43 %

Note:

(1) A worker in a management position includes an employee with direct reports who are Takeda employees and does not include a manager of only contractors.
The definition and calculation method of the above metric differ from those as required by the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).

II. Operating and Financial Review and Prospects

1. Management Policy, Management Environment and Management Issues

Takeda's Corporate Philosophy and Imperatives

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

Business Environment

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

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

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

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

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

Patient

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

Takeda's sustainable growth beyond 2030 is projected to be supported by our late-stage pipeline, and as of the beginning of the fiscal year ending March 31, 2026 (FY2025), we have six development programs in Phase 3 development. The first of these programs, rusfertide, read out positive Phase 3 data in March 2025. We anticipate Phase 3 data for oveporexton in narcolepsy type 1 and zasocitinib in psoriasis by the end of 2025. Regulatory filings for all three programs are anticipated for FY2025 – 2026. Five additional filings for late-stage programs are expected in FY2027 – 2029. For more information on our major activities and progress on R&D, please see our discussion of Pipeline and R&D Activities in 6. Research and Development.

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

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

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

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

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

People

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

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

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

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

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

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

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

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

Planet

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

Takeda is committed to delivering a high standard of environmental stewardship. It is not enough to just work towards a healthier population – we need a healthier planet as well to realize our purpose. We are taking action to reduce our environmental impact on many fronts by

prioritizing clean energy solutions, progressing toward net-zero targets and working to eliminate greenhouse gas ("GHG") emissions from our entire value chain. We focus on initiatives that advance our net-zero roadmap while continuing to invest in nature-based carbon removal projects beyond our value chain. We have committed to achieving net-zero GHG emissions in our operations by FY2035 and across our value chain by FY2040, which was validated by the Science Based Target initiative, including near-term and long-term targets.

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

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

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

Financial Prospect

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

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

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

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

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

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

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

[List of Principal Products]

In GI, our principal products include:

- *ENTYVIO* (vedolizumab), a treatment for moderate to severe ulcerative colitis and Crohn's disease. Sales of *ENTYVIO* have grown strongly since its launch in the U.S. and Europe in 2014 and it was our top selling product in the fiscal year ended March 31, 2025. *ENTYVIO* is now approved in more than 70 countries worldwide with a subcutaneously administered formulation approved in the U.S., Europe and Japan. We strive to maximize its potential by seeking approval in additional countries, examining use in further indications. In the fiscal year ended March 31, 2025, our revenue from *ENTYVIO* was JPY 914.1 billion.
- *EOHILIA* (budesonide oral suspension), a therapy for eosinophilic esophagitis (EoE). *EOHILIA* is a corticosteroid, and the first and only FDA-approved oral therapy indicated for 12 weeks of treatment in patients 11 years and older with EoE. *EOHILIA* was approved by the U.S. FDA in February of 2024 and subsequently launched. In the fiscal year ended March 31, 2025, our revenue from *EOHILIA* was JPY 5.5 billion.
- *TAKECAB/VOCINTI* (vonoprazan fumarate), a treatment for acid-related diseases. *TAKECAB* was launched in Japan in 2015 and has achieved significant growth driven by its efficacy in reflux esophagitis and the prevention of recurrence of gastric and duodenal ulcers during low-dose aspirin administration. *TAKECAB* (Chinese brand name: *VOCINTI*) was approved for reflux esophagitis in 2019 in China. In the fiscal year ended March 31, 2025, our revenue from *TAKECAB/VOCINTI* was JPY 130.8 billion.
- *GATTEX/REVESTIVE* (teduglutide [rDNA origin]), a treatment for patients with short bowel syndrome (SBS) who are dependent on parenteral support. *GATTEX/REVESTIVE* has been launched in the U.S., Europe and Japan with adult and pediatric indications. In the fiscal year ended March 31, 2025, our revenue from *GATTEX/REVESTIVE* was JPY 146.3 billion.

In Rare Diseases, our principal products are:

- *TAKHZYRO* (lanadelumab-flyo), for the prevention of hereditary angioedema (HAE) attacks. *TAKHZYRO* is a fully human monoclonal antibody that specifically binds and decreases plasma kallikrein, an enzyme which is chronically uncontrolled in people with HAE. *TAKHZYRO* was approved for patients 12 years and older in both the U.S. and Europe in 2018, in China in 2020 and in Japan in 2022 and we are working to expand into further geographic areas. In 2023, *TAKHZYRO* was also approved by the FDA and the European Commission in patients aged 2 years and older, and in February 2025, an additional 2 mL pre-filled pen option for the product was approved by the European Medicines Agency (EMA) for subcutaneous administration in adolescents (aged 12 years and above) and adult patients with hereditary angioedema. In the fiscal year ended March 31, 2025, our revenue from *TAKHZYRO* was JPY 223.2 billion
- *LIVTENCITY* (maribavir), a treatment for adults and pediatric patients (12 years and older and weighing at least 35 kg) for post-transplant cytomegalovirus (CMV) infection/disease that is refractory to treatment (with or without genotypic resistance) with ganciclovir, valganciclovir, foscarnet or cidofovir. *LIVTENCITY* launched in the U.S. in December 2021, and was approved in Europe in November 2022, and China in December 2023. *LIVTENCITY* continues to show strong launch performance driven by fast uptake, rapid geographic expansion and positive market access trends indicating high unmet medical needs. In the fiscal year ended March 31, 2025, our revenue from *LIVTENCITY* was JPY 33.0 billion.
- *ADZYNMA* (ADAMTS13, recombinant-krhn), a prophylactic and on-demand treatment of adult and pediatric patients with congenital thrombotic thrombocytopenic purpura (cTTP). *ADZYNMA* is the first and only FDA-approved recombinant ADAMTS13 (rADAMTS13) designed to address an unmet medical need in people with cTTP by replacing the deficient ADAMTS13 enzyme. *ADZYNMA* (apadamtase alfa/cinaxadamtase alfa) has now also been approved in Japan for treatment of cTTP for individuals 12 years and older, and in Europe (EMA markets) for individual of all ages. In the fiscal year ended March 31, 2025, our revenue from *ADZYNMA* was JPY 7.1 billion.
- *ELAPRASE* (idursulfase), an enzyme replacement therapy for the treatment of Hunter syndrome (also known as Mucopolysaccharidosis Type II or MPS II). In the fiscal year ended March 31, 2025, our revenue from *ELAPRASE* was JPY 97.2 billion.
- *REPLAGAL* (agalsidase alfa), an enzyme replacement therapy for the treatment of Fabry disease, marketed outside of the U.S., and also approved in China in 2020. Additionally, Takeda has acquired the manufacturing and marketing approval and the marketing rights of *REPLAGAL* in Japan from Sumitomo Dainippon Pharma as of February 2022. Fabry disease is a rare, inherited genetic disorder resulting from a deficiency in the activity of the lysosomal enzyme alpha-galactosidase A, which is involved in the breakdown of fats. In the fiscal year ended March 31, 2025, our revenue from *REPLAGAL* was JPY 77.9 billion.
- *ADVATE* (antihemophilic factor (recombinant)), a treatment for hemophilia A (congenital factor VIII deficiency) for control and prevention of bleeding episodes, for perioperative management and routine prophylaxis to prevent or reduce the frequency of bleeding episodes. In the fiscal year ended March 31, 2025, our revenue from *ADVATE* was JPY 111.8 billion.
- *ADYNOVATE/ADYNOVI* (antihemophilic factor (recombinant) [PEGylated]), an extended half-life recombinant factor VIII treatment for hemophilia A. *ADYNOVATE/ADYNOVI* uses the same manufacturing process as the standard half-life recombinant factor VIII therapy *ADVATE,* and adds a proven technology, PEGylation (a chemical process that prolongs the amount of time a compound remains in circulation, potentially allowing for fewer injections), which we exclusively licensed from Nektar Therapeutics. In the fiscal year ended March 31, 2025, our revenue from *ADYNOVATE/ADYNOVI* was JPY 64.6 billion.
- *VPRIV* (velaglucerase alfa), is indicated for long-term enzyme replacement therapy (ERT) in patients with type 1 Gaucher disease. In the fiscal year ended March 31, 2025, our revenue from *VPRIV* was JPY 53.5 billion.

In Plasma-Derived Therapies (PDT), our principal products are:

- *GAMMAGARD LIQUID/KIOVIG* (Immune Globulin Intravenous (Human) 10%), a liquid formulation of the antibody replacement therapy immunoglobulin (IG), for the treatment of adult and pediatric patients two years or older with primary immunodeficiencies (PID) (administered either intravenously or subcutaneously), and adult patients with multifocal motor neuropathy (MMN) (administered intravenously). *GAMMAGARD LIQUID* was approved for adult patients with chronic inflammatory demyelinating polyneuropathy (CIDP) in the U.S. in January 2024. *KIOVIG* is the brand name used for *GAMMAGARD LIQUID* in many countries outside of the U.S.; *KIOVIG* is approved in Europe for multiple indications including CIDP.
- *HYQVIA* (Immune Globulin Infusion 10% (Human) with Recombinant Human Hyaluronidase), a product consisting of human normal IG and recombinant human hyaluronidase (licensed from Halozyme). *HYQVIA* is the only subcutaneous IG treatment for PID patients with a dosing regimen that requires only one infusion up to once per month and one injection site per infusion to deliver a full therapeutic dose of IG. *HYQVIA* is approved in the U.S. for adults with PID, in Europe for patients with PID syndromes and myeloma or CLL with severe secondary hypogammaglobulinemia and recurrent infections and in Japan for patients with PID or secondary immunodeficiency (SID) with agammaglobulinemia or hypogammaglobulinemia. In January 2024, *HYQVIA* was approved for maintenance treatment in adult patients with chronic inflammatory demyelinating polyneuropathy (CIDP) in the U.S. and CIDP patients of all ages in Europe.
- *CUVITRU* (Immune Globulin Subcutaneous (Human), 20% Solution), indicated as replacement therapy for primary humoral immunodeficiency in adult and pediatric patients two years and older. *CUVITRU* is also indicated in Europe for the treatment of certain secondary immunodeficiencies. *CUVITRU* is the only 20% subcutaneous IG treatment option without proline and with the ability to infuse up to 60 mL (12 grams) per site and 60 mL per hour, per site as tolerated, resulting in fewer infusion sites and shorter infusion durations compared to other conventional subcutaneous IG treatments.

  In the fiscal year ended March 31, 2025, the total revenue from our PDT immunology portfolio, including *GAMMAGARD LIQUID/ KIOVIG, HYQVIA* and *CUVITRU*, was JPY 757.8 billion.
- *FLEXBUMIN* (Human Albumin in a bag) and Human Albumin (glass), available as 5% and 25% solutions, indicated for hypovolemia, hypoalbuminemia due to general causes and burns, and for use during cardiopulmonary bypass surgery as a component of the pump prime. *FLEXBUMIN* 25% is also indicated for hypoalbuminemia associated with adult respiratory distress

syndrome (ARDS) and nephrosis, and hemolytic disease of the newborn (HDN). In the fiscal year ended March 31, 2025, the total revenue from our albumin portfolio, including *FLEXBUMIN* and Human Albumin (glass) was JPY 141.4 billion.

In Oncology, our principal products include:

- *ALUNBRIG* (brigatinib), an orally administered small molecule anaplastic lymphoma kinase ("ALK") inhibitor used to treat ALK-positive non-small cell lung cancer (NSCLC), was granted accelerated approval for patients who have progressed on or are intolerant to crizotinib in the U.S. in 2017, and marketing authorization for patients previously treated with crizotinib in the EU in 2018. The indication of *ALUNBRIG* was expanded to include newly diagnosed ALK-positive NSCLC patients in both the U.S. and the EU in 2020. *ALUNBRIG* was approved as a first and second-line therapy in Japan in January 2021. *ALUNBRIG* was also approved in China in March 2022. In the fiscal year ended March 31, 2025, our revenue from *ALUNBRIG* was JPY 36.4 billion.
- *FRUZAQLA* (fruquintinib), a treatment for adults with metastatic colorectal cancer (mCRC) who have been previously treated with fluoropyrimidine-, oxaliplatin- and irinotecan-based chemotherapy, an anti-VEGF therapy, and, if RAS wild-type and medically appropriate, an anti-EGFR therapy. *FRUZAQLA* is approved in the U.S., EU, Japan and a number of other countries around the world as a selective oral inhibitor of all three VEGF receptors. Takeda has the exclusive worldwide license to further develop, commercialize and manufacture fruquintinib outside of mainland China, Hong Kong and Macau. Fruquintinib is developed and marketed in China by HUTCHMED. In the fiscal year ended March 31, 2025, our revenue from *FRUZAQLA* was JPY 48.0 billion.
- *LEUPLIN/ENANTONE* (leuprorelin), a treatment for hormone-responsive cancers such as prostate cancer or breast cancer in women, as well as children with central precocious puberty, women with endometriosis and infertility, and to improve anemia in women with uterine leiomyomata (fibroids). While leuprorelin is no longer protected by patent, there is limited generic competition due to manufacturing considerations. In the fiscal year ended March 31, 2025, our revenue from *LEUPLIN/ENANTONE* was JPY 119.3 billion.
- *NINLARO* (ixazomib), the first oral proteasome inhibitor for the treatment of multiple myeloma (MM), was approved in the U.S. in 2015 for relapsed/refractory MM and was approved in Europe in 2016, in Japan in 2017 and in China in 2018. In Japan, *NINLARO* is also approved as a maintenance treatment for MM. In the fiscal year ended March 31, 2025, revenue from *NINLARO* was JPY 91.2 billion.
- *ADCETRIS* (brentuximab vedotin), an anti-cancer agent used to treat Hodgkin lymphoma (HL) and systemic anaplastic large cell lymphoma (sALCL), has received marketing authorization in more than 70 countries worldwide and was approved in China in May 2020. Takeda jointly developed *ADCETRIS* with Seagen Inc., now a wholly owned subsidiary of Pfizer Inc. ("Pfizer"), and has commercialization rights in countries outside the U.S. and Canada. In the fiscal year ended March 31, 2025, our revenue from *ADCETRIS* was JPY 129.0 billion.
- *ICLUSIG (ponatinib),*a tyrosine kinase inhibitor targeting BCR::ABL1 with indications across chronic myeloid leukemia (CML) and Philadelphia chromosome-positive acute lymphoblastic leukemia (Ph+ ALL), received full approval in the U.S. in 2016 and subsequent U.S. approvals in expanded indications in 2020 and 2024. We have commercialization rights in the U.S. and Australia. Outside of the U.S. and Australia, *ICLUSIG* is marketed in over 60 markets by five authorized partners from whom Takeda receives varying levels of supply, royalty and milestone payments. In the fiscal year ended March 31, 2025, our revenue from *ICLUSIG* was JPY 70.7 billion.

In Neuroscience, our principal products are:

- *VYVANSE/ELVANSE* (lisdexamfetamine dimesylate), a stimulant medication indicated for the treatment of attention deficit hyperactivity disorder (ADHD) in patients six years and older and for the treatment of moderate to severe binge eating disorder in adults. Sales declined in the U.S. since 2023, following the entry of generic competition. In the fiscal year ended March 31, 2025, our revenue from *VYVANSE/ELVANSE* was JPY 350.6 billion.
- *TRINTELLIX* (vortioxetine), an antidepressant indicated for the treatment of major depressive disorder (MDD) in adults. *TRINTELLIX* was co-developed with H. Lundbeck A/S, and Takeda has commercialization rights in the U.S., where it was launched in 2014 and in Japan, where it was launched in 2019. In the fiscal year ended March 31, 2025, our revenue from *TRINTELLIX* was JPY 125.7 billion.

In Vaccines, our principal product is:

- *QDENGA* (Dengue Tetravalent Vaccine [Live, Attenuated]), a dengue vaccine that is based on a live-attenuated dengue serotype 2 virus, which provides the genetic "backbone" for all four dengue virus serotypes and is designed to protect against any of these serotypes. *QDENGA* is available in 29 countries including endemic countries and travel markets. In the fiscal year ended March 31, 2025, our revenue from *QDENGA* was JPY 35.6 billion.

For a breakdown of revenues by geographic region, see Note 4 to our audited consolidated financial statements.

2. Corporate Sustainability Policies and Initiatives

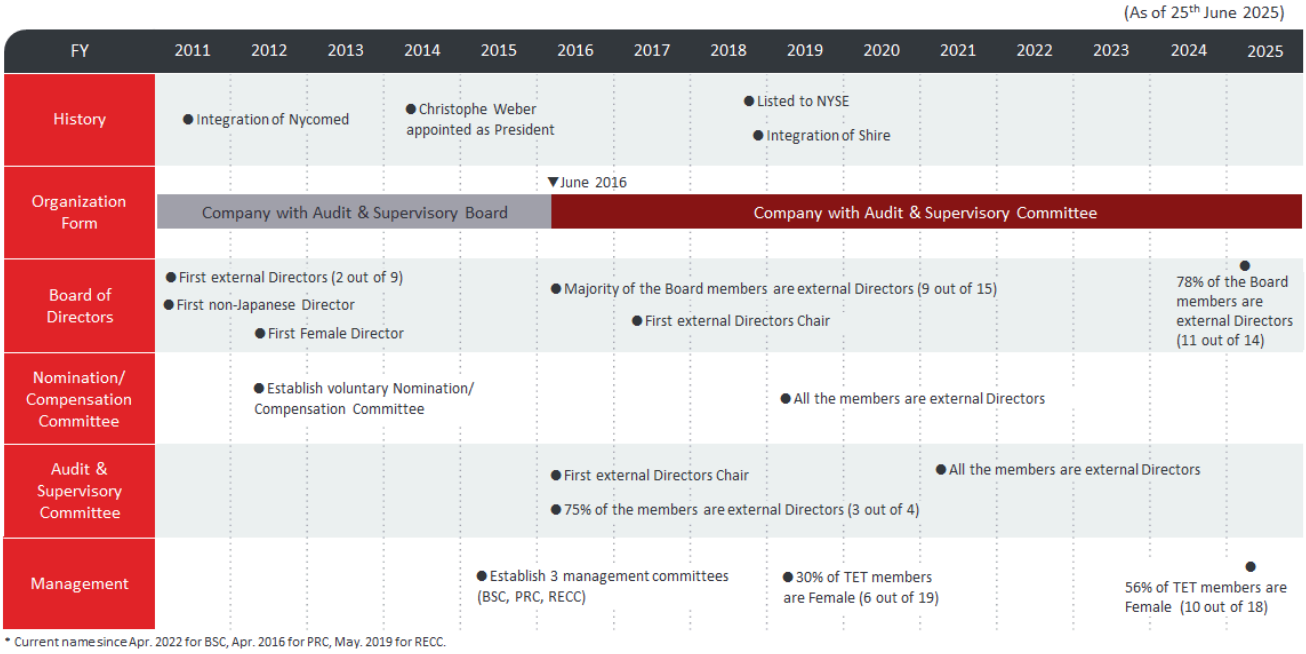
Governance

Takeda's Board of Directors ("BOD") has responsibility for the oversight of our affairs, including those related to business risk and financial disclosures. The BOD delegates certain decision-making authorities to certain Directors, which enables the BOD to focus more on business strategies, internal controls and other important business matters of the Takeda Group. The matters delegated to the Directors are discussed and decided at appropriate executive-level management committees, including the Business & Sustainability Committee ("BSC") and the Risk, Ethics and Compliance Committee ("RECC"). The BSC is responsible for the oversight of Takeda's corporate strategy and associated goals/commitments including sustainability. The RECC is responsible for oversight and decision matters related to Takeda's Enterprise Risk Management (ERM) Program, including mitigation plans for material risks, and the Global Monitoring Program. The BOD receives regular updates from the President and CEO, other Takeda Executive Team ("TET") members, and the management committees.

The Chief Global Corporate Affairs & Sustainability Officer ("CGCASO") is responsible for overseeing Takeda's sustainability efforts, partnering with relevant TET members who are accountable for Takeda's Patient, People and Planet imperatives.

The Sustainability/ESG External Disclosure Committee, whose chair is Head of Global Sustainability, and is comprised of internal subject matter experts, is responsible for ensuring timely and accurate disclosure of sustainability and environmental, social, and governance (ESG) data and other information. The committee reviews and confirms the accuracy, consistency and completeness of mandatory and key voluntary disclosures related to sustainability.

Our history of corporate governance



* Current name since Apr. 2022 for BSC, Apr. 2016 for PRC, May. 2019 for RECC.

For further details of our general governance structure, please refer to "IV. Information on the Company, 4. Corporate Governance, (1) Corporate Governance, 3) Business Execution".

Strategy

At Takeda, sustainability is about how we run the business. It's about how we use our core strengths and capabilities as a biopharmaceutical company to create long-term value for patients, shareholders and society while also minimizing negative impact on the planet. Our corporate philosophy captures our approach to sustainability. It fuses why we exist (our purpose) with where we are going (our vision) and how we deliver on our vision (our values). Our imperatives and priorities direct where Takeda must focus to deliver on our vision and purpose.

Informed by a materiality assessment of nonfinancial issues strategically important to our company and stakeholders, these imperatives and priorities are framed under patient-people-planet powered by data, digital and technology.

Patient

Takeda is translating science to discover and deliver life-transforming treatments and vaccines for patients and communities with limited or no options. This is central to Takeda's purpose. Our research and development (R&D) is focused on key therapeutic areas and highly differentiated. We deliver our pipeline through expert R&D capabilities within our laboratories and extensive external partnerships, collaboration with patient communities, addressing health equity and leveraging data, digital and technology capabilities.

We understand that patients rely on an uninterrupted supply of our high-quality treatments. To deliver on that responsibility, we build resiliency into our global supply chain. For example, our sourcing strategy is intended to ensure supply continuity of strategic products and active pharmaceutical ingredients (APIs) mitigating risks from external factors such as geopolitical risks and natural disasters. Strict quality standards apply throughout the entire lifecycle of our products designed to ensure product quality and patient safety. Takeda ensures the quality, safety, and efficacy of its products from clinical to manufacturing and distribution in compliance with external regulations and guidelines, internal requirements and GxP standards. Further, Takeda ensures the safety and efficacy of its

products through rigorous post-marketing surveillance and compliance with regulatory requirements, conducting additional studies and monitoring to gather further information on product performance.

For Takeda's innovative medicines and vaccines to create value for patients, society and shareholders, they must be made accessible to those who need them in a sustainable manner. That is why we focus on;

- Unmet medical needs: Takeda discovers, develops and launches global products ("Growth and Launch Products") to provide patients with access to innovative and life-transforming medicines. Takeda medicines are often the first and only treatment available, particularly in the case of rare diseases.
- Balancing speed, breadth, value, and sustainability of access: At Takeda our access and pricing strategies for medicines and treatments are tailored to achieve the optimum balance of speed, breadth and sustainability of access. Our prices reflect the value of our medicines to payers, the healthcare system and society. We use tiered pricing, a methodology that differentiates price levels based on a country's economic development, health system maturity and other characteristics to reduce access barriers associated with price. We co-create value-based contracts together with payers to help them manage uncertainties with clinical performance and financial impact when we launch new medicines, and we offer Patient Assistance Programs to provide financial support to patients based on their individual circumstances so they can access our innovative medicines.
- Partnering with diverse stakeholders to strengthen and support health care systems: We partner with the public sector and civil society to address the specific barriers to access to our medicines and related care that exist within health care systems. In doing so we strengthen healthcare systems in ways that are sustainable, aligned with national priorities and in collaboration with local communities. We also work with partners to improve patient outcomes and support the move to transform health care systems to value-based models that deliver more benefits to patients and society.

In this way, we integrate access into our business strategy and across our operations, from research & development to commercialization, and we take a locally driven approach to delivering our medicines. This allows us to be responsive to local patient needs and address the unique barriers to access in each health system.

For further information on how we commit to patients, please refer to "COMMITMENT TO THE PATIENT" part of the 2025 Annual Integrated Report which is planned to be disclosed on Takeda's website on June 30, 2025.

People

We recognize that no matter how far science and technology advance, Takeda is a knowledge-based company driven by people. Our people are the source of our innovation, enabling us to create long-term value for patients, shareholders, and society. At Takeda, we focus on developing and nurturing talent in our workforce and investing in life-long learning, fostering an inclusive work environment free from discrimination of any kind to help employees achieve their full potential, and creating a culture of belonging in the workplace so that employees can perform at their best. We believe these initiatives enable us to discover and deliver life-transforming treatments and vaccines for patients and communities.

Corporate Culture and Talent Development

At Takeda, we describe ourselves as having a "values-based" culture. This means that in addition to complying with all applicable laws and regulations, it is essential for us to make decisions and take actions that are purposeful, meeting the highest ethical and moral standards. We reinforce our values to shape our culture through various mechanisms and learning programs. This includes our Global Code of Conduct, the Global Induction Forum with new senior leaders around the world as an opportunity for them to learn about Takeda's rich heritage and values, and our Values Ambassadors, who serve as role models for our values and agents to guide their colleagues.

Takeda also emphasizes a culture of life-long learning where employees take charge of their learning and career growth. Our commitment to life-long learning and career growth enhances the employee experience, motivation and expertise, leading to new ideas, and results in value creation for patients. Through offering extensive online and in-person learning resources, we enable employees to develop customized ways of learning what they need and want to learn, when and how they want to learn it.

One of the ways we help employees learn and grow their careers is through our Career Navigator, an AI-enabled talent marketplace platform, which was launched in January 2024. It enables employees to explore career growth opportunities aligned to the skills and experiences they desire to create their unique career journey. In 2025, we added short-term project opportunities on Career Navigator as a way for employees to learn skills and gain experience while contributing to Takeda's business. We also support employees' learning and development through AI coaches and AI-facilitated role-playing, where employees can practice new skills in a risk-free environment. In 2025, we are investing in a new online platform that can deliver seamless learning experiences incorporating live sessions, self-directed learning, mentoring and group projects and discussions to thousands of employees at the same time.

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

We have put a significant emphasis on developing leaders, who have a crucial role in inspiring and motivating our employees to define and own their career growth. In FY2024, we introduced a comprehensive suite of development programs, and launched an innovative Change Management toolkit. The development programs include a Senior Leader Induction Program designed to effectively onboard those who are either newly hired or recently promoted to senior leadership positions, and a 16-month Takeda Aspire Program which helps prepare emerging senior leaders for future strategic roles.

To make technology an integral part of our work and be ready for the future of health care, we are investing in developing the digital skillsets and mindsets of our employees. We are providing skill building opportunities across our business units and functions to enable our employees to increase their digital dexterity skills, skills such as automation, personal productivity and generative AI. In July 2024, we launched the Everyday AI journey in our learning platform, the first major step in our new Digital Dexterity framework. The Everyday AI journey is designed to cultivate essential AI and GenAI capabilities within our workforce.

Guided by our value of discovering and delivering life-transformative treatments, we are committed to fostering a culture that promotes life-long learning and career development, including digital skills.

As a global biopharmaceutical company, we value different perspectives and experiences and we invest in fostering an inclusive workplace that is free from discrimination of any kind to attract, develop and retain the best talent globally. Across Takeda, we nurture a values-based culture so each employee feels valued and they have access to opportunities and resources that help them achieve their full potential regardless of where they are.

The percentage of women in management positions on a global basis (As of March 31, 2025)	The percentage of women in TET (As of June 25, 2025)
43%	56 % Our TET comprises 18 members, of whom 10 are women

Policies on improvement and maintenance of work environment

Takeda's purpose of better health for people, brighter future for the world is only possible when we take care of the well-being of our colleagues. Well-being program at Takeda focuses on four key dimensions: emotional, physical, social and financial. All employees have access to our Thrive Global program, a cutting-edge behavior change platform with tools and resources to help us live and work with less stress, more productivity, and greater well-being, allowing them to monitor well-being factors, such as sleep, nutrition and movement.

Over the past year, we also took further measures to strengthen our approach to well-being – these included expanding to more countries our Employee Assistance Program, which includes the services and offering such as short-term counseling, legal and financial support via phone and local language, so that all Takeda employees have now access to the same workplace benefits and resources.

Life-work alignment is a top consideration for our people as they adapt to our flexible work arrangements. We support different ways of working to unleash the full potential of our employees, including a blend of in-person collaboration and remote work. While specific work arrangements will differ for every team, we are finding creative ways to design our physical spaces to promote well-being and performance, embrace flexibility and emphasize the value of regular face-to-face interactions, and fuel innovation. We also utilize a learning program to strengthen resilience skills and equip our people managers with tools to talk about mental health.

As a signatory of the United Nations Global Compact, Takeda is committed to respecting internationally recognized human rights within every aspect of our business, across our value chain and the communities we serve.

For further information on our policies related to human capital, talent development and corporate culture, and internal work environment, please refer to "COMMITMENT TO PEOPLE" part of the 2025 Annual Integrated Report which is planned to be disclosed on Takeda's website on June 30, 2025.

Planet

Takeda is committed to delivering a high standard of environmental leadership as climate change and environmental degradation can negatively impact patient and human health. Our environmental sustainability efforts focus on minimizing greenhouse gas (GHG) emissions within our operations and throughout our value chain, supporting natural resource conservation and embedding sustainability principles into our product design and manufacturing. Takeda's planet imperative currently consists of three programs dedicated to various aspects of environmental sustainability.

- The Climate Change Program, through which we aim to achieve net-zero emissions in our own operations (scopes 1 and 2) by FY2035 and across our entire value chain by FY2040 (scopes 1, 2 and 3), targets which were validated by the Science Based Targets Initiative (SBTi) in 2024.
- The Sustainability by Design Program, which focuses on integrating environmental life cycle thinking within product design and development to minimize the environmental footprint across our value chain.
- The Nature Program, which focuses on reducing environmental impacts other than climate change from our operations and includes water conservation, responsible waste management and biodiversity protection.

Takeda is continuing to take a proactive stance on building resilience towards climate-related risks and identifying opportunities. Assessment and management of physical and transition climate-related risks is led by the Corporate Environmental Health and Safety team and is integrated into our overall Enterprise Risk Management (ERM) framework. Site specific climate-related operational risks are identified through bottom-up escalations from site and facility level risk assessments, while supply chain risks are captured through supplier screening in our Third-Party Risk Management Program (TPRM).

To mitigate climate risks and meet our goal of achieving net-zero emissions in our operations, we have developed roadmaps to deploy various decarbonization levers to reduce our emissions, including site-specific roadmaps for Takeda locations (across manufacturing, BioLife and offices), capital investments in low carbon technologies (such as a hybrid and electric vehicle fleet) and transitioning to 100% renewable electricity when possible. We are also working to reduce emissions in our value chain by engaging with suppliers to set emissions reduction targets, designing products in our pipeline to minimize emissions and increasing sea-based shipping instead of air freight, while pursuing strategic investments in new collaborations to address hard-to-abate emissions. We are continuing to evolve and enhance our near-term and long-term emission reduction strategy to meet our climate change targets.

In 2024, Takeda refreshed its scenario analyses of climate-related risks and opportunities, performing focused assessments on its transition and physical risk profiles, including certain supply chain risks.

The transition risk assessment covered regulatory, technology, market and reputational risks posed to Takeda over three climate scenarios varying by the level of global response to climate change (i.e., rapid climate action, delayed transition and middle of the

road) across time horizons up to 2050. This assessment considered Takeda's transition risk exposure both considering its currently planned actions to achieve its net-zero goals, as well as in the absence of those actions.

The physical climate-related risk assessment covered a range of temperature-related, water-related, wind-related and land-related perils posed to Takeda's operations, as well as key third party contract manufacturers (CMOs) and suppliers, over two Shared-Socio-economic Pathways (SSP2-4.5 and SSP5-8.5) established by the U.N. Intergovernmental Panel on Climate Change (IPCC). Physical risks were assessed on a "gross' basis, without incorporating the impact of current or planned mitigating updates to Takeda's or its CMO's operations.

Through this process, we were able to identify several climate-related risks and opportunities with potential applicability to Takeda. With respect to transition risk, our analysis indicated that Takeda faces potentially increased costs from suppliers related to potential country-level and regional carbon tax enactment, as well as high operating expenditures attributable to rising prices for fossil fuel-based energy sources, but such costs would be substantially less if Takeda continues to implement the planned decarbonization levers described above. Additionally, our qualitative analysis of market trends related to low carbon products indicated that Takeda currently faces relatively low risk of competition from low carbon products, given the differentiation of its product profile and the lack of comparable substitutes.

With respect to physical risk, our modeled scenarios identified the following potential climate-related risks and impacts to Takeda's direct operations and/or its CMOs:

Risk Type	Risk Description	Potential Impact Under SSP2-4.5 (1) and SSP5-8.5 (2) Scenarios	Key Impacted Region(s)
Physical (Acute)	*Tropical Cyclones*	Risk to certain operational and CMO sites of significant property damage and business interruption losses exist throughout scenario periods, with limited change over time.	Japan
	Floods	Increase in intensity and frequency of impacts projected in certain operational sites, with one site experiencing 13 days of production interruption by 2050.	Japan, Europe
	Landslides	Certain operational and CMO sites to experience heightened risk of landslides by 2050, with multiple sites at very high-risk levels.	U.S., Europe
	Tornados	Risk to certain operational and CMO sites of significant property damage and business interruption losses across scenario periods, with limited change over time.	U.S.
Physical (Chronic)	*Heat Stress*	Significant increase over scenario periods in certain operational and CMO sites experiencing more than 10 days per year of temperature levels that are dangerous to workers' health, with multiple sites experiencing lost production days due to high temperatures.	Japan, Europe, U.S.
	Water Scarcity	Significant increase in certain operational and CMO sites experiencing more than 6 days of business interruption from water scarcity by 2050, with several at risk of losing more than 10 days of production.	Japan, Europe, U.S.

(1) SSP2-4.5 Scenario: This scenario represents a moderate GHG emissions pathway where current emissions levels continue until 2050, followed by a decline, resulting in an estimated global temperature increase of 2.1 to 3.5 (°C) by 2100.

(2) SSP5-8.5 Scenario: This scenario represents a very high GHG emissions pathway with current CO2 emissions roughly doubling by 2050, nearly tripling by 2075, resulting in an estimated global temperature increase of 3.3 to 5.7 (°C) by 2100.

Source: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) Summary for Policymakers

Of the foregoing physical risks to our operations, water scarcity was projected to increase the most, and heat stress was projected to be the most significant, among the risk analyzed, both across Takeda's operations and its current CMOs and suppliers. Impact severity was generally similar under both scenarios studied, with somewhat greater impacts in the SSP5-8.5 scenario, particularly for drought and heat stress. In addition, while Takeda's operations in Japan face risks from tropical cyclones and earthquakes and a Europe-based CMO faces landslide risk exposure, our assessment did not project increased risks of these perils due to climate change.

Takeda is incorporating these risk assessments and findings into its risk management processes and reviewing adaptation strategies for its facilities in light of the physical risk assessment.

In addition, in FY2024, Takeda conducted an initial assessment of its environmental impact, including potential impacts on biodiversity, and potential impacts of water withdrawals and use and waste, to inform its environmental initiatives and goals. To perform this assessment, we evaluated key operational metrics such as energy use, land use, water consumption and waste generation against established third party scientific datasets to derive approximate risk scores and identify potential hotspots, as well as priority sites for action.

This analysis identified energy use as Takeda's largest impact on the environment overall. Water- and waste-related impacts, primarily related to our manufacturing activities, were identified as our leading direct nature related impacts, but we did not assess the financial materiality of risks related to these impacts.

While we also evaluated certain potential upstream and downstream environmental impacts in our value chain, a lack of available data limited our analysis, particularly with respect to raw material sourcing. Nevertheless, we identified maize/corn (cell cultures, ethanol), pulp-based materials (secondary paper package), timber (pallets, office supplies), bovine-based serums (biomanufacturing), and sugarcane (ethanol, excipients) as our leading upstream dependencies, but did not assess the financial materiality of risks related to these dependencies.

We plan to conduct further analysis of our financial risks associated with our environmental impacts and dependencies in the future.

Risk Management

Risk management helps protect Takeda's people, assets and reputation while supporting Takeda's long-term strategy for growth and success. Sustainability risks identified to date are addressed through our existing global and site risk management processes.

The overall ERM process is the responsibility of the Chief Ethics & Compliance Officer, with oversight from the Board of Directors. Principal enterprise risks and their mitigation effectiveness are approved by the RECC and Board of Directors on an annual basis.

We embed risk management within all levels of Takeda through our enterprise risk assessment process in which risks, including those related to sustainability, are identified, assessed, and for which corresponding mitigations are implemented. This process is designed to generate a holistic view of risks for Takeda and drive a culture of risk-based decision making. Each relevant functional area within the business is responsible for managing its key risks and responses to them.

For further details of our general risk management processes, please refer to "IV. Information on the Company, 4. Corporate Governance, (1) Corporate Governance, 3) Business Execution, [Basic Views on the Internal Control System and the Progress of System Development], (iii) Rules and other systems for managing risk of loss".

Metrics and Targets

We measure our progress toward our corporate philosophy imperatives through our corporate philosophy metrics. We developed these metrics with employees from across the company in a bottom-up approach and provide employees with frequent progress updates in our intranet. By doing so, we are creating ownership among all employees in all parts of our operations. These metrics also help hold us accountable for delivering sustainable growth and building trust with our external stakeholders.

Patient

METRICS	FY2023		FY2024		Highlights: Achieving Pipeline Milestones
Achieving Pipeline Milestones # of pivotal study starts and approvals	29		29		Pivotal clinical studies generate the data that regulatory authorities use to decide whether to approve a treatment or vaccine. The initiation of pivotal studies, together with approval, demonstrates our progress in delivering new treatments to patients and people. In FY2024, we continued to advance our pipeline by initiating several pivotal studies, including three for our six late-stage programs, marking important progress in bringing potential new therapies to patients. We also achieved regional new indication approvals for key programs, helping expand patient access to new treatments – most notably, ENTYVIO SC administration for maintenance therapy of Crohn's Disease in the U.S.
Disclosing Clinical Trial Results % of achievement for timely disclosure of clinical trial summary results on public registries	100%		100%		
Maintaining Uninterrupted Supply % of order lines dispatched on-time, in-full	99.1%		99.5%		
Upholding Manufacturing Quality % of health authority inspections with no regulatory compliance actions	100%		100%		
Global Access to Growth & Launch Products # of key countries where patients have access to the product through reimbursement	TAKHZYRO	9	LIVTENCITY	9	
	ALOFISEL	4	ADZYNMA	3	
	LIVTENCITY	6	FRUZAQLA	4	
Access to Medicines Programs in Low- and Middle-Income Countries and Countries with Evolving Health Care Systems # of newly enrolled patients in Takeda's affordability-based Patient Assistance Programs (PAPs)	1,682		1,975		

(1) For the FY2023 and FY2024 results of the indicators in the table above, Takeda received limited assurance engagements from KPMG AZSA Sustainability Co., Ltd. (KPMG) in accordance with ISAE 3000 and ISAE 3410 issued by the International Auditing and Assurance Standards Board (IAASB). As a result, Takeda received a conclusion from KPMG dated June 25, 2024 for the FY2023 results, and dated June 24, 2025 for the FY2024 results, that in all material respects, the calculation was made in accordance with the criteria established by Takeda (posted on Takeda's website on June 25, 2024 for the FY2023 results of the indicators, to be posted on June 30, 2025 for the FY2024 results of the indicators), and no matters were identified that could not be considered as not represented.

People

METRICS	FY2023		FY2024		Highlights: Engaging Employees & Improving Employee Well-being
Engaging Employees Average score on a 1-100 scale to questions regarding engagement in the annual Employee Experience Survey	77		76		We believe that a highly engaged workforce, whose well-being is satisfied, can align their individual purpose with our corporate purpose and reach their full potential at work. Our effort in creating such exceptional experience starts with actively seeking employees' feedback. The increase of the well-being metric was driven by higher scores in work-life balance and disconnecting from work. Regarding employee engagement, our areas for improvement have been identified as speak-up culture and agility in FY2024.
Improving Employee Well-being Average score on a 1-100 scale to questions regarding well-being in the annual Employee Experience Survey	67		68		
Embracing Diversity Enterprise-wide gender breakdown	Female	52%	Female	53%	
	Male	48%	Male	46%	
	Other/Non-Binary	0.1%	Other/Non-Binary	0.14%	

(1) For the FY2023 and FY2024 results of the indicators in the table above, Takeda received limited assurance engagements from KPMG AZSA Sustainability Co., Ltd. (KPMG) in accordance with ISAE 3000 and ISAE 3410 issued by the International Auditing and Assurance Standards Board (IAASB). As a result, Takeda received a conclusion from KPMG dated June 25, 2024 for the FY2023 results, and dated June 24, 2025 for the FY2024 results, that in all material respects, the calculation was made in accordance with the criteria established by Takeda (posted on Takeda's website on June 25, 2024 for the FY2023 results of the indicators, to be posted on June 30, 2025 for the FY2024 results of the indicators), and no matters were identified that could not be considered as not represented.

Planet

In 2020, we set a target to reduce absolute scope 1 and 2 GHG emissions 40% by FY2025 from a FY2016 base year, and a target to have 67% of our suppliers by emissions to have science-based targets by FY2024, both of which were approved by the Science Based Targets initiative (SBTi). In 2022, we announced new commitments to achieve net-zero[(1)] GHG emissions related to our operations (Scopes 1 and 2) by FY2035 and for our entire value chain (including estimated[(2)] Scope 3 GHG emissions) by FY2040. These commitments, along with required short-term emissions reduction targets, were validated by the Science Based Targets Initiative (SBTi) in 2024. While Takeda has maintained carbon neutrality through FY2022, in FY2024 we have transitioned away from carbon neutrality as a climate goal. As part of our focus on net-zero, we will continue to support the Voluntary Carbon Market (VCM) by working to invest in carbon removal solutions and projects, prioritizing solutions that benefit human health and aligned with the SBTi's Corporate Net-Zero Standard.

(1) Takeda defines net-zero emissions in accordance with the Science Based Target initiative's (SBTi's) Corporate Net-Zero Standard.
(2) A lack of transparency into, and a difficulty measuring, actual scope 3 emissions remain an important challenge to overcome as part of these efforts.

GHG Scope	Targets	FY2024 Results (Thousand Metric Tonnes (tMT) CO2e)*
Scope 1	Net-zero GHG emissions related to our operations (Scopes 1 and 2) by FY2035.	273
Scope 2 (Market Based)		28
Scope 3	Net-zero GHG emissions by FY2040	2,795

*For details on Takeda's methodology for calculating greenhouse gas emissions, refer to the ESG Databook which is planned to be disclosed on Takeda's website on June 30, 2025.

METRICS	FY2023	FY2024	Highlights: Scope 1, 2 & 3 GHG Emissions Reduction
Reducing Scope 1 & 2 GHG Emissions % of reduction in emissions below 2016 baseline	53%	55%	We have exceeded our FY2025 target of a 40% reduction in Scope 1 and 2 GHG emissions ahead of schedule. Building on this accomplishment, we have committed to new SBTi validated targets; 65% reduction by FY2030 and 90% by FY2035, maintaining the same baseline. While we did not fully meet our Scope 3 goal for FY2024, we made progress with a 6% increase compared to FY2023. For FY2025, we have shifted our Scope 3 commitment to our new SBTi validated GHG emissions reduction target of 25% by FY2030. We will continue our efforts in environmental sustainability, as we believe this strengthens our business continuity and opens up more opportunities for meaningful collaboration with stakeholders.
Engaging Suppliers toward Scope 3 GHG Reduction % of emissions that are from suppliers who have committed to setting science-based climate targets, aligning with SBTi standards	56%	62%	
Diverting Waste from Landfill % of waste diverted from landfills	78%	75%	
Conserving Freshwater % of reduction below 2019 baseline	4.9%	8.6%	
Making Paper and Paperboard Packaging from Sustainable Forest Certified or Recycled Content % of the secondary and tertiary packaging paper/paperboard by weight that is recycled content or sustainable forest certified	53%	62%	

(1) For the FY2023 and FY2024 results of the indicators in the table above, Takeda received limited assurance engagements from KPMG AZSA Sustainability Co., Ltd. (KPMG) in accordance with ISAE 3000 and ISAE 3410 issued by the International Auditing and Assurance Standards Board (IAASB). As a result, Takeda received a conclusion from KPMG dated June 25, 2024 for the FY2023 results, and dated June 24, 2025 for the FY2024 results, that in all material respects, the calculation was made in accordance with the criteria established by Takeda (posted on Takeda's website on June 25, 2024 for the FY2023 results of the indicators, to be posted on June 30, 2025 for the FY2024 results of the indicators), and no matters were identified that could not be considered as not represented.

Data, Digital & Technology

METRICS	FY2023	FY2024	Highlights: Improving personalized digital experience for HCPs: Takeda-ID
Improving Personalized Digital Experience for HCPs: Takeda-ID # of Health Care Professionals (HCPs) who subscribe to Takeda-ID	—	51,412	Takeda ID, a single identity for Takeda's digital ecosystem, plays a pivotal role in providing a secure and personalized experience for HCPs. For example, in Japan, it helps us optimize our communications to HCPs to meet their individual needs for better serving their patients by leveraging access logs in Takeda Medical Site[2]. Increased usage of Takeda ID indicates that Takeda's digital ecosystem is meeting HCPs' information needs.
Leveraging AI and Automation to Enable Workforce % of workforce actively using the Generative AI tools as of March 31, 2025	—	46.6%	
Upskilling Employees in Progressive Technologies Cumulative % of employees who have taken at least one data, digital and technology training course since the first quarter of FY2020	49%	55.1%	

(1) For the FY2023 and FY2024 results of the indicators in the table above, Takeda received limited assurance engagements from KPMG AZSA Sustainability Co., Ltd. (KPMG) in accordance with ISAE 3000 and ISAE 3410 issued by the International Auditing and Assurance Standards Board (IAASB). As a result, Takeda received a conclusion from KPMG dated June 25, 2024 for the FY2023 results, and dated June 24, 2025 for the FY2024 results, that in all material respects, the calculation was made in accordance with the criteria established by Takeda (posted on Takeda's website on June 25, 2024 for the FY2023 results of the indicators, to be posted on June 30, 2025 for the FY2024 results of the indicators), and no matters were identified that could not be considered as not represented.
(2) A member site for Japanese HCPs that provides information and webinars on the proper use of our prescription pharmaceuticals.

Business Growth

METRICS	FY2023	FY2024
Driving Business Growth % of year-over-year Growth & Launch Products incremental core revenue growth vs. target	79.5%	87.9%

(1) For the FY2023 and FY2024 results of the indicators in the table above, Takeda received limited assurance engagements from KPMG AZSA Sustainability Co., Ltd. (KPMG) in accordance with ISAE 3000 and ISAE 3410 issued by the International Auditing and Assurance Standards Board (IAASB). As a result, Takeda received a conclusion from KPMG dated June 25, 2024 for the FY2023 results, and dated June 24, 2025 for the FY2024 results, that in all material respects, the calculation was made in accordance with the criteria established by Takeda (posted on Takeda's website on June 25, 2024 for the FY2023 results of the indicators, to be posted on June 30, 2025 for the FY2024 results of the indicators), and no matters were identified that could not be considered as not represented.

For further information on our sustainability commitments, please refer to the 2025 Annual Integrated Report which is planned to be disclosed on Takeda's website on June 30, 2025.

3. Risk Factors

Our business performance is subject to various present and future risks that could significantly affect business performance. The risks discussed below are risks that we believe are significant though may not cover all potential risks and uncertainties we could face. We may also be harmed by risks and uncertainties that are not discussed below and which may have an effect on investor decision making.

For details of our Global Risk Management Policy, please refer to "IV. Information on the Company 4. Corporate Governance (1) Corporate Governance 3) Business Execution [Basic Views on the Internal Control System and the Progress of System Development] (iii) Rules and other systems for managing risk of loss".

The potential future events and risks contained in the following statements are based on our assumptions as of March 31, 2025.

(1) Risks relating to research and development

We aim to achieve long-term sustainable growth by translating science into highly innovative medicines. We are focusing on strengthening our pipeline through enhancing internal capabilities as well as building external partnerships. We make efforts to effectively conduct research and development activities aiming to bring new products to markets around the world as early as possible by improving the probability of success of our research and development activities through building a quality and transformative R&D portfolio.

However, launching pharmaceutical products, whether developed in-house or licensed molecules, is allowed only when they have been approved through rigorous examinations of efficacy and safety as stipulated by the regulatory bodies. If we recognize that the efficacy and safety of the molecules do not meet the required standard for regulatory approval, or if the reviewing authorities express concern regarding the conformity of such molecules with the relevant standards, we may decide to abandon the research and development activities of the molecules at that point or conduct additional clinical or non-clinical trials. As a result, we may not be able to recoup our development costs, may experience delays in bringing products to the market and may be forced to revise our research and development strategies.

(2) Risks relating to intellectual property rights

Our pharmaceutical products are generally protected for a defined period by various patents (including those covering drug substance, drug product, indications, methods of administration, methods of manufacturing, formulations and dosages). Although we attempt to avoid risks relating to our intellectual property rights and mitigate the potential impact of such risks through strictly managing our intellectual property rights and continuously monitoring, evaluating and analyzing intellectual property rights and potential patent infringement by third parties in the markets that we do business in, if our intellectual property rights are infringed by third parties, it may have a significant adverse effect on our anticipated revenues. Moreover, if our products infringe intellectual property rights of third parties, we may be subject to claims seeking termination of manufacturing and sale of relevant products and/or compensation for damages.

(3) Risks of sales decrease following patent expirations

While we make efforts to extend product life cycles, including the addition of new indications and formulations, generic drugs inevitably penetrate the market following loss or expiration of patent or regulatory exclusivity of most branded products. In the United States and Europe, when generics enter the market, patients usually switch from original products to generics in a short period of time, which greatly reduces the revenue of original products. In Japan, the relevant authorities are actively promoting generic use and further reducing prices for long-listed products. Moreover, the introduction of generic drugs due to patent expiration of competitive products and prescription-to-OTC switches also intensifies competition, both in domestic and overseas markets. Our sales of pharmaceutical products may decrease sharply as a result of these trends.

For details of the timing of patent expirations for major products, please refer to "II. Operating and Financial Review and Prospects 6. Research and Development, Intellectual Property".

(4) Risks of adverse effects

Pharmaceutical products are launched after rigorous reviews by the applicable regulatory bodies. Although we attempt to avoid risks of adverse effects and mitigate the potential impact of such risks, through our pharmacovigilance activities, including gathering safety information and evaluating benefit-risk balance on post-marketing products and conducting safety monitoring activities and risk mitigation activities, the accumulated data during the post-marketing period may reveal adverse effects that were not anticipated at the time of launch. In the case when such adverse effects are identified, we are required to describe the adverse effects on the precaution section of the package insert and/or restrict patients' usage of products. In addition, if serious cases are found, we may also be forced to either recall or terminate sales of the product and be subject to product liability as well as financial, other legal, and reputational damages.

(5) Risks of price-reduction due to the movements to curtail drug costs

In the pharmaceutical markets of various countries in which we operate, there has been increasing pressure on healthcare budgets and price erosion due to the use of Health Technology Assessments and International Reference Pricing. In the United States, the largest market for our products, there has been increased pricing pressure on original products, driven in part by consolidation across health plans and intermediaries and ongoing legislative and regulatory efforts to lower drug prices. In 2022, Congress passed the Inflation Reduction Act (the “IRA”), which significantly changes the compensation terms for drugs under the Medicare program, including by imposing penalties on manufacturers who raise drug prices faster than inflation, instituting a cap on out-of-pocket expenditures by Medicare beneficiaries and allowing the federal government to set prices for certain drugs covered under Medicare beginning in 2026. In May 2025, an executive order was issued in the United States to introduce a "Most Favored Nation (MFN)" pricing mechanism, which would tie U.S. prescription drug prices to the lowest price available in selected "comparably developed nations". In Japan, governments are promoting greater use of generics and the price of many products listed on the National Health Insurance price list is decreasing annually. In Europe, prices of products have also decreased due to policies intended to reduce medical costs, an increased emphasis on transparency of prices and International Price Referencing. Furthermore, the European Commission has proposed to revise the EU’s pharmaceutical laws to reduce and/or modify intellectual property incentives, regulatory data protection and orphan market exclusivity,

which may also have the effect of reducing drug prices over time. We are also facing similar pricing pressures in other regions, such as various emerging countries including China. We expect such pricing pressures to continue as we expand our business in those regions and countries.

Although we attempt to avoid risks of price-reductions and mitigate the potential impact of such risks, through constructing our organizational structure to manage our portfolio by analyzing and monitoring details of each country's initiatives on reducing medical costs, and working together with governments and healthcare systems for new value-based pricing models to establish an appropriate rewards system for innovative pharmaceutical products, any of these reductions could negatively impact the price of our products, which could have an material adverse effect on our results of operations and financial conditions.

(6) Risks relating to corporate acquisitions

We conduct corporate acquisitions as necessary to accelerate our sustainable growth. However, there is a possibility that anticipated benefits and synergies resulting from acquisitions may not be realized, as business activities in countries around the world expose us to many risks including, but not limited to, changes in laws and regulations, political unrest, economic uncertainties and differences in business practices. We could be required to recognize impairment losses related to goodwill and intangible assets and our results of operations and financial conditions could be adversely affected if valuation losses are recognized due to a decrease in the value of acquired assets or if we fail to realize the anticipated benefits from the integration of businesses acquired.

We have substantial debt, including a significant amount incurred from financing arrangements with financial institutions in connection with our acquisitions in the past years. We accelerated rapid de-leveraging through generation of earnings and selective divestitures of non-core assets. However, if our future financial conditions deteriorate, out credit ratings may be downgraded and it may negatively influence the terms for refinancing our existing debt, new borrowings or other financing. We are also required to comply with certain restrictive financial covenants in connection with our bank commitment line, from which we may choose to draw from time to time. Violations of such covenants may restrict us from accessing the line and force us to immediately repay all outstanding loans drawn from it, which may in turn have a material adverse effect on our financial conditions.

(7) Risks relating to the stable supply

In response to the continued globalization of our sales network as well as to ensure adequate supply to meet demand for our products, we are strengthening our global supply chain and quality assurance system. Specifically, we invest adequately in our facilities and have formulated our Global Manufacturing & Supply Product Strategy in order to maintain possible multiple suppliers as necessary and appropriate inventory levels, select alternative suppliers, introduce emergency management procedures for our internal manufacturing network, adopt business continuity management systems, and conduct periodic internal audits and other inspections.

However, in the event of technical or legal / regulatory issues in our or our subcontractors' production or distribution facilities, shortage of raw materials, unexpected high demand, or other disruptions due to an occurrence of natural disasters, an outbreak of emerging infectious diseases, conflicts in the countries in which we operate, geopolitical tensions among countries and regions or other events, we may experience a substantial delay in the supply of products, which could adversely affect our results of operations and financial conditions and our reputation.

(8) Risks relating to IT security and information management and digital technologies

We are accelerating digital transformation to shift to a future business model that meets customer needs. Strengthening our use of digital technologies is indispensable to our long-term sustainable growth and is positioned as a key foundation of our long-term sustainable growth strategy. At the same time, because we handle large volumes of confidential information including sensitive personal information due to the nature of our business, data protection and robust securities measures has become increasingly important. As our reliance on data utilization and digital platforms grows and we employ large-scale, complex IS/IT systems, including those of our third-party service providers, the risks of system shutdowns or security incidents are heightened and the scope of their impact is widening, whether caused by inadvertent or intentional actions of employees or service providers, or by malicious third-party attacks such as AI-driven cyberattacks. Furthermore, in light of stricter privacy regulations worldwide, more complex legal requirements, and the rapid emergence of new digital technologies and social media, strong governance and heightened awareness of the ethical and appropriate use of data and technology have become indispensable.

In pursuit of improved operational efficiency and profitability, we are making effective technology investments such as upgrading our network infrastructure, migrating to the cloud, and formulating a global cybersecurity strategy to continually strengthen our security posture. This includes deploying specialized teams dedicated to risk reduction in key foundational areas. We have also established comprehensive policies and procedures; conduct business risk assessments, audits, and third-party risk mitigation tests; and strive to increase organizational awareness of data management including monitoring.

Nevertheless, if we fail to achieve the anticipated benefits and returns from our digital transformation initiatives, our market competitiveness may decline. Moreover, should a system shutdown or security issue arise or if digital technologies are not utilized appropriately, it could adversely affect our business activities, results of operations, financial conditions and our reputation.

(9) Risks relating to compliance

Our business is subject to various legal regulations, such as pharmaceutical regulations, product liability, antitrust, and personal information protection law as well as various guidelines including GMP (Good Manufacturing Practice), GQP (Good Quality Practice), GCP (Good Clinical Practice) and GLP (Good Laboratory Practice). In addition, our business is in cooperation with various third parties such as agents, suppliers and distributors and increasingly rely on their business activities in the key aspects of our evolving business as Takeda's customer engagement strategy continues to evolve through digital technologies and omnichannel, with expanded partnerships with external stakeholders due to Takeda's portfolio shifting to rare diseases and orphan drugs, vaccine commercialization as well as rapid advancements in data and digital technologies. Furthermore, we are increasingly dependent on digital platforms including social media platforms which can be used in non-compliant way. We put Global Ethics & Compliance in place to promote compliance globally. Global Ethics & Compliance monitors to ensure that our business activities and those of third parties with which we are involved are in compliance with laws and internal policies. We issued new policies or revised existing policies around interactions with third party to mitigate risks. We also enhanced due diligence of suppliers as part of third party risk management as well as continuous screening of vendors and transactions to identify potential risks.

However, violation of regulations or improper conduct of our employees or third parties could result in penalties, sanction and regulatory disposition or filling lawsuit against us and damage our reputation and financial conditions.

(10) Country risks of the countries and regions in which we operate

In developing our business globally, we are exposed to various risks, including political instabilities, the deterioration of economic conditions, tariffs and other trade restrictions, the spread of emerging infectious diseases, social disruptions, conflicts in the countries and regions in which we operate, as well as restrictions on investments, and cross-border data transfer associated with escalating geopolitical tensions among those countries and regions. Additionally, as legislation related to business and human rights continues to be developed in various countries, the necessity of addressing risks of human rights violation across the entire value chain is increasing. Our relevant departments work closely together to mitigate these risks through implementing measures such as business impact analysis, monitoring social and political situations in each region, and conducting human rights due diligence.
Our priority is to protect patient access to medicine, and we attempt to manage risks through examining how to mitigate and to deal with such risks.

However, in the case we face unexpected situations in region where we or third parties with which we are involved have presence, our results of operations, financial conditions and our reputation could be adversely affected.

(11) Risks relating to fluctuations in foreign exchange rates, interest rates and inflation

For the fiscal year ended March 31, 2025, sales outside Japan amounted to JPY 4,163.1 billion, which accounted for 90.9% of our consolidated revenue and revenue in the United States in particular amounted to JPY 2,379.7 billion, or 51.9% of our consolidated revenue. Although a decrease in the value of the Japanese yen relative to other currencies has a positive effect on revenue, expenses incurred with foreign currencies such as research and development expenses can be downward factor that contributes to decreases in profits. In addition, there is a foreign currency exchange risk of operational transactions, financial transactions and investments in non-functional currency. Fluctuations in interest rates can lead to increase in our financing costs and continuing global inflation may also cause pressure on our profits. We manage the exchange rate and interest rate risks centrally and executing derivative transactions to hedge the financial risks and attempt to mitigate potential impacts by measures such as revising contract terms with business partners.

However, if the economic environment and financial markets fluctuate more than we expected, our results of operations and financial conditions could be adversely affected.

(12) Risks relating to litigation and other legal matters

In addition to the ongoing litigation relating to our operations, we may be involved in litigation related to adverse effects from pharmaceutical products, product liability, labor issues, fair trade or other issues that may have an adverse effect on our results of operations and financial conditions. For details of major litigation matters, please refer to "V. Financial Information 1. Consolidated Financial Statements and Others, 32 Commitment and Contingent Liabilities".

(13) Risks relating to environment

The environment is the foundation of well-being, and we derive natural resources from the environment that are essential to our business activities. Environmental stewardship is integral to our business and aligned with the Company's values. Being responsible environmental stewards is not only the right thing to do, but it ensures that we can continue to responsibly supply our patients with life-transforming medicines and vaccines. Accordingly, we have implemented robust environmental management systems and internal programs designed to assure that the expectations of stakeholders and regulatory compliance are met. We also have internal audit programs to help ensure that these programs are effectively implemented and achieve desired results. However, in the event of accidental environmental contamination, regulatory non-compliance, or perceived poor environmental stewardship, we could become subject to negative reputational impacts or regulatory actions. This could expose the Company to claims, liabilities or the undertaking of remedial measures, which may fall outside of, or exceed our insurance coverage and adversely affect our business. Furthermore, changes to environmental regulations or the expectations of current or future stakeholders may impose additional requirements on us that may impact our research, development, and production efforts or other business activities. Failure to meet such requirements may subject us to legal or regulatory liability, harm our reputation, impair our ability to administer our business, or decrease our attractiveness to current and potential stakeholders.

While to date, we have not experienced material impacts relating to climate change, including compliance or litigation-related impacts we recognize that climate change is a critical global issue that poses risks to global health and potentially financial risks to our business. In 2024, we refreshed our scenario analysis of climate-related risks and opportunities, performing focused assessments on our transition and physical risk profiles, including certain supply chain risks. The transition risk assessment covered regulatory, technology, market and reputational risks posed to Takeda over three climate scenarios varying by the level of global response to climate change (i.e., Rapid Climate Action, Delayed Transition and Middle of the Road) across time horizons up to 2050. The physical climate-related risk assessment covered a range of temperature-related, water-related, wind-related and land-related perils posed to Takeda's operations, as well as key third party contract manufacturers (CMOs) and suppliers, over two Shared-Socio-economic Pathways (SSP2-4.5[(1)] and SSP5-8.5[(2)]) established by the U.N. Intergovernmental Panel on Climate Change (IPCC). Through this process, we were able to identify several climate-related risk categories with potential applicability to Takeda, including the potential for increased pass-through costs from suppliers related to country-level and regional carbon tax enactment, and physical risks to our operations and contract manufacturers from heat stress, water scarcity and flooding. If these risks materialize, they may affect our business, results of operations, and financial condition. Climate change related risks are also incorporated into our Enterprise Risk Management Program to enable us to effectively monitor emerging risk trends going forward. We are transitioning to low-carbon operations to mitigate potential impacts. While Takeda has maintained carbon neutrality through FY2022, in FY2024 we transitioned away from carbon neutrality as a climate goal and are focusing resources on initiatives that advance our net-zero roadmap while continuing to invest in nature-based carbon removal projects in projects beyond our value chain.
Takeda believes that our key stakeholders expect the Company to excel at environmental stewardship. This means continuously looking for opportunities to decrease the environmental impacts of our products and operations. Our environmental sustainability efforts focus on minimizing greenhouse gas (GHG) emissions within our operations and throughout our value chain, supporting natural resource conservation and embedding sustainability principles into product design and manufacturing. We continue our focus in the areas complementary to these efforts including natural resource conservation commitments to support water conservation, responsible waste management and preserving biodiversity, and incorporating sustainability principles in all stages of product development to minimize the environmental impact of products throughout their life

cycle. If we are successful in these efforts, we will uphold our unwavering commitment to patients and enhance our reputation and business while improving the health of the planet and its people. If we fail to act on our aggressive sustainability goals or otherwise fail to meet stakeholder expectations, our reputation may be damaged, which could lead to challenges with employee attraction and retention, customer and investor relations, and our results of operations and financial conditions could be adversely affected.

(1) SSP2-4.5 Scenario: This scenario represents a moderate GHG emissions pathway where current emissions levels continue until 2050, followed by a decline, resulting in an estimated global temperature increase of 2.1 to 3.5 (°C) by 2100.
(2) SSP5-8.5 Scenario: This scenario represents a very high GHG emissions pathway with current CO2 emissions roughly doubling by 2050, nearly tripling by 2075, resulting in an estimated global temperature increase of 3.3 to 5.7 (°C) by 2100.

(14) Risks relating to recruitment and allocation

In order to achieve long-term sustainable growth, we need to attract and allocate talent to support our operations in highly competitive markets or areas. We are implementing measures to provide working models which offer more flexibility, improve work environment and promote Diversity, Equity and Inclusion (DE&I) while maintaining organizational effectiveness, culture and values. We also provide continuous career development opportunities, promoting engagement, and propose robust value to employees to attract and retain the right talent.

However, if we fail to recruit and retain key talent, our competitiveness may weaken through the loss or lack of talent and our results of operations and financial conditions could be adversely affected.

4. Management's Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of Operating Results

1) Financial Position and Operating Results

Billion JPY or percentage

	Amount	Change versus the previous year	
Revenue	¥ 4,581.6	¥ 317.8	7.5 %
R&D expense	(730.2)	(0.3)	0.0 %
Operating profit	342.6	128.5	60.0 %
Profit before tax	175.1	122.3	231.7 %
Net profit for the year	108.1	(36.1)	(25.0)%
Basic EPS (JPY)	68.36	(23.73)	(25.8)%
Total assets	14,248.3	(860.4)	(5.7)%
Total liabilities	7,312.4	(522.4)	(6.7)%
Total equity	6,936.0	(338.0)	(4.6)%

Operating results by each segment have been omitted since Takeda is comprised of a single segment of Pharmaceuticals.

2) Cash Flows

See "(2) Management Discussion and Analysis on Business Performance."

3) Production, Orders received and Sales

(a) Production

The amount of production for the year ended March 31, 2025 is as follows:

Name of Segment	Amount JPY (millions)	Year-on-year Basis (%)
Pharmaceuticals	¥ 2,247,804	(8.9)
Total	¥ 2,247,804	(8.9)

Notes:

(1) Takeda's reportable segment is a single segment of Pharmaceuticals.

(2) The amount of production is based on the sales price.

(b) Orders received

Takeda carries out production according to production plans, which are based primarily on sales plans. The amount of orders received or balances of some make-to-order production is not material.

(c) Sales

The amounts of sales for the year ended March 31, 2025 are as follows:

Name of Segment	Amount JPY(millions)	Year-on-year Basis (%)
Pharmaceuticals	¥ 4,581,551	7.5
< Japan >	< 418,462 >	< (7.3)>
< Overseas >	< 4,163,089 >	< 9.2 >
Consolidated Statement of Profit or Loss	¥ 4,581,551	7.5
< Out-licensing and service income >	< 85,579 >	< (14.5)>

Notes:

(1) Takeda's reportable segment is a single segment of Pharmaceuticals.

(2) The amounts show sales revenues from external customers.

(3) The amounts of sales for major customers and their percentage to total sales are as follows:

Name of Customer	For the fiscal year ended March 31, 2024 Amount JPY(millions)	2024 Percentage to total sales (%)	2025 Amount JPY(millions)	2025 Percentage to total sales (%)
Cencora, Inc. (previously called "AmerisourceBergen Corporation") and its group companies	¥ 579,065	13.6	¥ 577,017	12.6
McKesson Corporation and its group companies	578,767	13.6	592,323	12.9
Cardinal Health, Inc. and its group companies[1]	436,951	10.2	—	—

(1) The sales amount of Cardinal Health, Inc. and its subsidiaries during the fiscal year ended March 31, 2025, as well as its percentage to total sales, are not disclosed as it constitutes less than 10%.

(2) Management Discussion and Analysis on Business Performance

1) Management Discussion and Analysis on Business Performance for the current fiscal year

(a) Analysis of Consolidated Operating Results

(i) Factors Affecting Our Results of Operations

Business Overview

(i) Business Overview

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

Our business is organized as a single operating segment, reflecting the presentation of information to our management for the purposes of allocating resources, measuring performance and forecasting future periods. For the fiscal year ended March 31, 2025, our revenue and operating profit were JPY 4,581.6 billion and JPY 342.6 billion, respectively.

Factors Affecting Our Results of Operations

Our results are affected by global industry trends and our operating environment as described below.

Tariffs and Other Trade Restrictions

As with other goods, pharmaceutical products are potentially subject to the effect of tariffs or other restrictions on trade. Since taking office in January 2025, the new U.S. administration has announced new tariffs, including measures on China, Mexico and Canada and global tariffs for many goods (but excluding pharmaceuticals), which has resulted in or may result in retaliatory measures by affected countries, including China. The U.S. administration has also announced an investigation under Section 232 of the Trade Expansion Act of 1962 to determine the effects of imports of pharmaceuticals and pharmaceutical ingredients on national security and certain administration officials have indicated that they expect to impose tariffs on pharmaceutical products as a result of this investigation. The duration and scope of tariffs that are or may be implemented whether by the United States or other countries, is unknown and it is unclear whether or to what extent our business will ultimately be affected thereby. Nevertheless, based on our current assumptions, we believe the effects of tariffs imposed by the U.S. and Chinese governments will be limited. Based on our financial results for the fiscal year ended March 31, 2025, we estimate that approximately 8-10% of our U.S. revenue (or approximately 4-5% of our consolidated revenue) was attributable to the customs value of products from a non-U.S. country of origin and therefore subject to U.S. tariffs, while the U.S.-country of origin value of our products sold in China was approximately 12-15% of our revenue in China (or approximately 0.5-0.6% of our consolidated revenue). We are also implementing mitigation measures, primarily in our inventory and supply chain management, to manage potential tariff impacts through our global network, which included 22 global manufacturing sites as of May 8, 2025, of which a total of 20 served the United States and seven were located in the United States.

Patent Protection and Generic Competition

For pharmaceutical products, in particular, patent protection and/or regulatory exclusivity benefit our results of operations by restricting competition. Newly introduced products, particularly those which treat conditions for which alternative treatments may not be readily available, may significantly contribute to sales. However, even protected products must compete with products of other manufacturers based on efficacy, lack of adverse reactions and price. On the other hand, the loss or expiration of patent protection or regulatory exclusivity with respect to any of our principal products could have a material adverse effect on our results of operations, as generic products, which tend to be quickly adopted once introduced, may enter the market. Some of our principal products face, or are expected to face, considerable competition

due to the expiration of patent or other intellectual property protection. The following chart shows the performance of certain of our key products that have experienced the launch of generic or biosimilar competitors in the last two years (CER, or constant exchange rate, % change is a non-IFRS measure. For additional information on CER % change, see "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda").

				Billion JPY or percentage
	For the fiscal year ended March 31,			
Revenue:	2024	2025	Amount of Change	CER % change
VELCADE	¥ 5.5	¥ 5.2	¥ (0.4)	(12.0)%
VYVANSE	423.2	350.6	(72.6)	(21.6)%
AZILVA	33.6	11.8	(21.8)	(64.9)%

Generic erosion has negatively impacted sales of *VELCADE* following the expiration of patent protection over bortezomib, that product's active ingredient, in 2022, with revenue falling to JPY 5.5 billion in the fiscal year ended March 31, 2024, and declining even further to JPY 5.2 billion in the fiscal year ended March 31, 2025. Patent protections covering *VYVANSE* expired in the U.S. in August 2023, and a generic version of *AZILVA* was approved by the PMDA in Japan in February 2023 (with a drug price listing for the generic competitor approved in June 2023), which led to declines in sales for both products in the relevant jurisdictions. Sales of *VYVANSE* decreased from JPY 423.2 billion in the fiscal year ended March 31, 2024 to JPY 350.6 billion in the fiscal year ended March 31, 2025; sales of *AZILVA* decreased from JPY 33.6 billion to JPY 11.8 billion during the same period. We expect these decreasing trends for both of these products to continue in the fiscal year ending March 31, 2026.

In certain cases, generic competitors may successfully challenge the validity of patents, or the manufacturer may decide that the benefits of prematurely launching the generic drug "at risk" outweigh the costs of defending infringement litigation. In situations where the validity of patents or the value of the protection is challenged, we may record impairment losses with respect to the relevant intangible property.

Development and Commercialization of New Products and Expansion of Existing Products

The development and commercialization of new biopharmaceutical products is key to our business, as is the expansion of existing products to additional indications and/or geographic markets, particularly as we seek to grow our revenue and to offset the effect of losses of exclusivity. The process to achieve these goals is lengthy and expensive and requires us to incur significant research and development costs, which are recorded as a component of operating expenses in our consolidated statements of income. Please refer to "6. Research and Development" for information about our research and development efforts, and Note 3 to our audited consolidated financial statements contained in elsewhere in this annual report for discussions of our accounting policies regarding research and development expenses and intangible assets relating to products (including amortization and impairment thereof).

Takeda refers to certain products in its portfolio as "Growth & Launch Products." Although, particularly for products early in their life cycle, most of these products' contribution to consolidated revenue is limited, Takeda's management monitors these products in particular as key drivers of future growth, and believes that information on these products is useful to investors to understand where Takeda expects growth to arise in the future. The specific products that make up this group may vary over time, and products may be added or removed to this group depending on, among other things, the results of clinical trials and regulatory approvals being obtained. During the fiscal year ended March 31, 2025, Takeda classified the following as Growth & Launch Products: *ENTYVIO, EOHILIA, TAKHZYRO, LIVTENCITY, ADZYNMA,* Immunoglobulin products (including *GAMMAGARD LIQUID/KIOVIG, HYQVIA* and *CUVITRU*), Albumin products (including *HUMAN ALBUMIN/FLEXBUMIN*), *FRUZAQLA, ALUNBRIG* and *QDENGA*.

In the fiscal year ended March 31, 2025, these Growth & Launch Products accounted for JPY 2,201.9 billion, or 48%, of our consolidated revenue. In particular, in the fiscal year ended March 31, 2025, *ENTYVIO* accounted for JPY 914.1 billion or 20% of our consolidated revenue, our three global immunoglobulin brands (*GAMMAGARD LIQUID/KIOVIG*, *HYQVIA* and *CUVITRU*) accounted for JPY 757.8 billion or 17% of our consolidated revenue, *ALBUMIN* accounted for JPY 141.4 billion or 3% of our consolidated revenue, and *TAKHZYRO* accounted for JPY 223.2 billion or 5% of our consolidated revenue. In addition, *ALOFISEL* and *EXKIVITY* experienced clinical trial failures during the fiscal year ended March 31, 2024, and, accordingly, Takeda removed them from the Growth and Launch Product category for the fiscal year ended March 31, 2025[1] in light of changed commercial expectations. On the other hand, recently launched products *FRUZAQLA* and *QDENGA* have been added based on Takeda's expectation that they will contribute to revenue more significantly over time as a result of their anticipated growth. The total contribution to consolidated revenue of the updated classification during the year ended March 31, 2025 was JPY 2,201.9 billion, or 48% of total consolidated revenue.

In the fiscal year ending March 31, 2026, we anticipate filing for FDA approval of rusfertide as well as Phase 3 clinical trial read outs for oveporexton and zasocitinib, which, if successful, could result in the commercial launch of each of those products as Growth & Launch Products in 2026 or 2027.

Acquisitions

We may acquire new businesses or assets to expand our R&D capabilities (including expanding into new methodologies) and to acquire new products (whether in the development pipeline or at the marketing stage) or enter other strategic regions. Similarly, we divest from businesses and product lines to maintain our focus on our key growth drivers and to manage our portfolio.

We account for acquisitions as business combinations or asset acquisitions. For business combinations, we record the assets acquired and liabilities assumed at fair value, which impacts our results in future periods due to costs related to unwinding fair value step-ups of inventory and amortization expense of acquired property, plant and equipment and intangible assets. For assets acquisitions, we record the assets acquired at transaction price. Our results are also impacted due to additional interest expense when an acquisition is financed with incremental borrowings.

[1] As of the date of this annual report, Growth and Launch products for the fiscal year ending March 31, 2026 consist of: *ENTYVIO, EOHILIA, TAKHZYRO*, *LIVTENCITY*, *ADZYNMA*, Immunoglobulin products (including *GAMMAGARD LIQUID/KIOVIG, HYQVIA* and *CUVITRU*), Albumin products (including *HUMAN ALBUMIN/FLEXBUMIN*), *FRUZAQLA*, *ALUNBRIG* and *QDENGA*.

There were no significant acquisitions of businesses or assets during the fiscal years ended March 31, 2024 and March 31, 2025, nor through the issuance date of this annual report.

Divestitures

In addition to acquisitions, we divested from businesses and product lines to maintain our focus on our key growth drivers and provide additional cash flow to accelerate the repayment of debts. The following is a major divestiture completed or announced in the fiscal years ended March 31, 2024, 2025 and through the issuance of this annual report.

- During the fiscal year ended March 31, 2025, Takeda decided to enter into discussions with Teva Pharmaceutical Industries Ltd. to dissolve a joint venture business in Japan primarily focused on generic medicines and long-listed products. Following the decision, Takeda reclassified all of its outstanding shares in its associate, Teva Takeda Pharma Ltd., to assets held for sale and recorded an impairment loss of JPY 18.9 billion. Upon the completion of the transfer in March 2025, Takeda received the proceeds from the sale of shares in the associate of JPY 56.5 billion, including JPY 50.8 billion of dividends received, and this amount comprised the majority of Takeda's proceeds from sales of shares in associates in the consolidated statement of cash flows of JPY 57.7 billion for the fiscal year ended March 31, 2025. Takeda also recognized JPY 1.7 billion in revenue and JPY 3.8 billion in other operating income (Note 5) due to the realization of the unrealized profit from past transactions.

Impact of the Availability of Raw Materials

Our results of operations may be negatively impacted if we are not able to internally or externally source critical raw materials. For example, human plasma is a critical raw material in our PDT. Efforts to increase the collection of plasma may require strengthening acquisition and third-party contracting capacities and successful regulatory approval of additional plasma collection facilities and plasma fractionation facilitates.

Foreign Exchange Fluctuations

In the fiscal year ended March 31,2024 and 2025, 89.4% and 90.9% of our revenue were from outside of Japan. Changes in foreign exchange rates, particularly for the U.S. dollar and the euro, relative to the yen, which is our reporting currency, will impact our revenues and expenses. When the yen weakens against other currencies, our revenues attributable to such other currencies increase, having a positive impact on our results of operations, which may be offset by increased expenses denominated in such currencies. Particularly, our revenues were positively impacted by the weakened yen against other currencies during the fiscal years ended March 31, 2024 and 2025. Conversely, when the yen strengthens against other currencies, our revenues attributable to such currencies decrease, having a negative impact on our results of operations, which may be offset by decreased expenses denominated in such currencies.

In order to help investors understand the effect of year-over-year exchange rate fluctuations on its results, Takeda presents, on a supplementary basis, year-over-year percentage changes calculated on the basis of constant exchange rates, which it refers to as "CER" change (Year-over-year changes calculated on the basis of actual exchange rates, in accordance with IFRS, are referred to as "AER" change.) See "(iii) Results of Operations" for the analysis of our operating results year-over-year with CER percentage changes.

CER Change is a measure not presented in accordance with IFRS. See "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda" for more information.

To mitigate the risk exposed by foreign exchange fluctuations, we utilize certain hedging measures with respect to some of our significant foreign currency transactions, primarily forward exchange contracts, currency swaps and currency options for individually significant foreign currency transactions.

Periodic Trends

Our revenues were lower in the fourth quarter of each of the fiscal years ended March 31, 2024, and 2025 partially due to the tendency of wholesalers to increase purchases ahead of the New Year holidays across the region, annual price increases and the reset of annual insurance deductibles in the U.S. at the start of the calendar year.

(ii) Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with IFRS. The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. On an ongoing basis, management evaluates its estimates and assumptions. Management bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable at the time the estimates and assumptions are made. Actual outcomes may differ from those estimates and assumptions.

We believe the following critical accounting policies are affected by management's estimates and assumptions, changes to which could have a significant impact on our consolidated financial statements.

Revenue Recognition

See Note 3 "Material Accounting Policies—*Revenue"* to our audited consolidated financial statements

Impairment of Goodwill and Intangible Assets

We review goodwill and intangible assets for impairment whenever events or changes in circumstance indicate that the asset's balance sheet carrying amount may not be recoverable. Goodwill and intangible assets that are currently not amortized are tested for impairment annually and whenever there is any indication of impairment. As of March 31, 2025, we have JPY 5,324.4 billion of goodwill and JPY 3,631.6 billion of intangible assets which in aggregate represent 62.9% of our total assets.

An intangible asset associated with a marketed product is amortized on a straight-line basis over the estimated useful life, which is based on expected patent life, and/or other factors depending on the expected economic benefits of the asset, ranging from 3 to 20 years. Intangible assets related to in-process research and development ("IPR&D") product rights are not amortized until the product is approved for sale by regulatory authorities in specified markets. At that time, we will determine the useful life of the asset and begin amortization.

Goodwill and intangible assets are generally considered impaired when their balance sheet carrying amount exceeds their estimated recoverable amount. The recoverable amount of an intangible asset is estimated for each individual asset or at the larger cash generating unit (CGU) level when cash is generated in combination with other assets. Our cash generating units or group of cash generating units are identified based on the smallest identifiable group of assets that generate independent cash inflows. Goodwill is tested for impairment at the single operating segment level (one CGU), which is the level at which goodwill is monitored for internal management purposes. The estimation of the recoverable value requires us to make a number of assumptions including:

- amount and timing of projected future cash flows;
- behavior of competitors (launch of competing products, marketing initiatives, etc.);
- probability of obtaining regulatory approvals;
- future tax rates;
- terminal growth rate; and
- discount rates.

The significant assumptions used in estimating the amount and timing of future cash flows are the probability of technical and regulatory success related to IPR&D projects and the sales forecast of the products. The sales forecast related to certain products in the U.S. is one of the significant assumptions used in estimating the recoverable amount of goodwill. Events that may result in a change in the assumptions include IPR&D projects that are not successfully developed, fail during development, are abandoned or subject to significant delay or do not receive the relevant regulatory approvals, and/or lower sales projections of certain commercially marketed products typically due to launch of newly competing products, and supply constraints. If these events were to occur, we may not recover the value of the initial or subsequent R&D investments made subsequent to acquisition of the asset project nor realize the future cash flows that we have estimated.

If there are changes in these assumptions in subsequent periods, we recognize impairment losses and, excluding goodwill, reversal of impairment losses related to intangible assets during the periods presented. See Notes 11 and 12 to our audited consolidated financial statements.

Legal Contingencies

We are involved in various legal proceedings primarily related to product liability and commercial liability arising in the normal course of our business. These contingencies are described in detail in Note 32 to our consolidated financial statements.

These and other contingencies are, by their nature, uncertain and based upon complex judgments and probabilities. The factors we consider in developing our provision for litigation and other contingent liability amounts include the merits and jurisdiction of the litigation, the nature and the number of other similar current and past litigation cases, the nature of the product and the current assessment of the science subject to the litigation, and the likelihood of settlement and current state of settlement discussions, if any. In addition, we record a provision for product liability claims incurred, but not filed, to the extent we can formulate a reasonable estimate of their costs based primarily on historical claims experience and data regarding product usage. In cases we may become involved in significant legal proceedings for which it is not possible to make a reliable estimate of the expected financial effect, if any, which may result from ultimate resolution of the proceedings, no provision is recognized for such cases. We also consider the insurance coverage we have to diminish the exposure for periods covered by insurance. In assessing our insurance coverage, we consider the policy coverage limits and exclusions, the potential for denial of coverage by the insurance company, the financial condition of the insurers, and the possibility of and length of time for collection. Any provision and the related estimated insurance recoverable have been reflected on a gross basis as liabilities and assets, respectively, on our consolidated statements of financial position. As of March 31, 2025, we had a provision of JPY 12.5 billion for outstanding legal cases and other disputes.

Income Taxes

We prepare and file our tax returns based on an interpretation of tax laws and regulations, and record estimates based on these judgments and interpretations. In the normal course of business, our tax returns are subject to examination by various tax authorities, which may result in additional tax, interest or penalty assessment by these authorities. Inherent uncertainties exist in estimates of many uncertain tax positions due to changes in tax law resulting from legislation, regulation, and/or as concluded through the various jurisdictions' tax court systems. When we conclude that it is not probable that a tax authority will accept an uncertain tax position, we recognize the best estimate of the expenditure required to settle a tax uncertainty. The amount of unrecognized tax benefits is adjusted for changes in facts and circumstances. For example, adjustments could result from significant amendments to existing tax law, the issuance of regulations or interpretations by the tax authorities, new information obtained during a tax examination, or resolution of a tax examination. We believe our estimates for uncertain tax positions are appropriate and sufficient based on currently known facts and circumstances.

We also assess our deferred tax assets to determine the realizable amount at the end of each period. In assessing the recoverability of deferred tax assets, we consider the scheduled reversal of taxable temporary differences, projected future taxable profits, and tax planning strategies. Future taxable profits according to profitability are estimated based on our business plan. The change in judgment upon determining the revenue forecasts related to certain products used for our business plan could have a significant impact on the amount of the deferred tax assets to be recognized. Based on the level of historical taxable profits and projected future taxable profits during the periods in which the temporary differences become deductible, we determine the amount the tax benefits we believe are realizable. As of March 31, 2025, we had unused tax losses, deductible temporary differences, and unused tax credits for which deferred tax assets were not recognized of JPY 1,183.7 billion, JPY 427.4 billion, and JPY 27.0 billion , respectively. A change in our estimates and assumptions in future periods could have a significant impact on our income tax provision.

Restructuring Costs

We incur restructuring costs associated with planned initiatives to reduce our costs. Our most significant restructuring costs are severance payments. We establish a provision for restructuring costs when we have developed a detailed formal plan for the restructuring and, through an execution of the plan or an announcement of its main features to those affected by it, a valid expectation has been raised in those affected by the plan that the plan will be implemented. The recognition of restructuring provision requires estimates including timing of payments and the number of individuals impacted by the restructuring. As a result of these estimates, the actual restructuring costs may differ from our estimates.

On May 9, 2024, we announced a multi-year, enterprise-wide efficiency program aimed at promoting business growth and improving our profitability. This program includes increasing the agility and simplicity of our business organization, investing in digital, data and technology to enhance productivity and efficiency across the organization and implementing cost reductions and process improvements in supply chain and vendor management. Primarily as a result of the initiatives announced in May 2024, we recorded JPY 128.1 billion of restructuring expenses in the fiscal year ended March 31, 2025 and currently expect to incur JPY 48.0 billion of restructuring expenses in the fiscal year ending March 31, 2026, with lower expenses in the fiscal years to follow.

As of March 31, 2025, we had a provision of JPY 14.0 billion for restructuring costs. See Note 23 to our audited consolidated financial statements for a further description of our restructuring provisions and the change between periods.

(iii) Results of Operations

The following table provides selected consolidated statements of profit or loss information for the years ended March 31, 2024 and 2025.

Billion JPY or percentage

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

In this section, changes versus the previous fiscal year are given both on an as-reported (IFRS) basis (also referred to as "AER") and, on a supplementary basis, using constant exchange rates (CER), as calculated by Takeda. CER % change is a Non-IFRS Measure. For additional information on CER % change, see "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda".

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

Revenue by Geographic Region

The following shows revenue by geographic region:

Billion JPY or percentage

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

Note:
(1) Other includes the Middle East, Oceania and Africa.

We rely on certain key prescription drug products to generate a significant portion of our revenue. The following shows revenue by business area.

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	2025	Amount of Change	% Change	% Change
Gastroenterology:					
ENTYVIO	¥ 800.9	¥ 914.1	¥ 113.2	14.1 %	8.5 %
GATTEX/REVESTIVE	119.3	146.3	27.0	22.7	17.2
TAKECAB/VOCINTI [1]	118.5	130.8	12.2	10.3	9.7
PANTOLOC/CONTROLOC [2]	46.5	44.6	(1.9)	(4.1)	(8.2)
DEXILANT	45.3	38.5	(6.7)	(14.9)	(16.5)
EOHILIA	0.2	5.5	5.3	2,627.1	2,500.6
Others	85.5	77.3	(8.3)	(9.7)	(13.8)
Total Gastroenterology	1,216.2	1,357.0	140.8	11.6	6.8
Rare Diseases:					
TAKHZYRO	178.7	223.2	44.5	24.9	18.9
ADVATE	122.9	111.8	(11.2)	(9.1)	(13.4)
ELAPRASE	91.6	97.2	5.7	6.2	2.1
REPLAGAL	73.6	77.9	4.3	5.8	2.1
ADYNOVATE/ADYNOVI	66.3	64.6	(1.7)	(2.6)	(6.0)
VPRIV	51.3	53.5	2.2	4.2	(0.5)
LIVTENCITY	19.1	33.0	13.9	72.9	64.5
ADZYNMA	0.4	7.1	6.7	1,566.2	1,515.8
Others	84.6	84.7	0.0	0.1	(4.4)
Total Rare Diseases	688.4	752.8	64.4	9.4	4.6
PDT:					
Immunoglobulin	644.6	757.8	113.2	17.6	11.5
Albumin	134.0	141.4	7.4	5.5	1.1
Others	125.1	133.5	8.4	6.7	1.5
Total PDT	903.7	1,032.7	129.0	14.3	8.6
Oncology:					
ADCETRIS	109.4	129.0	19.6	17.9	14.8
LEUPLIN/ENANTONE	107.4	119.3	11.9	11.1	8.2
NINLARO	87.4	91.2	3.9	4.4	(0.2)
ICLUSIG	54.7	70.7	16.0	29.3	23.0
FRUZAQLA	10.1	48.0	37.9	375.7	351.3
ALUNBRIG	28.5	36.4	7.9	27.7	22.7
Others	64.9	65.8	0.9	1.3	0.3
Total Oncology	462.4	560.4	98.1	21.2	17.2
Vaccines:					
QDENGA	9.6	35.6	26.0	272.3	259.0
Others	40.8	19.8	(21.0)	(51.4)	(51.4)
Total Vaccines	50.4	55.4	5.1	10.0	7.5
Neuroscience:					
VYVANSE/ELVANSE	423.2	350.6	(72.6)	(17.2)	(21.6)
TRINTELLIX	104.8	125.7	20.9	20.0	14.2
ADDERALL XR	41.8	28.4	(13.3)	(31.9)	(35.3)
Others	57.2	61.0	3.8	6.6	4.5
Total Neuroscience	627.0	565.8	(61.2)	(9.8)	(14.1)

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	2025	Amount of Change	% Change	% Change
Gastroenterology:					
Other:					
AZILVA [1]	33.6	11.8	(21.8)	(64.9)	(64.9)
FOSRENOL	13.5	7.9	(5.6)	(41.5)	(44.1)
Others	268.5	237.7	(30.9)	(11.5)	(13.2)
Total Other	315.7	257.4	(58.3)	(18.5)	(20.0)
Total	¥ 4,263.8	¥ 4,581.6	¥ 317.8	7.5 %	2.9 %

Notes:
(1) The figures include the amounts of fixed dose combinations and blister packs.
(2) Generic name: pantoprazole.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cost of Sales

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

Selling, General and Administrative (SG&A) Expenses

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

Research and Development (R&D) Expenses

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

Amortization and Impairment Losses on Intangible Assets Associated with Products

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

Other Operating Income

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

Other Operating Expenses

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

Operating Profit

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

Net Finance Expenses

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

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

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

Income Tax (Expenses) Benefit

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

Net Profit for the Year

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

(iv) Core Results (April 1, 2024 to March 31, 2025)

Supplemental Discussion: Results of Core Financial Measures (Non-IFRS Measures)

In addition to its results prepared in accordance with IFRS, on a supplemental basis, Takeda also presents the results of its Core Financial Measures. Takeda strongly encourages investors to review "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda" below for more information on these metrics, including their definitions, limitations on their usefulness and reconciliations to the most directly comparable financial measures calculated and presented in accordance with IFRS. Takeda also presents period-over-period change in its Core Financial Measures on a CER % change basis; see "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda" for more information.

Results of Core Operations

Billion JPY or percentage

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

Core Revenue

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

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

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

Core Operating Profit

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

Billion JPY or percentage

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

During the periods presented, these items fluctuated as follows:

Core Cost of Sales

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

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

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

Core Research and Development (R&D) Expenses

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

Core Net Profit for the Year

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

Billion JPY or percentage

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

During the periods presented, these items fluctuated as follows:

Core Net Finance Expenses

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

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

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

Core Profit Before Tax

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

Core Income Tax Expenses

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

Core EPS

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

(b) Consolidated Financial Position

Billion JPY

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

Assets.

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

Liabilities.

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

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

Bonds:

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

Loans:

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

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

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

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

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

For further description of our borrowings, see Note 20 to our audited consolidated financial statements.

Equity.

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

(c) Sources and Uses of Liquidity

Sources and Uses of Liquidity

Our liquidity requirements mainly relate to operating cash, capital expenditures, contractual obligations, repayment of indebtedness and payment of interest and dividends. Our operating cash requirements include cash outlays for R&D expenses, milestone payments, sales and marketing expenses, personnel and other general and administrative costs and raw material costs. Income tax payments also require significant cash outlays as well as working capital financing.

Our capital expenditures for tangible assets consist primarily of enhancing and streamlining our production facilities, replacing fully depreciated items, and promoting efficiency of our operations. Our capital expenditures for intangible assets represent mainly milestone payments related to licensed products, where such assets have been acquired from third-party partners, as well as software development expenditures. Our capital expenditures, which consist of additions to property, plant and equipment and intangible assets recorded on our consolidated statements of financial position, were JPY 496.7 billion and JPY 319.4 billion for the fiscal years ended March 31, 2024 and 2025, respectively. As of March 31, 2025, we had contractual commitments for the acquisition of property, plant and equipment of JPY 20.1 billion. In addition, we had certain contractual agreements related to the acquisition of intangible assets as of March 31, 2025. See Note 32 to our consolidated financial statements for a description of our milestone payments of intangible assets. As part of our capital management, we periodically assess our level of capital expenditures in light of capital needs, market and other conditions and other relevant factors.

Our dividend payments for the fiscal years ended March 31, 2024 and 2025 were JPY 288.5 billion and JPY 303.9 billion, respectively. Takeda returned capital to shareholders using dividends at an annual level of JPY 196 per share, consisting of interim and fiscal year-end dividends of JPY 98 per share for the fiscal year ended March 31, 2025. It is our intention to return capital to shareholders using dividends at an annual level of JPY 200 per share in the fiscal year ending March 31, 2026, consisting of interim and fiscal year-end dividends of JPY 100 per share. See "IV. Information on the Company, 3. Dividend Policy" for a description of our dividend policy.

We are required to make interest and principal payments on our outstanding borrowings. As of March 31, 2025, we had JPY 112.8 billion of interest due within one year and JPY 548.9 billion of principal payments on our borrowings due within one year. See "*Borrowings and Financial Obligations.*"

Our primary sources of liquidity include cash and cash equivalents on hand, short-term commercial paper, committed borrowing lines from financial institutions and long-term debt financing that includes bonds from the global capital markets. Additionally, we had access to short-term uncommitted borrowing lines of JPY 150.0 billion and USD 750 million from financial institutions as of March 31, 2024 and 2025, respectively.

We monitor and adjust the amount of foreign cash based on projected cash flow requirements. As the majority of our business is conducted outside Japan, we hold a significant portion of cash outside of Japan. Our ability to use foreign cash to fund cash flow requirements in Japan may be impacted by local regulations and, to a lesser extent, income taxes associated with transferring cash to Japan.

We continue to closely monitor our funding situation and do not currently anticipate experiencing funding or liquidity shortfalls in the short term as a result of general market conditions. In addition to the ability to seek additional funding (if needed) from market and other sources, we may also manage our funding and liquidity needs by reconsidering, to the extent necessary and appropriate, our capital expenditure plans.

As of March 31, 2025, we held JPY 385.1 billion in cash and cash equivalents on hand, of which JPY 105.8 billion was cash temporarily held on behalf of third parties related to vaccine operations and a trade receivables sales program. Takeda had access to JPY 700.0 billion in an undrawn bank commitment line. In addition, we held JPY 79.3 billion of U.S. Treasury Marketable Securities (U.S. Treasuries) classified as Level 1 in the fair value hierarchy. Total liquidity available therefore was JPY 1,058.7 billion. We believe that working capital is sufficient for our current business requirements. Furthermore, we continually seek to ensure that our level of liquidity and access to capital market funding continues to be maintained to successfully support our business operations.

Consolidated Cash Flows

The following table shows information about our consolidated cash flows during the fiscal years ended March 31, 2024 and 2025:

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

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

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

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

Supplemental Discussion: Free Cash Flow and Adjusted Free Cash Flow (Non-IFRS Measures)

Free cash flow and Adjusted Free Cash Flow are non-IFRS measures, see "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda—Free Cash Flow and Adjusted Free Cash Flow" for further information. The most directly comparable measures under IFRS for Free Cash Flow and Adjusted Free Cash Flow is Net Cash from Operating Activities.

	For the Year Ended March 31	
	2024	2025
	(billions of yen)	
Net cash from operating activities (IFRS)	¥ 716.3	¥ 1,057.2
Free cash flow (non-IFRS)	540.9	856.4
Adjusted free cash flow (non-IFRS)	283.4	769.0

Free Cash Flow for the fiscal year ended March 31, 2025 was JPY 856.4 billion (JPY +315.5 billion). The increase was mainly driven by higher Net Cash from Operating Activities.

Adjusted Free Cash Flow for the fiscal year ended March 31, 2025 was JPY 769.0 billion (JPY +485.5 billion). The increase was primarily due to higher Free Cash Flow, further driven by a decrease in Acquisition of Intangible Assets.

Borrowings and Financial Obligations

Our total bonds and loans were JPY 4,843.8 billion and JPY 4,515.3 billion as of March 31, 2024 and 2025, respectively. These borrowings include unsecured bonds and senior notes issued by Takeda, bilateral and syndicated loans entered into by the Company, borrowings incurred to fund a portion of the Shire Acquisition, debt assumed in connection with the Shire Acquisition and debt refinanced and are included in our consolidated statements of financial position. Our borrowings are mainly incurred in connection with acquisitions and therefore are not exposed to seasonality.

On April 25, 2024, Takeda repaid JPY 50.0 billion in Bilateral Loans falling due and on the same day entered into new Bilateral Loans of JPY 50.0 billion maturing on April 25, 2031. Following this, on June 25, 2024, Takeda issued 60-year Unsecured Hybrid Bonds with an aggregate principal amount of JPY 460.0 billion and a maturity date of June 25, 2084. On July 5, 2024, Takeda issued USD 3,000 million in Unsecured U.S. Dollar-Denominated Senior Notes with maturity dates ranging from July 5, 2034 to July 5, 2064. The proceeds of the USD bond issuance were efficiently deployed to fund a tender offer to redeem USD 1,500 million in Unsecured Senior Notes on July 12, 2024 in advance of their original maturity in September 2026, with the balance of proceeds deployed towards the reduction of Commercial Paper drawings in July 2024. On October 3, 2024, Takeda drew down a Syndicated Hybrid Loan with an aggregate principal amount of JPY 40.0 billion and a maturity date of October 3, 2084. The proceeds of the Syndicated Hybrid Loan, together with the proceeds of the Hybrid Bonds issued on June 25, 2024 were deployed towards the redemption of JPY 500.0 billion in Hybrid Bonds issued in June 2019 on October 6, 2024, in advance of their original maturity of June 6, 2079. On March 31, 2025, Takeda prepaid JPY 313.5 billion and USD 1,500 million in Syndicated Loans in advance of their original maturity dates ranging from April 27, 2026 to April 26, 2030. To repay the Syndicated Loans, Takeda used cash on hand, Short Term Loan with an aggregated principal amount of USD 500 million, which was drawn down on March 31, 2025, as well as Short Term Commercial Paper drawings. The principal amount of Commercial Paper drawings outstanding was JPY 270.0 billion as at March 31, 2025.

As of March 31, 2025, we had commitment facility that contained certain financial covenants. One of financial covenants requires Takeda's ratio of consolidated Adjusted Net Debt to Adjusted EBITDA, as defined in the facility agreements, for the previous twelve-month period to not surpass certain levels as of March 31 and September 30 of each year. Takeda was in compliance with all financial covenants as of March 31, 2025 in a similar manner to the prior year ended March 31, 2024. There are no restrictions on the ability to draw from the JPY 700.0 billion commitment line that was put in place in 2019 and matures at the end of September 2026.

We currently have a Japanese unsecured commercial paper program in place to facilitate short-term liquidity management. The total amount drawn on the commercial paper program was JPY 317.0 billion as of March 31, 2024 and JPY 270.0 billion as of March 31, 2025. We further have access to short-term uncommitted lines of JPY 150.0 billion and USD 750 million which were undrawn as of March 31, 2024 and 2025, respectively.

For further description of our borrowings, see Note 20 to our audited consolidated financial statements.

Credit Ratings

Our credit ratings, which reflect each rating agency's opinion of our financial strength, operating performance and ability to meet our obligations, as of the date of this annual report are as follows:

Rating Agency	Category	Rating	Outlook	Rating Structure
S&P Global Ratings	Issuer credit rating/foreign currency long-term and local currency long-term	BBB+	Stable	Fourth highest of 11 rating categories and first within the category based on modifiers (e.g. BBB+, BBB and BBB- are within the same category).
	Issuer credit rating (short-term)	A-2		Second highest of six rating categories
Moody's	Long-term issuer rating and Long-term senior unsecured rating	Baa1	Stable	Fourth highest of nine rating categories and first within the category based on modifiers (e.g. Baa1, Baa2 and Baa3 are within the same category).

The ratings are not a recommendation to buy, sell or hold securities. The ratings are subject to revision or withdrawal at any time by the assigning rating agency. Each of the financial strength ratings should be evaluated independently.

Material Contractual Obligations

The following table summarizes our contractual obligations as of March 31, 2025:

	(billions of yen)				
	Total Contractual Amount [1]	Within One Year	Between One and Three Years	Between Three and Five Years	More than Five Years
Bonds and loans: [2]					
Bonds [3]	¥ 5,635.9	¥ 499.8	¥ 786.6	¥ 1,402.2	¥ 2,947.3
Loans [3]	334.9	162.0	3.7	118.4	50.8
Purchase obligations for property, plant and equipment	20.1	20.1	—	—	—
Repayment of lease liabilities	825.8	64.4	111.5	100.1	549.7
Leases not yet commenced	221.2	—	19.5	25.8	175.9
Contributions to defined benefit plans [4]	10.2	10.2	—	—	—
Total [5][6]	¥ 7,048.1	¥ 756.5	¥ 921.3	¥ 1,646.5	¥ 3,723.7

Notes:

(1) Obligations denominated in currencies other than Japanese yen have been translated into Japanese yen using the exchange rates as of March 31, 2025 and may fluctuate due to changes in exchange rates.
(2) Includes interest payment obligations.
(3) The contractual amount in "Between three and five years" includes a JPY 460.0 billion of 2024 hybrid subordinated bonds ("2024 Hybrid Bonds") and a JPY 40.0 billion of 2024 syndicated hybrid subordinated loan ("2024 Syndicated Hybrid Loan") as Takeda expects to make early repayments of all of the principal of the 2024 Hybrid Bonds on the first call date of June 25, 2029 and the 2024 Syndicated Hybrid Loan on the first prepayment date of October 3, 2029. For details of the principal and interest rate associated with the 2024 Hybrid Bonds and the 2024 Syndicated Hybrid Loan, see Note 20 to our audited consolidated financial statements.
(4) Pension and post-retirement contributions cannot be determined beyond the fiscal year ending March 31, 2026 because the timing of funding is uncertain and dependent on future movements in interest rates and investment returns, changes in laws and regulations and other variables.
(5) Does not include contractual obligations whose timing we are unable to estimate, including defined benefit obligations, litigation reserves and long-term income tax liabilities and does not include liabilities recorded at fair value as amounts will fluctuate based on any changes in fair value including derivative liabilities and financial liabilities associated with contingent consideration arrangements. The carrying amounts of derivative liabilities and financial liabilities associated with contingent consideration arrangements as of March 31, 2025 were JPY 16.5 billion and JPY 4.4 billion, respectively. Milestone payments that are dependent on the occurrence of certain future events are not included.
(6) Does not include purchase orders entered into for purchases made in the normal course of business.

Off-Balance Sheet Arrangements

Milestone Payments

Under the terms of our collaborations with third parties for the development of new products, we may be required to make payments for the achievement of certain milestones related to the development of pipeline products and the launch and subsequent marketing of new products. As of March 31, 2025, the contractual amount of potential milestone payments totaled JPY 1,074.3 billion, in each case excluding potential commercial milestone payments. See Note 13 and 32 to our audited consolidated financial statements for further details.

Supplemental Discussion of Financial Leverage (Adjusted Net Debt to Adjusted EBITDA Ratio) (Non-IFRS Measure)

Particularly following the acquisition of Shire, investors, analysts and ratings agencies have closely monitored Takeda's financial leverage, as represented by the ratio of its Adjusted Net Debt to Adjusted EBITDA. Adjusted Net Debt, Adjusted EBITDA and the ratio thereof are all non-IFRS measures. See "(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda" for more information, including reconciliations of bonds and loans to Adjusted Net Debt, and of Net Profit for the year to EBITDA and Adjusted EBITDA, in each case, to the most directly comparable measures presented in accordance with IFRS. Takeda's ratio of Adjusted Net Debt to Adjusted EBITDA, and the ratio of each of the most directly comparable measures to Adjusted Net Debt and Adjusted EBITDA presented in accordance with IFRS as of the dates shown was as follows:

	For the Year Ended March 31,	
	2024	2025
	(billions of yen, except for ratios)	
IFRS:		
Bonds and loans	¥ (4,843.8)	¥ (4,515.3)
Net profit for the year	144.2	108.1
Ratio of bonds and loans to net profit for the year	33.6x	41.8x
Non-IFRS:		
Adjusted net debt	¥ (4,091.3)	¥ (3,975.5)
Adjusted EBITDA	1,319.9	1,441.0
Adjusted net debt to adjusted EBITDA ratio	3.1x	2.8x

(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda

In addition to its results presented in accordance with IFRS, Takeda presents certain "Non-IFRS" financial measures on a supplemental basis. These financial measures include *Constant Exchange Rate ("CER") Change, Core Financial Measures, Net Debt, Adjusted Net Debt, EBITDA, Adjusted EBITDA, Free Cash Flow* and *Adjusted Free Cash Flow*.

Takeda's management evaluates its results of operations and financial condition and makes operating and investment decisions using both IFRS measures and the non-IFRS measures presented herein. Accordingly, Takeda presents both types of measures to provide investors with additional information to analyze Takeda's results of operations and financial condition and understand how Takeda's management assesses the same. Takeda's non-IFRS measures exclude or adjust the calculation of certain income, cost, cash flow or statement of financial position items which are included in the most closely comparable measures presented in accordance with IFRS. These 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 Takeda sometimes refer to as "reported" measures). Takeda strongly encourages investors to review its historical financial statements in their entirety and to use the measures presented in accordance with IFRS as the primary means of evaluating its performance. Moreover, Takeda encourages investors to review the definitions and reconciliations of non-IFRS financial measures to their most directly comparable IFRS measures. Takeda also encourages investors to review the discussions of these non-IFRS financial measures—particularly the limitations on their usefulness—and to understand how such measures differ from similarly titled measures that may be presented by other companies in the pharmaceutical industry or in general.

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 Revenu*e 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 EPS* represents net profit for the year attributable to owners of the Company, adjusted to exclude the impact of items excluded in the calculation of Core Operating Profit and other non-operating items (e.g. amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration) that are unusual, non-recurring in nature or unrelated to the underlying trends and business performance of Takeda's ongoing operations and the tax effect of each of the adjustments, divided by the average outstanding shares (excluding treasury shares) of the reporting periods presented.

Takeda presents its Core Financial Measures because Takeda believes that these measures are useful to understanding its business without the effect of items that Takeda considers to be unrelated to the underlying trends and business performance of its core operations, including items (i) which may vary significantly from year-to-year or may not occur in each year or (ii) whose recognition Takeda believes is largely uncorrelated to trends in the underlying performance of our core business. Takeda believes that similar measures are frequently used by other companies in its industry and that providing these measures helps investors evaluate Takeda's performance against not only its performance in prior years but on a similar basis as its competitors. Takeda also presents Core Financial Measures because these measures are used by Takeda for budgetary planning and compensation purposes (i.e., certain targets for the purposes of Takeda's Short-Term Incentive and Long-Term Incentive compensation programs, including incentive compensation of the CEO and CFO, are set in relation to the results of Takeda's Core Financial Measures). See "(4) Remuneration for Directors").

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.

The following tables reconcile, for each of the periods shown, Takeda's Core Financial Measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, namely: (i) Core Revenue to Revenue as presented under IFRS; (ii) Core Operating Profit to Operating Profit as presented under IFRS and (iii) Core Net Profit for the Year attributable to owners of the Company to Net Profit for the Year attributable to owners of the Company as presented under IFRS.

Adjustments to Revenue and Operating Profit to calculate Core Revenue and Core Operating Profit:

	For the Year Ended March 31, 2025					
	Reported (IFRS)	Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses[2]	Others[3]	Core Financial Measures (non-IFRS)
	(billions of yen)					
Revenue	¥ 4,581.6	¥ —	¥ —	¥ —	¥ (1.7)	¥ 4,579.8
Cost of sales	(1,580.2)	—	—	—	(1.6)	(1,581.8)
Selling, general and administrative expenses	(1,104.8)	—	—	—	(0.3)	(1,105.0)
Research and development expenses	(730.2)	—	—	—	(0.1)	(730.4)
Amortization of intangible assets associated with products	(548.2)	548.2	—	—	—	—
Impairment losses on intangible assets associated with products[1]	(95.0)	—	95.0	—	—	—
Other operating income (expenses)	(180.5)	—	—	184.3	(3.8)	—
Operating profit	¥ 342.6	¥ 548.2	¥ 95.0	¥ 184.3	¥ (7.5)	¥ 1,162.6

Notes:

(1) Intangible assets associated with products include in-process R&D (IPR&D).

(2) Other operating income/expenses include changes in fair value of financial assets and liabilities associated with contingent consideration arrangements, gains/losses on sales of property, plant and equipment and investment property, gain on divestment of business and subsidiaries, donations and contributions, rental income and lease expense for sublease, restructuring expenses, valuation reserves for pre-launch inventories, expenses for post-trial access, impairment of assets held for sale, legal provisions, write-offs of option assets and other operating income (expenses) non-recurring in nature.

(3) Others: revenue and other operating income (expenses) include JPY 1.7 billion of deferred revenue recognized from the asset sale to Teva Takeda Pharma Ltd. (“Teva”) and JPY 3.8 billion of deferred gain from the business divestiture to Teva, respectively, triggered by the divestment of Teva shares in the fiscal year ended March 31, 2025; cost of sales includes expenses related to the unwinding of acquisition accounting adjustments (i.e., step up) in value of PP&E associated with the Shire acquisition completed in the fiscal year ended March 31, 2019.

	For the Year Ended March 31, 2024					
	Reported (IFRS)	Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses[2]	Others	Core Financial Measures (non-IFRS)
	(billions of yen)					
Revenue	¥ 4,263.8	¥ —	¥ —	¥ —	¥ —	¥ 4,263.8
Cost of sales	(1,426.7)	—	—	—	0.4	(1,426.3)
Selling, general and administrative expenses	(1,053.8)	—	—	—	0.9	(1,053.0)
Research and development expenses	(729.9)	—	—	—	0.3	(729.6)
Amortization of intangible assets associated with products	(521.5)	521.5	—	—	—	—
Impairment losses on intangible assets associated with products[1]	(130.6)	—	130.6	—	—	—
Other operating income (expenses)	(187.1)	—	—	187.1	—	—
Operating profit	¥ 214.1	¥ 521.5	¥ 130.6	¥ 187.1	¥ 1.5	¥ 1,054.9

Notes:

(1) Intangible assets associated with products include in-process R&D (IPR&D).

(2) Other operating income/expenses include changes in fair value of financial assets and liabilities associated with contingent consideration arrangements, gains/losses on sales of property, plant and equipment and investment property, gain on divestment of business and subsidiaries, donations and contributions, rental income and lease expense for sublease, restructuring expenses, valuation reserves for pre-launch inventories, impairment of assets held for sale, legal provisions and write-offs of option assets.

Adjustments to Net Profit for the Year attributable to owners of the Company to calculate Core Net Profit for the Year attributable to owners of the Company:

	For the Year Ended March 31, 2025					
	Reported (IFRS)	Amortization of intangible assets[1]	Impairment of intangible assets[2]	Other operating income/ expenses[3]	Others[4]	Core Financial Measures (non-IFRS)
	(billions of yen, except for percentages)					
Operating profit	¥ 342.6	¥ 548.2	¥ 95.0	¥ 184.3	¥ (7.5)	¥ 1,162.6
Operating margin	7.5 %	—	—	—	—	25.4 %
Finance income (expenses), net	(163.5)	—	—	—	22.8	(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	184.3	20.4	1,023.1
Income tax (expenses) benefit[2]	(66.9)	(114.9)	(23.4)	(45.1)	3.2	(247.3)
Net profit for the year	108.1	433.3	71.6	139.2	23.6	775.8
Non-controlling interests	0.2	—	—	—	—	0.2
Net profit for the year attributable to owners of the Company	¥ 107.9	¥ 433.3	¥ 71.6	¥ 139.2	¥ 23.6	¥ 775.6

Notes:

(1) Others: finance income (expenses), net, includes the loss on non-monetary items for subsidiaries in hyperinflationary economies and for which IAS29, Financial Reporting in Hyperinflationary Economies, is applied, and finance income and expense related to non-core transactions; share of profit (loss) of investments accounted for using the equity method includes gains and losses associated with divestment and liquidations, and other fair value adjustments.

(2) Taxes on the adjustments between IFRS Accounting Standards and core results take into account the statutory tax rate applicable to the item based upon the jurisdiction where the adjustment is recorded. Total income tax expense on core adjustments (JPY 848.0 billion) to profit before tax was JPY 180.3 billion, resulting in an average tax rate of 21.3% on core adjustments.

	For the Year Ended March 31, 2024					
	Reported (IFRS)	Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others[1]	Core Financial Measures (non-IFRS)
	(billions of yen, except for percentages)					
Operating profit	¥ 214.1	¥ 521.5	¥ 130.6	¥ 187.1	¥ 1.5	¥ 1,054.9
Operating margin	5.0 %	—	—	—	—	24.7 %
Finance income (expenses), net	(167.8)	—	—	—	25.8	(142.0)
Share of profit (loss) of investments accounted for using the equity method	6.5	—	—	—	(0.5)	5.9
Profit before tax	52.8	521.5	130.6	187.1	26.8	918.8
Income tax (expenses) benefit[2]	91.4	(108.7)	(28.6)	(43.1)	(73.0)	(161.9)
Net profit for the year	144.2	412.8	102.0	144.1	(46.2)	756.9
Non-controlling interests	0.1	—	—	—	—	0.1
Net profit for the year attributable to owners of the Company	¥ 144.1	¥ 412.8	¥ 102.0	¥ 144.1	¥ (46.2)	¥ 756.8

Notes:

(1) Others: finance income (expenses), net includes the loss on non-monetary items for subsidiaries in hyperinflationary economies and for which IAS29, Financial Reporting in Hyperinflationary Economies, is applied, and finance income and expense related to non-core transactions ;share of profit (loss) of investments accounted for using the equity method includes gains and losses associated with divestments and liquidations, and other fair value adjustments.

(2) Taxes on the adjustments between IFRS Accounting Standards and core results, take into account the statutory tax rate applicable to the item based upon the jurisdiction where the adjustment is recorded. Total income tax expense on core adjustments (JPY 866.0 billion) to profit before tax was JPY 253.3 billion, resulting in an average tax rate of 29.2% on core adjustments.

Constant Exchange Rate ("CER") Change

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

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

The usefulness of this presentation has significant limitations including but not limited to, that while CER change is calculated using the same exchange rates used to calculate financial results as presented under IFRS for the previous fiscal year, this does not necessarily mean that the transactions entered into during the relevant fiscal year could have been entered into or would have been recorded at the same exchange rates. Moreover, other companies in our industry using similarly titled measures may define and calculate those measures differently than we do and therefore such measures may not be directly comparable. Accordingly, CER change should not be considered in isolation and is not, and should not be viewed as, a substitute for change in financial results as prepared and presented in accordance with IFRS.

The following tables show our results of operations, including the year-over-year percentages changes thereto, in each case as calculated and presented in accordance with IFRS, and reconcile the CER percentage changes for each line item to such presentation.

CER Change (Reported Measures):

Billion JPY or percentage

	For the fiscal year ended March 31,		AER (IFRS)		CER (Non-IFRS)
	2024	**2025**	Amount of Change	% Change	% Change
Revenue	¥ 4,263.8	¥ 4,581.6	¥ 317.8	7.5 %	2.9 %
Cost of sales	(1,426.7)	(1,580.2)	(153.5)	10.8 %	6.5 %
Selling, general and administrative expenses	(1,053.8)	(1,104.8)	(50.9)	4.8 %	0.6 %
Research and development expenses	(729.9)	(730.2)	(0.3)	0.0 %	(4.5)%
Amortization and impairment losses on intangible assets associated with products	(652.1)	(643.2)	8.9	(1.4)%	(6.0)%
Other operating income	19.4	26.2	6.8	35.3 %	30.8 %
Other operating expenses	(206.5)	(206.7)	(0.2)	0.1 %	(3.6)%
Operating profit	214.1	342.6	128.5	60.0 %	51.2 %
Finance income	(167.8)	(163.5)	4.2	(2.5)%	(5.7)%
Share of profit (loss) of investments accounted for using the equity method	6.5	(4.0)	(10.5)	—	—
Profit before tax	52.8	175.1	122.3	231.7 %	206.4 %
Income tax (expenses) benefit	91.4	(66.9)	(158.3)	—	—
Net profit for the year	144.2	108.1	(36.1)	(25.0)%	(33.1)%
Non-controlling interests	0.1	0.2	0.1	65.7 %	66.3 %
Net profit for the year attributable to owners of the Company	¥ 144.1	¥ 107.9	¥ (36.1)	(25.1)%	(33.2)%

CER Change (non-IFRS):

Billion JPY or percentage

	For the fiscal year ended March 31,		AER		CER
	2024	**2025**	Amount of Change	% Change	% Change
Core revenue	¥ 4,263.8	¥ 4,579.8	¥ 316.1	7.4 %	2.8 %
Core cost of sales	(1,426.3)	(1,581.8)	(155.5)	10.9 %	6.6 %
Core selling, general and administrative expenses	(1,053.0)	(1,105.0)	(52.1)	4.9 %	0.7 %
Core research and development expenses	(729.6)	(730.4)	(0.7)	0.1 %	(4.4)%
Core operating profit	1,054.9	1,162.6	107.8	10.2 %	4.9 %
Core finance income (expenses), net	(142.0)	(140.7)	1.3	(0.9)%	(4.5)%
Core share of profit (loss) of investments accounted for using the equity method	5.9	1.1	(4.8)	(81.2)%	(82.2)%
Core profit before tax	918.8	1,023.1	104.3	11.3 %	5.8 %
Core income tax (expenses) benefit	(161.9)	(247.3)	(85.4)	52.7 %	48.7 %
Core net profit for the year	756.9	775.8	18.9	2.5 %	(3.4)%
Non-controlling interests	0.1	0.2	0.1	65.7 %	66.3 %
Core net profit for the year attributable to owners of the Company	¥ 756.8	¥ 775.6	¥ 18.8	2.5 %	(3.4)%

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.

The following table provides a reconciliation from Net Cash from Operating Activities, the most comparable measure presented in accordance with IFRS, to Free Cash Flow and Adjusted Free Cash Flow for the fiscal year ended March 31, 2024 and 2025:

	For the Year Ended March 31,	
	2024	2025
	(billions of yen)	
Net cash from operating activities (IFRS)	¥ 716.3	¥ 1,057.2
Acquisition of PP&E	(175.4)	(200.8)
Free cash flow (non-IFRS)	540.9	856.4
Adjustment for cash temporarily held by Takeda on behalf of third parties[(1)]	18.0	2.1
Proceeds from sales of PP&E	8.6	0.1
Acquisition of intangible assets[(2)]	(305.3)	(147.0)
Acquisition of option to license	—	(31.8)
Acquisition of investments[(3)]	(6.8)	(17.4)
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
Adjusted free cash flow (non-IFRS)	¥ 283.4	¥ 769.0

Notes:

(1) 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.

(2) Proceeds from sale of intangible assets are included in net cash from operating activities, except certain immaterial transactions.

(3) Acquisition of JPY 80.1 billion debt investments classified as Level 1 in the fair value hierarchy is excluded for the period ended March 31, 2025.

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, amortization and other miscellaneous non-cash expenses), finance income and expenses (excluding net interest expense), our share of loss (profit) of investments accounted for using the equity method and other items that management believes are unrelated to our core operations such as purchase accounting effects and transaction related costs.

Takeda presents EBITDA and Adjusted EBITDA because Takeda believes that these measures are useful to investors as they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Primarily, Adjusted EBITDA is used by Takeda for the purposes of monitoring its financial leverage. See "(c) Sources and Uses of Liquidity Supplemental Discussion of Financial Leverage (Adjusted Net Debt to Adjusted EBITDA Ratio) (Non-IFRS Measure)" "—Adjusted Net Debt/Adjusted EBITDA Ratio" below. 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.

The following table provides a reconciliation from net profit to EBITDA and Adjusted EBITDA for the fiscal years ended March 31, 2024 and 2025:

	For the Year Ended March 31,	
	2024	2025
	(billions of yen)	
Net profit for the year (IFRS)	¥ 144.2	¥ 108.1
Income tax expenses (benefit)	(91.4)	66.9
Depreciation and amortization	728.0	761.4
Interest expense, net	108.2	117.7
EBITDA (non-IFRS)	889.0	1,054.2
Impairment losses	150.0	106.5
Other operating expense (income), net, excluding depreciation, amortization and other miscellaneous non-cash expenses	162.2	163.2
Finance expense (income), net, excluding interest income and expense, net	59.5	45.8
Share of loss (profit) on investments accounted for under the equity method	(6.5)	4.0
Other adjustments[(1)]	65.6	67.3
Adjusted EBITDA (non-IFRS)	¥ 1,319.9	¥ 1,441.0

Note:

(1) Other adjustments include adjustments for non-cash equity-based compensation expense, other one-time non-cash expenses and adjustments for EBITDA from divested products, including the JPY 1.7 billion of non-cash revenue adjustment related to the asset sale to Teva for FY2024, which are removed as part of Adjusted EBITDA.

Adjusted Net Debt/Adjusted EBITDA Ratio

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

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

credit" afforded to certain of its subordinated indebtedness by ratings agencies (such indebtedness does not qualify for treatment as equity under IFRS).

The usefulness of Adjusted Net Debt to investors has significant limitations including, but not limited to, (i) it may not be comparable to similarly titled measures used by other companies, including those in the pharmaceutical industry, (ii) it does not reflect the amounts of interest payments to be paid on Takeda's indebtedness, (iii) it does not reflect any restrictions on Takeda's ability to prepay or redeem any of our indebtedness, (iv) it does not reflect any fees, costs or other expenses that Takeda may incur in converting cash equivalents to cash, in converting cash from one currency into another or in moving cash within our consolidated group, (v) it applies to gross debt an adjustment for average foreign exchange rates which, although consistent with Takeda's financing agreements, does not reflect the actual rates at which Takeda would be able to convert one currency into another and (vi) it reflects an equity credit despite the fact that Takeda's subordinated bonds are not eligible for equity treatment under IFRS, although Takeda believes this adjustment to be reasonable and useful to investors. Adjusted Net Debt should not be considered in isolation and is not, and should not be viewed as, a substitute for bonds and loans or any other measure of indebtedness presented in accordance with IFRS. The most directly comparable measures under IFRS for Net Debt is bonds and loans.

Takeda's ratio of Adjusted Net Debt to Adjusted EBITDA as of the dates shown was as follows.

	For the Year Ended March 31,	
	2024	2025
	(billions of yen, except for ratios)	
Adjusted net debt	¥ (4,091.3)	¥ (3,975.5)
Adjusted EBITDA	1,319.9	1,441.0
Adjusted net debt to adjusted EBITDA ratio	3.1x	2.8x

The following table provides a reconciliation from bonds and loans to Adjusted Net Debt as of March 31, 2024 and 2025:

	For the Year Ended March 31,	
	2024	2025
	(billions of yen)	
Non-current portion of bonds and loans (IFRS)	¥ (4,476.5)	¥ (3,966.3)
Current portion of bonds and loans (IFRS)	(367.3)	(548.9)
Bonds and loans (IFRS)	(4,843.8)	(4,515.3)
Cash and cash equivalents (IFRS)	457.8	385.1
Net debt (non-IFRS)	(4,386.0)	(4,130.2)
Cash temporarily held by Takeda on behalf of third parties[(1)]	(107.8)	(105.8)
Level 1 debt investments[(1)]	—	79.3
Foreign exchange adjustment[(2)]	152.5	(68.9)
Application of equity credit[(3)]	250.0	250.0
Adjusted net debt (non-IFRS)	¥ (4,091.3)	¥ (3,975.5)

Notes:

(1) 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.

(2) Foreign exchange adjustment refers to change from the month-end rate to the average rate used for calculation of debt denominated in currencies other than Japanese yen to match the calculation of Adjusted EBITDA (which is calculated based on average rates). New non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period are translated to JPY at relevant spot rates as of the relevant date

(3) 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.

5. Material Contracts

Acquisition of Nimbus Lakshmi, Inc.

On December 13, 2022, we entered into a share purchase agreement with Nimbus Therapeutics, LLC ("Nimbus") to acquire all of the capital stock of Nimbus Lakshmi, Inc. ("Lakshmi"), a wholly owned subsidiary of Nimbus, that owned or controlled the intellectual property rights and other associated assets related to the allosteric TYK2 inhibitor, TAK-279, known internally at Nimbus as NDI-034858. Under the terms of the agreement, we paid Nimbus USD 4.0 billion upfront following the closing of the transaction and will pay two milestone payments of USD 1.0 billion each upon achieving annual net sales of USD 4.0 billion and USD 5.0 billion of products developed from the TAK-279 program. The transaction closed on February 8, 2023. In addition, in connection with the transaction, we have agreed to assume Nimbus's obligations under a January 2022 settlement agreement with Bristol-Myers Squibb and its Celgene Corporation subsidiary (collectively, "BMS") to make certain payments to BMS following the achievement of development, regulatory, and sales-based milestones for products developed from the TAK-279 program.

6. Research and Development

Research and development expenses for the fiscal year ended March 31, 2025 were JPY 730.2 billion. Takeda does not report disaggregated R&D expenses, including by therapeutic area or clinical trial stage, as our R&D budget is determined on a company-wide basis and specific expenditures may be subject to re-allocation depending on development results and priorities.

The research and development (R&D) of biopharmaceutical products is a lengthy and expensive process that can span more than 10 years. The process includes multiple studies to evaluate a product's efficacy and safety, followed by submission to regulatory authorities who review the data and decide whether to grant marketing approval. Only a small number of therapeutic candidates pass such rigorous investigation and become available for use in clinical treatment. Once approved, there is ongoing R&D support for marketed products, including life-cycle management, medical affairs and other investments.

Clinical trials, which must comply with regional and international regulatory guidelines, generally take five to seven years or longer, and require substantial expenditures. In general, clinical trials are performed in accordance with the guidelines set by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use. The relevant regional regulatory authorities are the Food and Drug Administration (FDA) for the United States, the European Medicines Agency (EMA) for the EU, the Ministry of Health, Labour and Welfare (MHLW) for Japan and National Medical Products Administration (NMPA) for China.

The three phases of human clinical trials, which may overlap with each other, are as follows:

Phase 1 clinical trials

Conducted using a small group of healthy adult volunteers in order to evaluate safety and absorption, distribution, metabolism and excretion of the drug.

Phase 2 clinical trials

Conducted using a small group of patient volunteers in order to evaluate safety, efficacy, dosage and administration methods. Phase 2 clinical trials may be divided into two sub-categories, Phase 2a and Phase 2b. Phase 2a are usually pilot studies designed to demonstrate clinical efficacy or biological activity. Phase 2b studies look to find the optimum dose at which the drug shows biological activity with minimal side-effects.

Phase 3 clinical trials

Conducted using a large number of patient volunteers in order to evaluate safety and efficacy in comparison to other medications already available or placebo.

Of these three phases, Phase 3 requires the largest expenditures and thus the decision to proceed with Phase 3 testing is a critical business decision in the drug development process. For those drug candidates that pass Phase 3 clinical trials, a New Drug Application ("NDA"), Biologics License Application ("BLA") or a Marketing Authorization Application ("MAA") is submitted to the relevant governmental authorities for approval, which if granted permits the subsequent launch of the drug. The preparation of an NDA, BLA or MAA submission involves considerable data collection, verification, analysis and expense. Even after the launch of the product, health authorities require post-marketing surveillance of adverse events, and they may request a post-marketing study to provide additional information regarding the risks and benefits of the product.

Takeda's R&D engine is focused on translating science into highly innovative, life-transforming medicines that make a critical difference to patients. Takeda supports dedicated R&D efforts across three areas: Innovative Biopharma, Plasma-Derived Therapies (PDT) and Vaccines. The R&D engine for Innovative Biopharma is the largest component of our R&D investment and has produced exciting new molecular entities ("NMEs") that represent potential best-in-class and/or first-in-class medicines in areas of high unmet medical need, both in rare and more prevalent conditions, across our core therapeutic areas (gastrointestinal and inflammation, neuroscience and oncology). Takeda is committed to both rare and more prevalent diseases, and many of the life-transforming medicines we are pursuing will treat rare diseases in our core therapeutic areas as well as in PDT. We are working to harness the potential of cell therapies by investing in new capabilities and next-generation platforms internally and through a network of partnerships. We are embracing data and digital technologies with the aim of improving the quality of innovation and accelerating execution.

Takeda's pipeline is positioned to support both the near-term and long-term sustained growth of the company. Once first approval of a product is achieved, Takeda R&D is equipped to support geographic expansions of such approval and approvals in additional indications, as well as post-marketing commitment and potential additional formulation work. Takeda's R&D team works closely with the commercial functions to maximize the value of marketed products and reflect commercial insights in its R&D strategies and portfolio.

In addition to our concentrated efforts to increase our in-house R&D capabilities, external partnerships with third-party partners are a key component of our strategy for enhancing our R&D pipeline. Our strategy to expand and diversify our external partnerships allows us to take part in research of a wide variety of new products and increases the chances that we will be able to take part in a major research-related breakthrough.

Our key in-house R&D facilities include:

- Greater Boston Area Research and Development Site: Our Boston R&D sites are located in Cambridge and Lexington, Massachusetts in the United States. They are the R&D center for global gastrointestinal and inflammation, oncology and our global R&D Headquarters. They also support R&D in other areas including plasma-derived therapies. The sites are home to the Takeda Cell Therapy engine with a state-of-the-art cell therapy manufacturing facility. Furthermore, Takeda signed a 15-year lease for an approximately 600,000 square foot state-of-the-art R&D and office facility under construction in Kendall Square, which Takeda plans to occupy from 2026.
    - Shonan Health Innovation Park: Located in Fujisawa and Kamakura in Kanagawa Prefecture in Japan, the Shonan Health Innovation Park ("Shonan iPark") was opened in 2018 when Takeda transformed its Shonan Research Center into the first pharma-led science park in Japan by opening its doors to external parties and is the primary location for Takeda's neuroscience research. To attract more diverse partners and to further the success of the Shonan iPark, Takeda transferred

ownership rights of Shonan iPark to a trustee in 2020 and transferred operation of Shonan iPark to a company established by Takeda in 2023. Takeda, as a flagship tenant, is committed to invigorating life science research in Japan.

- Vienna, Austria Research and Development Site: Our R&D site, located in Vienna, Austria, supports programs in R&D and in PDT. The research center focuses on biologics programs in R&D and contains manufacturing sites for plasma-derived products. A new R&D laboratory is planned to be constructed in Vienna's Donaustadt district in 2026 as a "Green Building" and is designed to be certified as a Total Quality Building (TQB), which includes accessibility, comfort and adherence to environmental sustainability standards.

Major progress on R&D events since April 2024 are listed as follows:

R&D pipeline

Gastrointestinal and Inflammation

In Gastrointestinal and Inflammation, Takeda focuses on delivering innovative, life-changing therapeutics for patients with gastrointestinal diseases (including those of the liver) as well as immune-mediated inflammatory diseases. Takeda is maximizing the potential of our inflammatory bowel disease (IBD) franchise around ENTYVIO, including the introduction of a subcutaneous formulation and running real-world evidence generation studies that demonstrate ENTYVIO's place as a backbone therapy in the IBD treatment paradigm and further our understanding of how to improve outcomes for patients. Zasocitinib (TAK-279) is a next-generation oral tyrosine kinase 2 (TYK2) inhibitor with potential to treat multiple immune-mediated inflammatory diseases. Fazirsiran (TAK-999) is a potential first-in-class RNAi treatment for alpha-1 antitrypsin-deficiency associated liver disease in late-stage development. Mezagitamab (TAK-079) is a potential best-in-class anti-CD38 antibody with disease modifying potential for multiple immune-mediated diseases like ITP and IgA Nephropathy. Furthermore, Takeda is making progress on its pipeline built through in-house discovery, partnerships and business development, which explores opportunities in inflammatory diseases (specifically in gastric, dermatological and rheumatic disorders, along with select rare hematological and renal disorders (ADZYNMA, mezagitamab (TAK-079)), liver diseases and neurogastric disorders.

ENTYVIO / Generic name: vedolizumab

- In April 2024, Takeda announced that the U.S. Food and Drug Administration (FDA) approved ENTYVIO SC administration for maintenance therapy in adults with moderately to severely active Crohn's disease after induction therapy with ENTYVIO IV. The approval is based on the VISIBLE 2 Study (SC CD Trial), a Phase 3, randomized, double-blind, placebo-controlled trial, which assessed the safety and efficacy of an SC formulation of ENTYVIO as maintenance therapy in total 409 adult patients with moderately to severely active Crohn's disease who had clinical response at week 6 following two doses of open-label ENTYVIO intravenous therapy at weeks 0 and 2. A statistically significant proportion of patients receiving ENTYVIO SC 108 mg maintenance therapy administered every 2 weeks achieved long-term clinical remission compared to patients receiving placebo (ENTYVIO SC: 48% vs. Placebo: 34%; $p<0.01$) at week 52. In clinical studies, the ENTYVIO SC safety profile was generally consistent with the known safety profile of ENTYVIO IV, with the addition of injection site reactions (including injection site erythema, rash, pruritus, swelling, bruising, hematoma, pain, urticaria and edema) as an adverse reaction for ENTYVIO SC.

ADZYNMA / Generic name: apadamtase alfa/cinaxadamtase alfa (recombinant)

- In August 2024, Takeda announced that the European Commission (EC) approved ADZYNMA for the treatment of ADAMTS13 deficiency in children and adult patients with congenital thrombotic thrombocytopenic purpura (cTTP). This approval includes confirmation of orphan medicinal product designation and follows a positive opinion from the Committee for Medicinal Products for Human Use (CHMP), as announced in May 2024. The EC approval was supported by the totality of evidence provided by the interim analysis of efficacy, pharmacokinetic, safety and tolerability data from the first randomized, controlled open-label, crossover Phase 3 trial in cTTP, as well as safety and efficacy data from the continuation trial. Data from the Phase 3 trial were published in *The New England Journal of Medicine* in May 2024.
- In March 2025, Takeda announced that it filed an application to the Japanese Ministry of Health, Labour and Welfare (MHLW) for approval of a partial change in the marketing authorization for ADZYNMA to expand the indication to pediatric cTTP patients under the age of 12. The application is primarily based on safety and efficacy data of global Phase 3 281102 trial in cTTP patients ages 0-70, which included five Japanese individuals, and Phase 3b continuation trial TAK-755-3002.

LIVMARLI / Generic name: maralixibat

- In March 2025, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved LIVMARLI, an ileal bile acid transporter (IBAT) inhibitor, for the treatment of pruritus associated with cholestasis in Alagille Syndrome (ALGS) and Progressive Familial Intrahepatic Cholestasis (PFIC). ALGS is a rare genetic disorder that causes cholestasis, ultimately leading to progressive liver dysfunction. PFIC is a rare genetic disorder that leads to progressive liver disease, caused by the reduction of the ability of liver cells to produce bile and the buildup of bile in the liver cells. Both are designated as "specified pediatric chronic diseases" or "designated intractable diseases" in Japan. The approval is based on the results of Phase 3 clinical trials in patients with ALGS (TAK-625-3001) and in patients with PFIC (TAK-625-3002) conducted in Japan as well as multiple clinical trials conducted outside of Japan. LIVMARLI was developed by Mirum Pharmaceuticals, Inc. In September 2021, Takeda entered into a licensing agreement for the exclusive development and marketing rights of LIVMARLI in Japan.

Development code: TAK-079 / Generic name: mezagitamab

- In June 2024, Takeda presented positive results from its Phase 2b, randomized, double-blind, placebo-controlled study (TAK-079-1004 trial) evaluating the safety, tolerability and efficacy of mezagitamab in patients with persistent or chronic primary immune thrombocytopenia (ITP) at the oral Late-Breakthrough Session of the 32nd Congress of the International Society on Thrombosis and Haemostasis (ISTH). The TAK-079-1004 trial evaluated three different doses of subcutaneous mezagitamab (100mg, 300mg and 600mg) versus placebo, given once weekly for eight weeks in patients with chronic or persistent primary ITP, followed by

>8 weeks of safety follow-up. The primary endpoint is the percentage of patients with at least one Grade 3 or higher treatment emergent adverse events (TEAEs), serious adverse events (SAEs), and adverse events (AEs) leading to mezagitamab discontinuation. Secondary endpoints included platelet response, complete platelet response, clinically meaningful platelet response, and hemostatic platelet response. The Phase 2b trial results demonstrated that mezagitamab treatment improved platelet response compared to placebo, across all three dose levels of mezagitamab tested. Patients treated with mezagitamab showed rapid and sustained increases in platelet counts (above the 50,000/μL therapeutic threshold), that persisted eight weeks after the last dose through to Week 16, illustrating the rapid and post-therapy effects of mezagitamab on platelet response. In this study, mezagitamab had a favorable safety/ tolerability profile in patients with ITP, with no new safety signals and a safety profile consistent with prior studies of mezagitamab. Takeda plans to initiate a global Phase 3 trial of mezagitamab in patients with ITP in the second half of FY2024. Mezagitamab previously received Orphan Drug Designation for the treatment of ITP from the U.S. Food and Drug Administration (FDA) and the program received Fast Track Designation.

- In June 2025, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) granted Orphan Drug Designation for mezagitamab, a fully human immunoglobulin IgG1 monoclonal antibody, for the potential indication of chronic idiopathic thrombocytopenic purpura (ITP). Mezagitamab is designed to provide rapid and sustained improvement in platelet counts and is in global Phase 3 trials.

Neuroscience

In Neuroscience, Takeda is focusing its R&D investments on potentially transformative treatments for neurological and neuromuscular diseases of high unmet need and building its innovative pipeline by leveraging internal expertise and external collaborations. Takeda Neuroscience's core focus is orexin biology, rare neurology and neurodegeneration diseases. We are advancing a portfolio of tailored therapies designed to unlock the full power of orexin (i.e., oveporexton (TAK-861), TAK-360) to redefine the standard of care for people living with rare sleep-wake disorders and other conditions where orexin biology is implicated. Across our portfolio, we are harnessing advances in disease biology understanding, translational tools, innovative modalities and digital innovation to accelerate development and patient access.

Development Code: TAK-861 / Generic name: oveporexton

- In June 2024, Takeda presented positive results from its Phase 2b trial of oveporexton in Narcolepsy Type 1 (NT1) at SLEEP 2024, the 38th annual meeting of the American Academy of Sleep Medicine and the Sleep Research Society. The randomized, double-blind, placebo-controlled, multiple dose trial, TAK-861-2001, in 112 patients with NT1 demonstrated statistically significant and clinically meaningful improvements across primary and secondary endpoints, with efficacy sustained over 8 weeks of treatment. The primary endpoint demonstrated statistically significant and clinically meaningful increased sleep latency on the Maintenance of Wakefulness Test (MWT) versus placebo across all doses (LS mean difference versus placebo all $p \leq 0.001$). Consistent results were achieved in the key secondary endpoints including the Epworth Sleepiness Scale (ESS) and Weekly Cataplexy Rate (WCR), demonstrating significantly improved subjective measures of sleepiness and cataplexy (sudden loss of muscle tone) frequency versus placebo. The majority of the participants who completed the trial enrolled in the long-term extension (LTE) study with some patients reaching one year of treatment. The dataset showed that oveporexton was generally safe and well tolerated during the study, with no treatment-related serious treatment-emergent adverse events (TEAEs) or discontinuations due to TEAEs. No cases of hepatotoxicity or visual disturbances were reported in the Phase 2b trial or in the ongoing LTE study. The most common TEAEs were insomnia, urinary urgency and frequency, and salivary hypersecretion. Most TEAEs were mild to moderate in severity, and most started within 1-2 days of treatment and were transient. The Phase 2b data also supported the recent Breakthrough Therapy designation for oveporexton for the treatment of excessive daytime sleepiness (EDS) in NT1 from the U.S. Food and Drug Administration (FDA). In May 2025, Takeda announced that the *New England Journal of Medicine* published data from Phase 2b trial of oveporexton in people with NT1.

Development code: TAK-935 / Generic name: soticlestat

- In June 2024, Takeda announced topline data for soticlestat from its SKYLINE and SKYWAY studies. SKYLINE (TAK-935-3001) was a multicenter, randomized, double-blind Phase 3 study that evaluated soticlestat plus standard of care versus placebo plus standard of care in patients with refractory Dravet syndrome (DS). Soticlestat narrowly missed the primary endpoint of reduction from baseline in convulsive seizure frequency as compared to placebo (p-value = 0.06). Among the six key secondary endpoints, soticlestat showed clinically meaningful and nominally significant results in the responder rate, measures of caregiver and clinician global impression of improvement, and seizure intensity and duration scales over the 16-week treatment period (all p-values $\leq$ 0.008). SKYWAY (TAK-935-3002) was a multicenter, randomized, double-blind Phase 3 study that evaluated soticlestat plus standard of care versus placebo plus standard of care in patients with refractory Lennox-Gastaut syndrome (LGS). Soticlestat missed the novel primary endpoint of reduction from baseline in Major Motor Drop (MMD) seizure frequency as compared to placebo. In SKYLINE and SKYWAY, some pre-specified subgroups of patients also showed nominally significant treatment effects on the primary and secondary efficacy endpoints of caregiver and clinician global impression of improvement, and seizure intensity and duration scales over the 16-week treatment period. Soticlestat was generally well tolerated in both SKYLINE and SKYWAY studies and demonstrated a safety profile consistent with the findings of previous studies.
- In January 2025, Takeda announced the decision to discontinue its soticlestat development program. This decision follows the June 2024 announcement that the soticlestat Phase 3 SKYLINE study in DS and SKYWAY study in LGS missed their primary endpoints. Subsequently, Takeda discontinued the soticlestat LGS development program and engaged with the U.S. Food and Drug Administration (FDA) around the totality of evidence for soticlestat treatment for DS. The FDA informed Takeda that the current clinical data package would not be capable of demonstrating substantial evidence of effectiveness to support a New Drug Application (NDA) for soticlestat in DS. Data from SKYLINE and SKYWAY studies are publicly available on ClinicalTrials.gov.

Oncology

In oncology, we are committed to ensuring that patients globally can benefit from and access our portfolio of medicines, while also making progress on a pipeline of potential treatments for the future. Our research and development efforts are focused on three disease areas and four modalities. We are advancing medicines for thoracic, gastrointestinal and hematologic cancers. Within hematologic cancers, we are growing a portfolio of medicines for myeloid cancers, including rusfertide (TAK-121) and elritercept (TAK-226). Our core modalities include antibody drug conjugates (ADCs), complex biologics, small molecules and gamma delta T cell therapies. We complement our internal expertise and global footprint with a robust network of collaborators. We aspire to cure cancer, with inspiration from patients and innovation from everywhere.

Note: From Q4 FY2024, rusfertide is part of the Oncology portfolio.

ADCETRIS / Generic name: brentuximab vedotin

- In June 2024, Takeda and Pfizer announced that the German Hodgkin Study Group (GHSG) will present positive results from the Phase 3 HD21 trial evaluating ADCETRIS in combination with chemotherapy as a late-breaking oral presentation at the 60th American Society of Clinical Oncology (ASCO) Annual Meeting and at the 29th European Hematology Association (EHA) Annual Meeting. The four-year analysis presented by the GHSG showed superior progression-free survival (PFS) and improved tolerability compared to a current standard of care regimen used in Europe in this setting. The HD21 study is a Phase 3, randomized, multi-country, prospective, open-label study, designed to evaluate ADCETRIS in combination with etoposide, cyclophosphamide, doxorubicin, dacarbazine and dexamethasone (BrECADD) in comparison to a standard of care treatment – escalated doses of bleomycin, etoposide, doxorubicin, cyclophosphamide, vincristine, procarbazine, prednisone (eBEACOPP) – in patients with newly diagnosed Stage IIb/III/IV classical Hodgkin lymphoma. The ASCO presentation provides details of a four-year PFS analysis of the HD21 study conducted by GHSG. After 48 months, BrECADD showed superior efficacy to BEACOPP (94.3% PFS for BrECADD and 90.9% PFS for eBEACOPP; hazard ratio "HR": 0.66 [95% CI:88.7-93.1]; p<0.035). As previously reported in the three-year analysis, treatment with BrECADD was also associated with a significant reduction in the incidence of treatment-related morbidity (TRMB) compared with BEACOPP (n=738; 42% vs 59%; p<0.001), as well as clinically meaningful reductions in adverse events (AEs). The safety profile of ADCETRIS in patients receiving BrECADD remained consistent with other approved ADCETRIS combination regimens, and no new safety signals were identified.
- In June 2025, Takeda announced that the European Commission (EC) approved ADCETRIS in combination with etoposide, cyclophosphamide, doxorubicin, dacarbazine and dexamethasone (ECADD) in adult patients with newly diagnosed Stage IIb with risk factors/III/IV Hodgkin lymphoma. The decision follows a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) in April 2025. The approval for this ADCETRIS-based combination regimen, known as BrECADD, in frontline Hodgkin lymphoma is based on the results of the randomized Phase 3 HD21 trial. The study met its co-primary safety and efficacy endpoints, with BrECADD demonstrating significantly superior safety as assessed by treatment-related morbidity (TRMB) and non-inferior progression-free survival (PFS) in comparison to escalated doses of bleomycin, etoposide, doxorubicin, cyclophosphamide, vincristine, procarbazine and prednisone (eBEACOPP), a standard of care treatment in Europe.

FRUZAQLA / Generic name: fruquintinib

- In June 2024, Takeda announced that the European Commission approved FRUZAQLA as a monotherapy indicated for the treatment of adult patients with metastatic colorectal cancer (mCRC) who have been previously treated with available standard therapies, including fluoropyrimidine-, oxaliplatin-, and irinotecan-based chemotherapies, anti-VEGF agents, and anti-EGFR agents, and who have progressed on or are intolerant to treatment with either trifluridine-tipiracil or regorafenib. The approval is based on results from the Phase 3 global FRESCO-2 trial.
- In September 2024, Takeda announced that it received approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) to manufacture and market FRUZAQLA Capsules 1mg/5mg, a selective oral inhibitor of vascular endothelial growth factor receptor (VEGFR) -1, -2 and -3, for the treatment of advanced or recurrent colorectal cancer (CRC) that is neither curable nor resectable and that has progressed after chemotherapy. The approval is based primarily on the results of the global Phase 3 FRESCO-2 trial.

NINLARO / Generic name: ixazomib

- In August 2024, Takeda announced that it received manufacturing and marketing approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) for NINLARO Capsule 0.5 mg as an additional dosage form. The new formulation will provide patients with a novel treatment option (1.5 mg dose (3 x 0.5 mg capsules)) for maintenance therapy in cases of multiple myeloma with a lower dose formulation of NINLARO, allowing for more appropriate dosage adjustments in line with the patient's condition by enabling smaller dose adjustments than were previously possible. The approval is based primarily on the results of the global Phase 3 TOURMALINE-MM3 and TOURMALINE-MM4 clinical trials.

CABOMETYX / Generic name: cabozantinib

- In September 2024, Takeda announced detailed final overall survival (OS) results from CONTACT-02, a Phase 3 study led by Exelixis, evaluating cabozantinib in combination with atezolizumab, an immune checkpoint inhibitor, compared with a second novel hormonal therapy (NHT) in patients with metastatic castration-resistant prostate cancer (mCRPC) and measurable extra-pelvic soft tissue disease who have progressed on one prior NHT. These data were presented at the 2024 European Society for Medical Oncology Congress (ESMO 2024). The dual primary endpoints for CONTACT-02 were progression-free survival (PFS) and OS. At a median follow-up of 24.0 months, the final analysis of OS showed a numerical but not statistically significant improvement favoring cabozantinib in combination with atezolizumab (hazard ratio: 0.89; 95% confidence interval: 0.72-1.10; p=0.296). An improvement in OS was observed in multiple subgroups, notably in patients with bone or liver metastases.

VECTIBIX / Generic name: panitumumab

- In November 2024, Takeda announced that it submitted an application in Japan seeking approval of a partial change to the manufacturing and marketing authorization for VECTIBIX for an additional indication of combination therapy with LUMAKRAS (sotorasib), a KRAS G12C inhibitor, for the treatment of unresectable, advanced or recurrent KRAS G12C mutation-positive colorectal cancer. The application is based on the results of the CodeBreaK 300 trial, a Phase 3, international, multicenter, randomized, open-label, active-controlled trial evaluating the efficacy and safety of combination therapy with VECTIBIX and two dosages of LUMAKRAS (240 mg or 960 mg) in previously treated patients with KRAS G12C mutation-positive metastatic colorectal cancer.

Development code: TAK-121 / Generic name: rusfertide

- In March 2025, Takeda and Protagonist Therapeutics announced positive topline results for the Phase 3 VERIFY study, in which phlebotomy-dependent patients with polycythemia vera (PV) were randomized to treatment with either rusfertide or placebo, as an add-on to standard of care treatment. Rusfertide is a first-in-class investigational hepcidin mimetic peptide therapeutic, which has received Orphan Drug designation and Fast Track designation from the U.S. Food & Drug Administration (FDA).
- In June 2025, Takeda and Protagonist Therapeutics announced that detailed results from the Phase 3 VERIFY study were presented at the 61st American Society of Clinical Oncology (ASCO) Annual Meeting Plenary Session. The study met its primary endpoint, which was the proportion of patients achieving a clinical response, defined as the absence of phlebotomy eligibility during study weeks 20-32. Study results demonstrated 76.9% of patients treated with rusfertide plus current standard of care achieved a clinical response, compared to 32.9% in the placebo plus current standard of care group ($p<0.0001$). The response observed in the rusfertide arm was consistent across subgroups, regardless of risk status or type of concurrent cytoreductive therapy. In addition, all key secondary endpoints met statistical significance in favor of the rusfertide arm compared to the placebo arm in the VERIFY study. The mean number of phlebotomies, which is the pre-specified primary endpoint for European Union (EU) regulators, was 0.5 phlebotomies per patient in rusfertide arm compared to 1.8 phlebotomies per patient in placebo arm during weeks 0-32 ($p<0.0001$). Only 27% of patients in rusfertide arm required phlebotomy between weeks 0-32, compared to 78% in placebo arm. The mean number of phlebotomies during weeks 0-32 in the rusfertide arm was reduced across subgroups, including risk status and use of concurrent cytoreductive therapy, versus the placebo arm. The other three pre-specified key secondary endpoints, namely hematocrit control and patient-reported outcomes using PROMIS Fatigue SF-8a and MFSAF TSS-7, were also achieved with statistical significance. Rusfertide was generally well tolerated. The majority of adverse events were low grade and non-serious, and no serious adverse events considered related to rusfertide were reported. There was no evidence of increased risk of cancer in rusfertide arm compared to placebo arm at the time of the primary analysis. The most common treatment-emergent adverse events were localized injection site reactions (55.9%), anemia (15.9%) and fatigue (15.2%).

Other Rare Diseases programs

Takeda's R&D engine is focused on areas of high unmet medical need, both in rare and more prevalent conditions, across three core therapeutic areas (gastrointestinal and inflammation, neuroscience and oncology). In other Rare Diseases programs, Takeda focuses on several areas of high unmet medical need, on top of marketed products such as TAKHZYRO in hereditary angioedema. In rare hematology, Takeda focuses on addressing today's needs in the treatment of bleeding disorders, including through ADVATE and ADYNOVATE/ADYNOVI. In addition, Takeda aims to redefine the management of post-transplant cytomegalovirus (CMV) infection/disease with LIVTENCITY. Takeda commits to fulfilling our vision to deliver life-transforming medicines to patients with rare diseases. Takeda will continue to explore late-stage business development that may leverage our rare diseases capabilities as well as bolster our commitment and leadership in rare diseases.

LIVTENCITY / Generic name: maribavir

- In June 2024, Takeda announced that LIVTENCITY 200mg tablets has been approved by the Japanese Ministry of Health, Labour and Welfare (MHLW) for post-transplant cytomegalovirus (CMV) infection/disease that is refractory to existing anti-CMV therapies. The approval is primarily based on the results of the Phase 3 SOLSTICE trial conducted outside of Japan, which evaluated the safety and efficacy of LIVTENCITY versus alternative antiviral treatments for patients with CMV infection/disease refractory to prior therapies who underwent hematopoietic stem cell transplant (HSCT) or solid organ transplant (SOT), and the Japanese Phase 3 open-label study in patients with CMV infection, including those with refractory CMV infection who underwent HSCT or SOT.

TAKHZYRO / Generic name: lanadelumab

- In February 2025, Takeda announced that the European Medicines Agency (EMA) approved an additional 2 mL pre-filled pen option for TAKHZYRO for subcutaneous administration in adolescents (aged 12 years and above) and adult patients with hereditary angioedema. TAKHZYRO is currently approved as 150 mg solution for injection in pre-filled syringe, 300 mg solution for injection in pre-filled syringe, and 300 mg solution for injection in vial. This approval for an additional subcutaneous administration option, TAKHZYRO 300 mg solution for injection in pre-filled pen, was supported by a clinical study.

VONVENDI / Generic name: von Willebrand factor (Recombinant)

- In June 2025, Takeda announced that it filed a partial change to the manufacturing and marketing authorization to the Japanese Ministry of Health, Labour and Welfare (MHLW) for VONVENDI for an additional dosage and administration for patients under the age of 18 for the treatment of von Willebrand Disease (VWD). The application is primarily based on the safety and efficacy data related to bleeding episodes and perioperative management in VWD patients under 18 years old from Phase 3 open-label study (071102 trial) and Phase 3b extension study ((SHP677-304 trial), both of which conducted outside of Japan.

Plasma-Derived Therapies (PDT)

Takeda has created a dedicated PDT business unit with a focus on managing the business end-to-end, from plasma donation to manufacturing, R&D and commercialization. In PDT, we aspire to develop life-saving plasma-derived therapies, which are essential for patients with a variety of rare and complex chronic diseases. The dedicated R&D organization within PDT is charged with maximizing the value of existing therapies,

identifying new targeted therapies, and optimizing efficiencies across the PDT value chain, from plasma donation to product manufacturing. Near-term, our priority is focused on delivering value from our broad immunoglobulin portfolio (HYQVIA, CUVITRU, GAMMAGARD LIQUID and GAMMAGARD S/D) through the pursuit of new indications, geographic expansions and enhanced patient experience through integrated healthcare technologies. Additionally, we are developing next-generation immunoglobulin products with 20% facilitated SCIG (TAK-881) and liquid low IgA IG (TAK-880) and are pursuing other early-stage opportunities (e.g. hypersialylated Immunoglobulin (hsIgG)) that would add to our diversified commercial portfolio of more than 20 therapeutic products distributed worldwide.

HYQVIA / Generic name: Immunoglobulin (IG) Infusion 10% (Human) w/ Recombinant Human Hyaluronidase for subcutaneous administration (Development code: TAK-771)

- In June 2024, Takeda announced data from the Phase 3 ADVANCE-CIDP 3 clinical trial, a long-term extension study evaluating the safety and efficacy of HYQVIA in patients chronic inflammatory demyelinating polyneuropathy (CIDP). Results showed favorable long-term safety and tolerability of HYQVIA, and a low relapse rate, supporting its use as maintenance treatment for CIDP. These findings will be presented in a poster session at the Peripheral Nerve Society (PNS) Annual Meeting. The ADVANCE-CIDP 3 clinical trial is the longest extension study ever performed within context of a clinical trial in CIDP to date. The study, which enrolled 85 patients from the ADVANCE-CIDP 1 clinical trial, evaluated the safety/tolerability and immunogenicity of HYQVIA as the primary outcome measure. The median duration of HYQVIA treatment was 33 months (0 to 77 months) with a cumulative overall follow-up time of 220 patient years. The findings were consistent with the known safety and tolerability profile of HYQVIA and no new safety concerns were observed.
- In August 2024, Takeda announced that it submitted an application to the Japanese Ministry of Health, Labour and Welfare (MHLW) for manufacturing and marketing approval of immunoglobulin (IG) infusion 10% (human) w/ recombinant human hyaluronidase for subcutaneous administration (TAK-771) for the expected indications of slowing of progression of motor weakness in CIDP (including multifocal motor neuropathy (MMN)). The application is based on a Phase 3 study in Japanese patients with CIDP and MMN as well as two Phase 3 studies in patients with CIDP conducted outside of Japan.
- In December 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved the use of HYQVIA in patients with agammaglobulinemia or hypogammaglobulinemia, disorders characterized by absent or very low levels of antibodies and an increased risk of serious recurring infection caused by primary immunodeficiency (PID) or secondary immunodeficiency (SID). The approval is based on data from two pivotal Phase 3, open-label, non-controlled studies evaluating the efficacy, safety, tolerability and pharmacokinetics in Japanese subjects with PID (TAK-771-3004, TAK-771-3005). Data from two Phase 3 clinical trials conducted in patients with PID in North America (160603, 160902) was also included in the submission.

Kenketsu GLOVENIN-I / Generic name: Immunoglobulin (IG) Infusion (Human) for intravenous administration

- In February 2025, Takeda announced that it submitted an application to the Japanese Ministry of Health, Labour and Welfare (MHLW) for manufacturing and marketing approval of Kenketsu GLOVENIN-I 10% Intravenous Injection. This drug is an improved formulation of Takeda's existing approved Kenketsu GLOVENIN-I; the formulation was improved from a freeze-dried formulation to a liquid formulation and the active ingredient concentration is raised from 5 % to 10%. A higher concentration of the active ingredient is expected to reduce the volume of infusion, shorten the infusion time, and enable high-dose therapy with less fluid loading.

Vaccines

In Vaccines, Takeda is applying innovation to tackle some of the world's most challenging infectious diseases such as dengue (QDENGA), and COVID-19 (NUVAXOVID). To support the expansion of our pipeline and the development of our programs, we have entered into partnerships with government organizations in Japan and leading global institutions including WHO (World Health Organization), PAHO (Pan American Health Organization) and Gavi (Global Alliance for Vaccines and Immunization), among others. These partnerships have been essential in building the critical capabilities that will be necessary to deliver on our programs and realize their full potential.

NUVAXOVID Intramuscular Injection / Generic name: Recombinant coronavirus (SARS-CoV-2) vaccine

- In September 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) granted manufacturing and marketing approval for the recombinant coronavirus (SARS-CoV-2) vaccine NUVAXOVID Intramuscular Injection 1 mL for the prevention of infectious disease caused by SARS-CoV-2 for which a New Drug Application was submitted in April 2024. It is a monovalent vaccine for the Omicron JN.1 variant. Unlike the special temporary vaccination program in response to the emergency to prevent the spread during the pandemic, NUVAXOVID Intramuscular Injection 1 mL is a one vial formulation containing two 0.5mL doses that is suitable for distribution and use when it is not expected that a large number of people will be vaccinated in one day. The approval was based on clinical and quality data related to change of antigen strain, as well as non-clinical data in which NUVAXOVID demonstrated induction of neutralizing antibodies against the JN.1 variant and its subvariants including KP.2 and KP.3.

Current status of our pipeline

The following summarizes our primary R&D activities within each of our therapeutic and business areas. The therapeutic candidates in our pipeline disclosed within the key therapeutic and business areas below are in various stages of development and the contents of the pipeline may change as candidates currently under development are removed and new candidates are introduced. Whether the candidates listed below are ever successfully released as products depends on various factors, including the results of pre-clinical and clinical trials, market conditions for various drugs and regulatory approvals. This table primarily shows the indications for which we are actively pursuing regulatory approval and those regulatory approvals granted in fiscal year 2024. We are also conducting additional studies of certain assets to examine their potential for use in further indications and in additional formulations. The listings in the tables below are limited to the U.S., EU, Japan and China, but we are also conducting development activities in other regions. "Global" refers to U.S., EU, Japan and China. Modality of our pipeline assets in the following table is classified into either of the following categories: 'small molecule', 'peptide/oligonucleotide', 'cell therapy' or 'biologic and other'.

Our gastrointestinal and inflammation pipeline in clinical development as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, is as follows:

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
MLN0002 <vedolizumab> *ENTYVIO* (Global)	Humanized monoclonal antibody against α4β7 integrin (injection)	Biologic and other	Crohn's disease (subcutaneous formulation)	U.S.	Approved (Apr 2024)
			Pediatric Study (intravenous formulation for ulcerative colitis, Crohn's disease)	Global	P-III
			Pediatric Study (subcutaneous formulation for ulcerative colitis, Crohn's disease)	Global	P-III
TAK-755[1] <apadamtase alfa/ cinaxadamtase alfa> *ADZYNMA* (U.S., EU, Japan)	ADAMTS13 enzyme replacement therapy (injection)	Biologic and other	Congenital Thrombotic Thrombocytopenic Purpura	EU China	Approved (Aug 2024) Filed (Mar 2025)
			Immune Thrombotic Thrombocytopenic Purpura	U.S. EU	P-II (b) P-II (b)
TAK-625[2] <maralixibat>	IBAT inhibitor (oral)	Small molecule	Alagille syndrome	Japan	Approved (Mar 2025)
			Progressive Familial Intrahepatic Cholestasis	Japan	Approved (Mar 2025)
TAK-999[3] <fazirsiran>	GalNAc based RNA interference (RNAi) (injection)	Peptide/ oligonucleotide	Alpha-1 antitrypsin-deficiency associated liver disease	U.S. EU	P-III P-III
TAK-279 <zasocitinib>	TYK2 inhibitor (oral)	Small molecule	Psoriasis	Global	P-III
			Psoriatic arthritis	Global	P-III
			Crohn's disease	-	P-II (b)
			Ulcerative colitis	-	P-II (b)
TAK-079 <mezagitamab>	Anti-CD38 monoclonal antibody (injection)	Biologic and other	Immune thrombocytopenia	Global	P-III
			Immunoglobulin A nephropathy	-	P-I
TAK-227/ZED1227[4]	Transglutaminase 2 inhibitor (oral)	Small molecule	Celiac disease	-	P-II (b)
TAK-101[5]	Tolerizing Immune Modifying nanoParticle (TIMP) (injection)	Biologic and other	Celiac disease	-	P-II
TAK-004	Peptide agonist (injection)	Peptide/ oligonucleotide	Nausea and Vomiting	-	P-I

Notes:
(1) Partnership with KM Biologics.
(2) Partnership with Mirum Pharmaceuticals.
(3) Partnership with Arrowhead Pharmaceuticals
(4) Partnership with Zedira and Dr. Falk Pharma. Dr. Falk Pharma leads development.
(5) Partnership with COUR Pharmaceuticals.

Our neuroscience pipeline in clinical development as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, is as follows:

Development code <generic name> Brand name (country/region)	**Type of Drug (administration route)**	**Modality**	**Indications / additional formulations**	**Country /Region**	**Stage**
TAK-861 <oveporexton>	Orexin 2R agonist (oral)	Small molecule	Narcolepsy type 1	Global	P-III
TAK-341/MEDI1341[1]	Alpha-synuclein antibody (injection)	Biologic and other	Multiple System Atrophy (MSA)	-	P-II
TAK-594/DNL593[2]	Brain-penetrant progranulin fusion protein (injection)	Biologic and other	Frontotemporal dementia	-	P-II
TAK-360	Orexin 2R agonist (oral)	Small molecule	Idiopathic hypersomnia	-	P-II
			Narcolepsy type 2	-	P-I
TAK-925 <danavorexton>	Orexin 2R agonist (injection)	Small molecule	Narcolepsy	-	P-I

Notes:
(1) Partnership with Alexion, a subsidiary of AstraZeneca.
(2) Partnership with Denali Therapeutics. Denali leads development.

Our oncology pipeline in clinical development as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, is as follows:

Development code <generic name> Brand name (country/region)	**Type of Drug (administration route)**	**Modality**	**Indications / additional formulations**	**Country /Region**	**Stage**
TAK-113[1] <fruquintinib> *FRUZAQLA* (U.S., EU, Japan)	VEGFR inhibitor (oral)	Small molecule	Previously treated metastatic Colorectal Cancer (mCRC)	EU	Approved (Jun 2024)
			Treatment of unresectable advanced or recurrent Colorectal Cancer (CRC) that has progressed after chemotherapy	Japan	Approved (Sep 2024)
SGN-35[2] <brentuximab vedotin> *ADCETRIS* (EU, Japan, China)	CD30 monoclonal antibody-drug conjugate (injection)	Biologic and other	Front line Hodgkin's lymphoma – BrECADD regimen (brentuximab vedotin, etoposide, cyclophosphamide, doxorubicin, dacarbazine, dexamethasone) [3]	EU	Filed (Apr 2024) [4]
TAK-121[5] <rusfertide>	Hepcidin mimetic peptide (injection)	Peptide/ oligonucleotide	Polycythemia vera	U.S.	P-III
TAK-226[6] <elritercept>	Activin A and B inhibitor (injection)	Biologic and other	2L anemia-associated Myelodysplastic Syndrome	U.S. EU	P-III[7]
			Anemia-associated Myelofibrosis	-	P-II
TAK-853[8] <mirvetuximab soravtansine-gynx>	Antibody-drug conjugate targeting folate receptor α (FRα) (injection)	Biologic and other	Platinum-sensitive ovarian cancer	Japan	P-III
			Platinum-resistant ovarian cancer	Japan	P-II
TAK-012	Variable delta 1 (Vδ1) gamma delta (γδ) T cells (injection)	Cell therapy	Relapsed/refractory Acute Myeloid Leukemia	-	P-I

Notes:
(1) Partnership with HUTCHMED
(2) Partnership with Pfizer Inc.
(3) Submission based on data from German Hodgkin Study Group HD21 trial.
(4) In June 2025, Takeda announced that it received approval from the European Commission (EC).
(5) Partnership with Protagonist Therapeutics. Protagonist leads development.
(6) Partnership with Keros Therapeutics, Inc.
(7) Elritercept MDS trial actively recruiting
(8) Partnership with AbbVie. Global P-III trial in platinum-sensitive ovarian cancer is led by AbbVie.

Our other rare diseases pipeline in clinical development as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, is as follows:

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country /Region	Stage
TAK-620[1] <maribavir> *LIVTENCITY* (Global)	Benzimidazole riboside inhibitor (oral)	Small molecule	Post-transplant cytomegalovirus (CMV) infection/ disease that is refractory to existing anti-CMV therapies	Japan	Approved (Jun 2024)
			Treatment of children and teenage transplant recipients with CMV infection	Global	P-III
TAK-577 *VONVENDI* (U.S., Japan, China) VEYVONDI (EU)	von Willebrand factor [recombinant] (injection)	Biologic and other	Adult on-demand and surgery treatment of von Willebrand disease	China	Approved (Aug 2024)
			Pediatric on-demand and surgery treatment of von Willebrand disease	Global	P-III[2]
			Pediatric prophylaxis treatment of von Willebrand disease	Global	P-III
TAK-660 *ADYNOVATE* (U.S., Japan) *ADYNOVI* (EU)	Antihemophilic factor [recombinant], PEGylated (injection)	Biologic and other	Pediatric Hemophilia A	EU	P-III
			Hemophilia A	China	P-III

Notes:
(1) Partnership with GSK.
(2) In June 2025, Takeda announced that it filed an application to the Japanese Ministry of Health, Labour and Welfare (MHLW) for an additional dosage and administration for patients under the age of 18.

Our PDT pipeline in clinical development as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, is as follows:

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-771[1] <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase> *HYQVIA* (U.S., EU, Japan)	Immunoglobulin (IgG) + recombinant hyaluronidase replacement therapy (subcutaneous infusion)	Biologic and other	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Approved (Dec 2024)
			Chronic inflammatory demyelinating polyradiculoneuropathy and Multifocal Motor Neuropathy	Japan	Filed (Aug 2024)
TAK-880 <10% IVIG (Low IgA)>	Immunoglobulin (10%) [human] (injection) (Low IgA)	Biologic and other	Primary Immunodeficiencies	EU U.S.	Approved (May 2025) Filed (Aug 2024)
TAK-961 <IVIG> *GLOVENIN-I* (Japan)	Immunoglobulin (10%) [human] (injection)	Biologic and other	Multiple Indications	Japan	Filed (Feb 2025)
	Immunoglobulin (5%) [human] (injection)	Biologic and other	Autoimmune Encephalitis (AE)	Japan	P-III
TAK-330 *PROTHROMPLEX TOTAL* (EU)	Four-factor prothrombin complex concentrate [human] (injection)	Biologic and other	Coagulation Disorder, Direct Oral Anticoagulants (DOAC) reversal in surgical situations	U.S.	P-III
TAK-881 <Facilitated 20% SCIG>	Immunoglobulin (20%) [human] + recombinant hyaluronidase replacement therapy (injection)	Biologic and other	Primary Immunodeficiencies	U.S. EU Japan	P-III P-III P-III

Notes:
(1) Partnership with Halozyme.

Our vaccines pipeline in clinical development as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, is as follows:

Development code Brand name (country/region)	Type of Vaccine (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-019[1] *NUVAXOVID* Intramuscular Injection (Japan)	Recombinant coronavirus (SARS-CoV-2) vaccine (intramuscular injection)	Biologic and other	For the prevention of infectious disease caused by SARS-CoV-2 (monovalent vaccine based on Omicron JN.1 variant)	Japan	Approved (Sep 2024)
TAK-003 *QDENGA* (Global)	Tetravalent dengue vaccine (injection)	Biologic and other	For the prevention of dengue fever of any severity, due to any serotype, in individuals aged 4 and older (booster extension)	-	P-III

Notes:
(1) Partnership with Novavax, Inc.

Other selected assets that Takeda holds contractual rights to potentially clinically develop and/or commercialize in the future as of May 8, 2025 (the date of our annual earnings release), along with notes for major subsequent developments thereafter, are as follows:

Development code <generic name> Brand name (country/region)	Type of vaccine (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
HQP1351[1] <olverembatinib>	BCR-ABL tyrosine kinase inhibitor (TKI) (oral)	Small molecule	Chronic phase-chronic myeloid leukemia	U.S. EU Japan	P-III
ACI-24.060[2]	Abeta active immunotherapy	Biologic and other	Alzheimer's disease	-	P-II

Notes:
(1) Olverembatinib/HQP1351 is included for reference only. Ascentage Pharma retains ownership of this asset and is solely responsible for its clinical development prior to Takeda's potential exercise of its option to exclusively license certain rights, which is subject to customary conditions including regulatory approval.
(2) ACI-24.060 is included for reference only. AC Immune retains ownership of this asset and is solely responsible for its clinical development prior to Takeda's potential exercise of its option to exclusively license certain rights, which is subject to customary conditions including regulatory approval.

Projects removed from pipeline

Our projects removed from pipeline since April 1, 2024 are as follows:

Development code <generic name>	Indications (Region/Country, Stage)	Reason
TAK-141/JR-141 <pabinafusp alfa>	Hunter syndrome (CNS and somatic symptoms) (EU, P-III)	Takeda and JCR entered into an agreement ending the geographically-focused exclusive collaboration and license agreement to commercialize pabinafusp alfa (JR-141; TAK-141) in Hunter syndrome, following Takeda's strategic assessment of the alliance. JCR has been and remains the study sponsor for JR-141, and JCR plans to continue the Phase 3 trial for participating patients.
TAK-935 <soticlestat>	Lennox-Gastaut syndrome (Global, P-III)	Trial did not meet primary endpoint.
<ponatinib>	Pediatric indication for Philadelphia chromosome-positive Acute Lymphoblastic Leukemia (P-I)	Trial closed due to dose-limiting toxicities.
TAK-925 <danavorexton>	Postanesthesia Recovery (P-II)	Trial closed due to enrollment challenges.
Cx601 <darvadstrocel>	Pediatric indication for refractory complex perianal fistulas in patients with Crohn's disease (EU, Japan, P-III)	Product withdrawn from market in Europe.
MLN0002 <vedolizumab>	Graft-versus-Host Disease prophylaxis in patients undergoing allogenic hematopoietic stem cell transplant (intravenous formulation) (EU, Japan, P-III)	Trial enrollment closed early during COVID-19 pandemic. Regulatory filing not pursued.
<cabozantinib>	Metastatic castration-resistant prostate cancer in combination with atezolizumab (Japan, P-III)	mCRPC development discontinued based on the trial results and assessment of Takeda's development strategy.
TAK-500	Solid tumors (P-I)	Trial closed due to dose-limiting toxicities.
TAK-653	Inadequate response to treatment in major depressive disorder (P-II)	Takeda/Neurocrine agreement amended. Takeda re-acquired exclusive rights in Japan and is eligible to receive milestone payments and royalties from commercialization in other regions. Takeda will be responsible for the development costs in Japan; Neurocrine will be responsible for the development costs worldwide ex-Japan and is eligible to receive royalties for sales in Japan.
TAK-935 <soticlestat>	Dravet Syndrome (Global, P-III)	Trial did not meet primary endpoint.
TAK-186	EGFR expressing solid tumors (P-II)	Data-driven decision to discontinue development informed by the available clinical data from a Phase 1/2 study.
TAK-280	B7-H3 expressing solid tumors (P-I)	Data-driven decision to discontinue development informed by the available clinical data from a Phase 1/2 dose-escalation study.
TAK-062	Celiac disease (P-II)	Trial did not meet primary endpoint.
TAK-676 <dazostinag>	Solid tumors (P-II)	Data-driven decision to discontinue development informed by the available clinical data from a Phase 1/2 study.

Licensing and Collaboration

1) Overview

In the ordinary course of business, we enter into arrangements for licensing and collaboration for the development and commercialization of products with third parties. Our business does not materially depend on any one of these arrangements. Instead they form a portion of our strategy and give us the ability to leverage a mix of internal and external resources to develop and commercialize new products. A sample of the agreements which have led to successful commercialization to date are summarized below:

- ADCETRIS: We entered into a Collaboration Agreement with Pfizer Inc. ("Pfizer") (as successor in interest to Seagen, Inc., which was acquired by Pfizer in December 2023) in 2009 for the global co-development of ADCETRIS and its commercialization around the world (other than the U.S. and Canada, where ADCETRIS is commercialized by Pfizer). We were required to pay milestone payments related to regulatory and commercial progress by us under the collaboration. We also pay tiered royalties with percentages ranging from the low-teens to the mid-twenties based on net sales of ADCETRIS within our licensed territories. We and Pfizer equally co-fund the cost of selected development activities conducted under the collaboration, but as of March 31, 2025, there are no further incremental potential commercial milestone payments remaining under the ADCETRIS collaboration. Either party may terminate the collaboration for cause, or by mutual consent. We may terminate the collaboration at will, and Pfizer may terminate the collaboration in certain circumstances. If neither party terminates the collaboration agreement, then the agreement automatically terminates on the expiration of all payment obligations.
- FRUZAQLA: We entered into a License Agreement with HUTCHMED Limited ("HUTCHMED") in 2023 for the global development, commercialization and manufacture of fruquintinib outside of mainland China, Hong Kong and Macau. FRUZAQLA is now approved in the U.S., EU, Japan and a number of other countries in our licensed territory. Under the License Agreement, we are required to pay milestone payments related to development, regulatory and commercial progress by us, as well as royalties on net sales. Subject to earlier termination, the License Agreement will continue until the expiration of the last royalty term for the last licensed product in our licensed territory. We may terminate the License Agreement for convenience by providing a written notice in advance. Additionally, either party may terminate the License Agreement for cause.
- TRINTELLIX: We entered into a License, Development, Supply and Commercialization Agreement with H. Lundbeck A/S in 2007 for the exclusive co-development and co-commercialization in the U.S. and Japan of several compounds in Lundbeck's pipeline for the treatment of mood and anxiety disorders. In July 2024, Lundbeck announced our agreement to amend the Collaboration to provide for royalty payments by Takeda to Lundbeck based on net sales of TRINTELLIX in the U.S. in lieu of Lundbeck's co-promotion and co-funding responsibilities, which have concluded. The term of the agreement is indefinite, but the agreement may be terminated by mutual decision of the parties or for cause.

2) Building a sustainable research platform / Enhancing R&D collaboration

In addition to our concentrated efforts to increase our in-house R&D capabilities, external partnerships with third-party partners are a key component of our strategy for enhancing our R&D pipeline. Our strategy to expand and diversify our external partnerships allows us to take part in research of a wide variety of new products and increases the chances that we will be able to take part in a major research-related breakthrough.

- In April 2024, Takeda and Japanese Foundation for Cancer Research (JFCR) announced that the signing of a partnership agreement with the goal to advance research and development in the field of oncology. Under the terms of this agreement, Takeda and JFCR will engage in mutual exchange utilizing each other's strengths for the purpose of advancing global early clinical trials and facilitating translational research based on this agreement. This will include necessary information exchanging and consultation regarding ongoing drug development. The partnership seeks to expedite the development of groundbreaking anti-cancer therapies and facilitate swift delivery to cancer patients and their families.

- In April 2024, Takeda, Astellas Pharma Inc. (Astellas), and Sumitomo Mitsui Banking Corporation announced that three companies signed a master agreement to establish a joint venture company. The new company will be dedicated to the incubation of early drug discovery programs originating from Japan and toward the creation of innovative therapeutics. In addition to establishing the joint venture company, Takeda and Astellas will provide support to the joint venture company leveraging their expertise gained from global drug discovery research and development, aiming to accelerate open innovation in early-stage drug discovery, and toward the creation of start-up companies for the benefit of society. The joint venture company, once established, plans to begin incubation activities by collaboratively working with academia, pharmaceutical companies, and start-up companies across Japan to enable access to potentially transformative early drug discovery programs.
- In May 2024, Takeda and AC Immune SA (AC Immune) announced an exclusive, worldwide option and license agreement for AC Immune's active immunotherapies targeting toxic forms of amyloid beta (Abeta), including ACI-24.060 for the treatment of Alzheimer's disease. ACI-24.060 is an anti-Abeta active immunotherapy candidate designed to induce a robust antibody response against the toxic forms of Abeta believed to drive plaque formation and Alzheimer's disease progression. By inducing plaque clearance and efficiently inhibiting plaque formation in the brain, ACI-24.060 has the potential to delay or slow Alzheimer's disease progression. ACI-24.060 is being investigated in the ongoing ABATE randomized, double-blind, placebo-controlled Phase 1b/2 trial to assess the safety, tolerability, immunogenicity and pharmacodynamic effects of the investigational immunotherapy in subjects with prodromal Alzheimer's disease and in adults with Down syndrome. AC Immune will be responsible for completing the ABATE trial. Following option exercise, Takeda would conduct and fund all further clinical development and be responsible for all global regulatory activities as well as worldwide commercialization.
- In June 2024, Takeda announced the signing of an option agreement with Ascentage Pharma to enter into an exclusive license agreement for olverembatinib, an oral, potentially best-in-class, third-generation BCR-ABL tyrosine kinase inhibitor (TKI), which is currently in development for chronic myeloid leukemia (CML) and other hematological cancers. If exercised, the option would allow Takeda to license global rights to develop and commercialize olverembatinib in all territories outside of mainland China, Hong Kong,

Macau, Taiwan and Russia. As part of the agreement, Ascentage Pharma will continue to be solely responsible for all clinical development of olverembatinib prior to potential exercise of the option to license. Olverembatinib is currently approved and marketed in China for the treatment of adult patients with TKI-resistant chronic-phase CML (CP-CML) or accelerated-phase CML (AP-CML) harboring the T315I mutation and in adult patients with CP-CML resistant to and/or intolerant of first- and second-generation TKIs.

- In December 2024, Takeda announced that it entered into an exclusive licensing agreement with Keros Therapeutics, Inc. to further develop, manufacture and commercialize elritercept worldwide outside of mainland China, Hong Kong and Macau. Elritercept is a late-stage investigational activin inhibitor designed to treat anemia associated with certain hematologic cancers, including myelodysplastic syndromes (MDS) and myelofibrosis (MF). Elritercept targets activin A and B proteins, which are believed to play a crucial role in anemia-associated diseases. Elritercept is currently in two ongoing Phase 2 clinical trials; one in patients with very low-, low- or intermediate-risk MDS and one in patients with MF. The Phase 3 RENEW trial evaluating elritercept in adult patients with transfusion-dependent anemia with very low-, low- or intermediate-risk MDS will begin enrollment soon. Takeda plans to evaluate elritercept in these cancers across patient segments and lines of therapy. The U.S. Food and Drug Administration (FDA) has granted Fast Track designation for the development of elritercept for very low-, low- and intermediate-risk MDS.
- In December 2024, Takeda and the Tohoku University Drug Discovery Strategy Promotion Organization entered into a strategic alliance, with a goal of building and leveraging an innovative clinical trial network. The alliance aims to simultaneously improve the efficiency of clinical development and patient access to medical care over a three-year period, from October 2024 to September 2027. Tohoku University Hospital will build and integrate the data infrastructure, develop digital tools for various analyses, and utilize the regional medical network and the medical-related data accumulated there for clinical development. This will be aimed at expediting the identification and registration of patients who are suitable for participating in Takeda-led clinical trials, and the provision of opportunities for patients who are suitable for participating in Takeda-led clinical trials.
- In March 2025, Takeda entered into a development funding agreement with Blackstone Life Sciences (BXLS) for mezagitamab (TAK-079). Under this agreement, Takeda will receive up to a total of USD 300 million to co-fund Phase 3 trials of immune thrombocytopenia (ITP) and immunoglobulin A nephropathy (IgAN) from the fiscal year ending March 31, 2026, through the fiscal year ending March 31, 2029. Takeda will recognize the funding as a reduction of R&D expenses as incurred. BXLS is eligible to receive regulatory approval milestone payments of up to USD 240 million and cumulative sales milestone payments of up to USD 300 million if all related milestones are achieved. Additionally, upon commercialization, BXLS will be entitled to receive royalties on U.S. sales.

3) Research & Development collaborations/partnering

The following tables describe other research & development collaborations/partnering and externalization projects entered into by Takeda other than *1) Overview*, but do not represent a comprehensive list of all Takeda R&D collaborations. All of the "subject" descriptions listed below are as of the date of execution of the relevant agreement unless otherwise noted:

Gastrointestinal and Inflammation

Partner	Country of incorporation	Subject
Arrowhead Pharmaceuticals	U.S.	Collaboration and licensing agreement to develop fazirsiran (TAK-999; ARO-AAT), an investigational RNA interference (RNAi) therapy in development to treat alpha-1 antitrypsin-associated liver disease (AATLD). ARO-AAT is a potential first-in-class therapy designed to reduce the production of mutant alpha-1 antitrypsin protein, the cause of AATLD progression.
COUR Pharmaceuticals	U.S.	Takeda has acquired an exclusive global license to develop and commercialize the investigational medicine TIMP-GLIA (TAK-101), an immune modifying nanoparticle containing gliadin proteins.
Engitix	U.K.	Collaboration and licensing agreement to utilize Engitix's unique extracellular matrix discovery platform to identify and develop novel therapeutics for liver fibrosis and fibrostenotic inflammatory bowel disease, including Crohn's disease and ulcerative colitis.
Genevant Sciences Corporation	U.S.	Collaboration and License Agreements to leverage Genevant's hepatic stellate cell-partitioning LNP platform to deliver Takeda-designed RNAi oligonucleotides intended to halt or reverse the progression of liver fibrosis.
KM Biologics	Japan	Collaboration and license agreement for the development of therapeutic uses of rADAMTS13 (TAK-755), including but not limited to TTP.
Mirum Pharmaceuticals	U.S.	Exclusive licensing agreement for the development and commercialization of maralixibat (TAK-625) in Japan for Alagille syndrome (ALGS), progressive familial intrahepatic cholestasis (PFIC) and biliary atresia (BA).
Pfizer	U.S.	2016 exclusive licensing agreement for development and commercialization of TAK-647 worldwide. Takeda decided to discontinue further development of TAK-647 in MASH based on portfolio prioritization.

UCSD/Fortis Advisors	U.S.	Technology license for the development of oral budesonide formulation (TAK-721) for treatment of eosinophilic esophagitis.
Zedira/Dr. Falk Pharma	Germany	Collaboration and license agreement to develop and commercialize a potential first-in-class therapy TAK-227/ZED1227, a tissue transglutaminase 2 (TG2) inhibitor, designed to prevent the immune response to gluten in celiac disease. Takeda has exclusive rights in the US and other territories outside of Europe, Canada, Australia and China.

Neuroscience

Partner	Country of incorporation	Subject
AC Immune	Switzerland	Exclusive, worldwide option and license agreement for AC Immune's active immunotherapies targeting toxic forms of amyloid beta (Abeta), including ACI-24.060 for the treatment of Alzheimer's disease.
AcuraStem	U.S.	Exclusive worldwide license agreement to develop and commercialize AcuraStem's PIKFYVE targeted therapeutics for the treatment of Amyotrophic Lateral Sclerosis (ALS).
Alexion, a subsidiary of AstraZeneca	U.K.	Agreement for the joint development and commercialization of MEDI1341/TAK-341, an alpha-synuclein antibody currently in development as a potential treatment for Multiple System Atrophy (MSA) and Parkinson's disease.
Anima Biotech	U.S.	Strategic collaboration to discover and develop mRNA translation modulators for genetically-defined neurological diseases.
BioMarin	U.S.	Agreement for the in-license of enabling technology for the exogenous replacement of Arylsulfatase A enzyme with intrathecal (IT) administration directly into the central nervous system for the long-term treatment of patients with metachromatic leukodystrophy (MLD), a rapidly-progressive and ultimately fatal neuro-degenerative rare disease (TAK-611).
Denali Therapeutics	U.S.	Strategic option and collaboration agreement to develop and commercialize up to three specified therapeutic product candidates for neurodegenerative diseases, incorporating Denali's transport vehicle (TV) platform for increased exposure of biotherapeutic products in the brain; options exercised on DNL593/TAK-594 and DNL919/TAK-920 in Q3 FY2021. DNL919/TAK-920 molecule was discontinued in Q2 FY2023, and the ATV:TREM2 collaboration program was terminated in February 2025 by mutual agreement between Takeda and Denali.
Luxna Biotech	Japan	Exclusive worldwide license agreement for the use of Luxna's breakthrough xeno nucleic acid technology for multiple undisclosed target genes in the area of neurological diseases.
Neurocrine Biosciences	U.S.	Collaboration to develop and commercialize 7 compounds in Takeda's early-to-mid stage neuroscience pipeline, including TAK-041/NBI-1065846, TAK-653/NBI-1065845 and TAK-831/NBI-1065844 (luvadaxistat). Takeda will be entitled to certain development milestones, commercial milestones and royalties on net sales and will, at certain development events, be able opt in or out of a 50:50 profit share on all clinical programs on an asset-by-asset basis. In June 2021, Takeda decided not to cost share further TAK-831/NBI-1065844 (luvadaxistat) development; Takeda maintains its right to receive milestones and royalties regarding TAK-831/NBI-1065844 (luvadaxistat) In Nov 2023, Neurocrine announced that TAK-041/NBI-1065846 Phase 2 trial results did not meet primary and secondary endpoints, which does not support further development of the asset. In September 2024, Neurocrine announced that TAK-831/NBI-1065846 Phase 2 results did not meet primary endpoint in patients with CIAS and that they were stopping further development of the asset. In January 2025, the Takeda/Neurocrine agreement was amended for TAK-653. Takeda re-acquired exclusive rights in Japan and is eligible to receive milestone payments and royalties from commercialization in other regions. Takeda will be responsible for the development costs in Japan; Neurocrine will be responsible for the development costs worldwide ex-Japan and is eligible to receive royalties for sales in Japan.
PeptiDream	Japan	Collaborative research and exclusive license agreement to create peptide-drug conjugates (PDCs) for neuromuscular and neurodegenerative diseases.

Oncology

Partner	Country of incorporation	Subject
AbbVie	U.S.	Exclusive licensing agreement to develop and commercialize mirvetuximab soravtansine-gynx in Japan for folate receptor-alpha (FRa) positive ovarian cancer.
Adimab	U.S.	Agreement for the discovery, development and commercialization of three mAbs and three CD3 Bi-Specific antibodies for oncology indications.
Ascentage Pharma	China	Option agreement to enter into an exclusive license agreement for olverembatinib/HQP1351, a BCR-ABL tyrosine kinase inhibitor (TKI), currently in development for chronic myeloid leukemia (CML) and other hematological cancers. If exercised, the option would allow Takeda to license global rights to develop and commercialize olverembatinib in all territories outside of mainland China, Hong Kong, Macau, Taiwan and Russia.
Crescendo Biologics	U.K.	Collaboration and licensing agreement for the discovery, development and commercialization of Humabody®-based therapeutics for cancer indications.
Egle Therapeutics	France	Identify novel tumor-specific regulatory T cell targets and develop unique anti-suppressor-based immunotherapies.
Exelixis	U.S.	Exclusive licensing agreement to commercialize and develop novel cancer therapy cabozantinib and all potential future cabozantinib indications in Japan, including advanced renal cell carcinoma and hepatocellular carcinoma.
F-star	U.K.	Discovery collaboration and worldwide, exclusive royalty-bearing license to Takeda to research, develop and commercialize a bispecific antibody directed towards an undisclosed immuno-oncology target using F-star's proprietary Fcab™ and mAb2 ™ platforms. Takeda will be responsible for all research, development and commercialization activities under the agreement.
GSK	U.K.	Exclusive licensing agreement to develop and commercialize novel cancer therapy niraparib for the treatment of all tumor types in Japan, and all tumor types excluding prostate cancer in South Korea and Taiwan.
Heidelberg Pharma	Germany	Antibody-Drug-Conjugate (ADC) research collaboration on 2 targets and licensing agreement (α-amanitin payload and proprietary linker).
Keros Therapeutics	U.S.	Exclusive licensing agreement with Keros Therapeutics, Inc. to further develop, manufacture and commercialize elritercept (TAK-226) worldwide outside of mainland China, Hong Kong and Macau.
KSQ Therapeutics	U.S.	Strategic collaboration to research, develop and commercialize novel immune-based therapies for cancer using KSQ's CRISPRomics® technology.
Kumquat Biosciences	U.S.	Strategic and exclusive collaboration to develop and commercialize a novel immuno-oncology small molecule inhibitor as a mono- and/or combination-therapy.
MD Anderson Cancer Center (MDACC)	U.S.	Exclusive license and research agreement to utilize MDACC's platform and expertise, and to leverage Takeda's development, manufacturing and commercialization capabilities to bring patients cord blood-derived chimeric antigen receptor-directed natural killer (CAR-NK) cell therapies for the treatment of B cell malignancies and other cancers. Takeda made a data-driven decision to discontinue the clinical development of TAK-007 for relapsed/refractory B cell malignancies.
Memorial Sloan Kettering Cancer Center	U.S.	Strategic research collaboration and license to develop novel chimeric antigen receptor T cell (CAR-T) products for the treatment of multiple myeloma, acute myeloid leukemia and additional solid tumor indications. The collaboration is co-led by Michel Sadelain, who is currently head of the Center for Cell Engineering at Memorial Sloan Kettering. Takeda decided to terminate further development of TAK-940 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies. Takeda and Memorial Sloan Kettering will maintain the ongoing business relationship in the field of cell therapy related technology licensing.
Protagonist Therapeutics	U.S.	Worldwide license and collaboration agreement for the development and commercialization of rusfertide (TAK-121), an investigational injectable hepcidin mimetic peptide of the natural hormone hepcidin for treatment of polycythemia vera.
Teva Pharmaceutical Industries	Israel	Agreement for worldwide license to multi-target discovery collaboration accessing Teva's AttenukineTM platform.

Plasma Derived Therapies

Partner	Country of incorporation	Subject
Halozyme	U.S.	Agreement for the in-license of Halozyme's proprietary ENHANZE™ platform technology to increase dispersion and absorption of HYQVIA.
Kamada	Israel	In-license agreement to develop and commercialize IV Alpha-1 proteinase inhibitor (GLASSIA); Exclusive supply and distribution of GLASSIA in the U.S., Canada, Australia and New Zealand; work on post market commitments ongoing.
Johnson & Johnson/Momenta Pharmaceuticals	U.S.	In-licensing agreement with Momenta Pharmaceuticals, Inc. which was acquired by Johnson & Johnson for an investigational hypersialylated immunoglobulin (hsIgG) candidate.
PreviPharma	EU	Research collaboration and option agreement to develop new targeted proteins

Vaccines

Partner	Country of incorporation	Subject
Novavax	U.S.	Partnership for the development, manufacturing and commercialization of Nuvaxovid Intramuscular Injection, Novavax's COVID 19 vaccine in Japan, which is being funded by the Government of Japan's Ministry of Health, Labour and Welfare (MHLW) and Agency for Medical Research and Development (AMED). In September 2024, Takeda announced that the MHLW granted manufacturing and marketing approval for the 2 dose NUVAXOVID Intramuscular Injection 1 mL for the prevention of infectious disease caused by the SARS-CoV-2 Omicron JN.1 variant.

Other / Multiple Therapeutic Area

Partner	Country of incorporation	Subject
BridGene Biosciences	U.S.	Research collaboration to discover small molecule drugs for “undruggable” targets using BridGene’s chemoproteomics platform.
Center for iPS Cell Research Application, Kyoto University (CiRA)	Japan	Collaboration agreement for clinical applications of iPS cells in Takeda strategic areas including applications in neuroscience, oncology and gastroenterology as well as discovery efforts in additional areas of compelling iPSC translational science.
Charles River Laboratories	U.S.	Collaboration on multiple integrated programs across Takeda’s core therapeutic areas using Charles River Laboratories’ end-to-end drug discovery and safety assessment platform to progress these programs towards candidate status.
Evozyne	U.S.	Research collaboration and license agreement with Takeda to research and develop proteins that could be incorporated into next-generation gene therapies for up to four rare disease targets.
GSK	U.K.	In-license agreement between GSK and University of Michigan for TAK-620 (maribavir) in the treatment of human cytomegalovirus.
Ipsen	France	Purchase agreement for the development of Obizur for the treatment of Acquired Hemophilia A including for patients with Congenital Hemophilia A with inhibitors indication in elective or emergency surgery.
Massachusetts Institute of Technology	U.S.	MIT-Takeda Program to fuel the development and application of artificial intelligence (AI) capabilities to benefit human health and drug development. Centered within the Abdul Latif Jameel Clinic for Machine Learning in Health (J-Clinic), the new program will leverage the combined expertise of both organizations, and is supported by Takeda’s investment.

Intellectual Property

An important part of our business strategy is to protect our products and technologies using patents and trademarks, to the extent available. We rely on trade secrets, proprietary know-how, technological innovations and contractual arrangements with third parties to maintain and enhance our competitive position. Our commercial success depends, in part, upon our ability to obtain and enforce strong patents, to maintain trade secret protection, to operate without infringing the proprietary rights of others and to comply with the terms of licenses granted to us. Due to the lengthy development periods for new drugs, the high costs of R&D and the small percentage of researched therapeutic candidates that reach the market, the protection of intellectual property plays an important role in the return on investments into R&D for a new drug.

We seek patent protection for proprietary technology whenever possible in the U.S., Japan and major European countries. Where practicable, we seek patent protection in other countries on a selective basis. In all cases, we endeavor to either obtain patent protection itself or support patent applications through licensors. Patents are our primary means of protecting the technologies we use. Patents provide the holder with the right to exclude others from making, using, selling, or offering for sale an invention related to a pharmaceutical product during the term of the patent. We use various types of patents to protect our biopharmaceutical products, including substance patents, which cover active ingredients, as well as patents covering usage, manufacturing processes and formulation of drugs.

Our products, especially small molecules, are mainly protected by substance patents. While the expiration of a substance patent can result in a loss of market exclusivity for the protected pharmaceutical products, commercial benefits may continue to be protected by non-substance patents such as patents relating to the method of use of such substance, patents relating the manufacturing method of such substance and patents relating to the new composition or formulation of such substance. The products can be also protected by regulatory data or market protection under relevant laws in each country even if the substance patent expired.

In the U.S., patents generally expire 20 years after the earliest non-provisional filing date of the application, subject to potential patent term adjustments for delays in patent issuance based upon certain delays in prosecution by the U.S. Patent and Trademark Office. A U.S. pharmaceutical patent that claims a product, method of treatment using a product or method of manufacturing a product may also be eligible for a patent term extension based on the time the FDA took to approve the product. This type of extension may only extend the patent term for a maximum of 5 years and may not extend the patent term beyond 14 years from regulatory approval. Only one patent may be extended for any product based on FDA delay. In addition to patent exclusivities, the FDA may provide data or market exclusivity for a new chemical entity or an orphan drug, each of which run in parallel to any patent protection. Regulatory data protection or exclusivity prevents a potential generic competitor from relying on clinical trial data that were generated by the sponsor when establishing the safety and efficacy of its competing product for a period of 5 years for a new chemical entity, 7 years for an orphan drug or 12 years for a biological drug. Market exclusivity prohibits any marketing of the same drug for the same indication.

In Japan, a patent can be issued for active pharmaceutical ingredients by the Japan Patent Office (“JPO”). Although claims directed to methods of treating/diagnosing human diseases are not patentable in Japan, claims directed to pharmaceutical compositions for use to treat a specific conditions or indications are patentable, as well as processes to make a pharmaceutical composition are patentable. Patents in Japan generally expire 20 years after the filing date of the patent application. Patents for pharmaceuticals may be extended for up to 5 years, depending on the amount of time spent for the drug approval process. Unlike the U.S., more than one patent per product can be extended in Japan. Japan also has a re-examination system which confirms the safety and efficacy of drugs and offers a re-examination period of 8 years for pharmaceuticals that contain new active pharmaceutical ingredients and 4 years to 6 years for new combination products and 10 years for orphan drugs.

In the EU, patent applications may be filed in the European Patent Office (“EPO”) or in the national patent office of a country in Europe. The EPO system permits a single application to be granted for the EU, plus certain other non-EU countries, such as United Kingdom, Switzerland and Turkey. When the EPO grants a patent, it is then validated in the countries that the patent owner designates. At the patent owner's request, unitary effect is given for the territory of the EU Member States participating in the Unitary Patent (“UP”) system, that have ratified the Agreement on a Unified Patent Court (“UPC”). The term of a patent granted by the EPO or a European country office is generally 20 years from the filing date of the patent application. Pharmaceutical patents covering an approved medicinal product can be granted a further period of exclusivity under the Supplementary Protection Certificate (“SPC”) system. SPCs are designed to compensate the owner of the patent for the time it took to receive marketing authorization by the European Medicines Agency or the National Health Authorities. An SPC may only extend the patent term for a maximum of 5 years and not extend the patent term beyond 15 years from the date of the first European marketing authorization. The SPC duration can additionally be extended by a further Pediatric Extension of 6 months if the SPC relates to a non-orphan medicinal product for which data has been submitted according to a Pediatric Investigation Plan (“PIP”). The post-grant phase of patents, including the SPC system, is currently administered on a country-by-country basis under national laws. Therefore, although regulations concerning patents and SPCs have been created at the EPO and EU level, respectively, due to different national implementation they may not always lead to the same result, for example, if challenged in National Courts in the various EU countries. The EU also provides a system of regulatory data exclusivity for authorized human medicines, which runs in parallel to any patent protection. The system for drugs being approved today is usually referred to as 8+2+1 rule because it provides an initial period of 8 years of data exclusivity, during which a competitor cannot rely on the relevant data, a further period of 2 years of market exclusivity, during which the data can be used to support applications for marketing authorization but the competitive product cannot be launched and a possible 1-year extension of the market exclusivity period if, during the initial 8-year data exclusivity period, the sponsor registered a new therapeutic indication for the concerned drug. However, the additional 1-year extension is only available if either no therapy exists for the new indication or if the concerned product provides for the new indication a “significant clinical benefit over existing therapies”. This system applies both to national and centralized authorizations. The EU also has an orphan drug exclusivity system for medicines similar to the U.S. system. If a medicine is designated as an orphan drug, it benefits from 10 years of market exclusivity, during which time a similar medicine for the same indication will not receive marketing authorization. Under certain circumstances, this exclusivity can be extended with a 2-year Pediatric Extension for completion of a PIP. The Pharma Legislation in Europe, including systems such as regulatory data protection is currently under revision and may result in different exclusivity periods in the future.

Worldwide, we experience challenges in the area of intellectual property from factors such as the penetration of generic versions of our products following the expiry of the relevant patents and the launch by competitors of over-the-counter versions of our products. Our Global General Counsel is responsible for the oversight of our Intellectual Property operations, as well as our legal operations. Our Intellectual Property Department supports our overall corporate strategy by focusing efforts on three main themes:

- maximization of the value of our products and research pipeline and protection of related rights aligned to the strategies of our therapeutic area and business units;

- facilitation of more dynamic harnessing of external innovation through partner alliance support; and
- securing and protection of intellectual property rights around the world, including in emerging markets, except that, in least developed countries (LDCs) and low-income countries (LICs), we committed not to file or enforce patents as part of our commitment to widen access to our medicine.

As infringement of our intellectual property rights poses a risk of loss of expected earnings derived from those rights, we have internal processes in place to manage patents and other intellectual property. This process includes both remaining vigilant against patent infringement by others as well as exercising caution, starting at the R&D stage, to ensure that our products and activities do not violate intellectual property rights held by others.

In the regular course of business, our patents may be challenged by third parties. We are party to litigation or other proceedings relating to intellectual property rights. Details of material ongoing litigation are provided in Note 32 to our audited consolidated financial statements included in this annual report.

The following table describes our outstanding substance patents and the regulatory protection ("RP") (U.S. and EU) or re-examination period ("RP") (Japan) for the indicated product by territory and expiry date. Patent term extensions ("PTE"), SPC and pediatric exclusivity periods ("PEP") are reflected in the expiry dates to the extent they have been granted by the issuing authority. For PTE's, SPC's and PEP's in which the application is in process but not yet granted, the extended expiry is separately provided.

Our biologic products may face or already face competition from companies who produce similar products for the same indications, and/or biosimilars, regardless of expiry dates below. Certain European patents may be the subject of supplemental protection certificates that provide additional protection for the product in certain countries beyond the dates listed in the table.

Our product	Japan expiry dates[1][2]	U.S. expiry dates[1]	EU expiry dates[1]
Gastroenterology (GI):			
ENTYVIO	Patent: - RP: July 2028[2]	Patent: - RP: May 2026[6]	Patent: - RP: May 2025[6]
GATTEX/REVESTIVE	Patent: - RP: June 2031[2]	Patent: -[5]	Patent: -
TAKECAB[3]	Patent: August 2031	Patent: -[3]	Patent: -[3]
PANTOLOC /CONTROLOC (PANTOPRAZOLE)	Not commercialized	Patent: -	Patent: -
DEXILANT	Not commercialized	Patent: -	Patent: -
LIALDA/MEZAVANT[3]	Patent: -[3]	Patent: -	Patent: -
RESOLOR/MOTEGRITY	Not commercialized	Patent: -	Patent: -
EOHILIA	Not commercialized	Patent: - RP: February 2031	Not commercialized
Rare Diseases:			
TAKHZYRO	Patent: January 2031 Extended expiry of January 2036 if PTE granted RP: March 2032[2]	Patent: August 2032 RP: August 2030	Patent: November 2033 RP: November 2028
ADVATE	Patent: -	Patent: -	Patent: -
ADYNOVATE/ADYNOVI	Patent: January 2026	Patent: February 2026 RP: November 2027	Patent: February 2029 RP: January 2028
ELAPRASE[3]	Patent: -[3]	Patent: -	Patent: -
REPLAGAL	Patent: -	Not commercialized	Patent: -
VPRIV	Patent: -	Patent: -	Patent: -
FIRAZYR	Patent: - RP: September 2028[2]	Patent: -	Patent: -
LIVTENCITY	Patent: - RP: June 2034[2]	Patent: - RP: November 2028	Patent: - RP: November 2032
VONVENDI	Patent: - RP: March 2030[2]	Patent: December 2030 RP: December 2027	Patent: - RP: August 2028
RECOMBINATE	Not commercialized	Patent: -	Patent: -
ADZYNMA	Patent: - RP: March 2034[2]	Patent: - RP: November 2035	Patent: - RP: August 2034
PDT:			
GAMMAGARD LIQUID	Not commercialized	Patent: -	Patent: -
HYQVIA	Patent: - RP: September 2031[2]	Patent: - RP: September 2026	Patent: -

Our product	Japan expiry dates[1][2]	U.S. expiry dates[1]	EU expiry dates[1]
CUVITRU	Patent: - RP: September 2031	Patent: - RP: September 2028	Patent: - RP: July 2027
FLEXBUMIN	Not commercialized	Patent: -	Patent: -
HUMANALBUMIN	Not commercialized	Patent: -	Not commercialized
FEIBA	Patent: -	Patent: -	Patent: -
HEMOFIL	Not commercialized	Patent: -	Not commercialized
IMMUNATE	Not commercialized	Not commercialized	Patent: -
IMMUNINE	Not commercialized	Not commercialized	Patent: -
CINRYZE	Not commercialized	Patent: -	Patent: -
GLASSIA	Not commercialized	Patent: -	Not commercialized
ARALAST	Not commercialized	Patent: -	Not commercialized
Oncology:			
ADCETRIS[4]	Patent: July 2028[7] RP: May 2028[2][8]	Patent: -[4]	Patent: October 2027
LEUPLIN/ENANTONE	Patent: -	Patent: -	Patent: -
NINLARO	Patent: July 2031 RP: March 2027[2]	Patent: November 2029	Patent: November 2031 RP: November 2026
ICLUSIG[3]	Patent: -[3]	Patent: January 2027	Patent: -[3]
ALUNBRIG	Patent: November 2032 RP: January 2029[2]	Patent: April 2031 RP: April 2024	Patent: November 2033 RP: November 2028
VECTIBIX[4]	Patent: -	Patent: -[4]	Patent: -[4]
ZEJULA[4]	Patent: January 2033 RP: September 2028[2]	Patent: -[4]	Patent: -[4]
FRUZAQLA	Patent: May 2029 (Extended expiry of March 2034 if PTE granted) RP: September 2032[2]	Patent: May 2028 (Extended expiry of March 2032 if PTE granted) RP: Nov 2028	Patent: May 2029 RP: June 2034
CABOMETYX[4]	Patent: September 2029 RP: March 2028[2]	Patent: -[4]	Patent: -[4]
Vaccines:			
QDENGA	Not commercialized	Not commercialized	Patent: - RP: December 2032
Neuroscience:			
VYVANSE/ELVANSE	Patent: June 2029 RP: March 2027[2]	Patent: -	Patent: June 2024 (Extended expiry of February 2028, July 2028 or September 2029 in certain countries)
TRINTELLIX[4]	Patent: October 2027 RP: September 2029[2]	Patent: December 2026	Patent: -[4]
ADDERALL XR	Not commercialized	Patent: -	Not commercialized
INTUNIV	Patent: -	Patent: -	Patent: - RP: September 2025
Other:			
AZILVA	Patent: -	Not commercialized	Not commercialized
FOSRENOL[3]	Patent: -[3]	Patent: -	Patent: -

Notes:
(1) A "-" within the table indicates the substance patent is expired or not applicable.
(2) In Japan, an application for a generic product is filed after the re-examination period ends, and the product is listed in the approval and drug price listing after a regulatory review. Therefore, the generic product would enter the market after a certain period of time from the expiry of the re-examination period.
(3) This product is not sold by Takeda in all regions because of out-licensing agreements to third parties.
(4) This product is not sold by Takeda in all regions because of in-licensing agreements from third parties exclusive to certain regions. See "—Licensing and Collaboration" for further information on the licensing agreements.
(5) No generic has been launched in the U.S. as of March 2025. The exact timing of the market entry of the generic version of *GATTEX/REVESTIVE* is uncertain.

(6) Takeda has been granted patents that cover various aspects of *ENTYVIO*, including formulation, dosing regimens and process for manufacturing, some of which are expected to expire in 2032. Any biosimilar that seeks to launch prior to 2032 would need to address potential infringement and/or the validity of all relevant patents and therefore the exact timing of biosimilar entry is uncertain.

(7) Extended patent term (PTE) for (a) frontline Hodgkin's lymphoma, (b) relapsed/refractory PTCL excluding ALCL and (c) pediatric use for relapsed/refractory Hodgkin's lymphoma, relapsed/refractory PTCL and frontline Hodgkin's lymphoma (PTE for each of relapsed/refractory Hodgkin's lymphoma and relapsed/refractory ALCL expires in April 2026).

(8) RP for pediatric frontline Hodgkin's lymphoma only (RP for each of relapsed/refractory Hodgkin's lymphoma, relapsed/refractory ALCL, frontline Hodgkin's lymphoma, PTCL and pediatric relapsed/refractory Hodgkin's lymphoma and pediatric relapsed/refractory PTCL expired in January 2024, RP for relapsed/refractory CTCL is Sep 2029.)

III. Property, Plant, and Equipment

1. Overview of Capital Expenditures

Takeda has continued to make capital expenditures to maintain and strengthen its competitive edge. Our capital expenditures represent mainly enhancing and streamlining our production facilities, enhancing and strengthening research and development structure, strengthening sales capabilities, and promoting efficiency of our operations.

The total capital expenditures (on an acquisition basis) of Takeda for the fiscal year ended March 31, 2025 was JPY 225.2 billion.

2. Major Facilities

Takeda's major facilities, including production facilities for biopharmaceutical products, plasma-derived therapies and vaccines, are as follows:

(1) The Company

As of March 31, 2025

Office Name [Location]	Type of Facilities	Carrying Amount (JPY (millions))							Number of Employees
		Buildings and Structures	Machinery and Vehicles	Land		ROU Assets	Other	Total Amount	
				Area (m^2)	Amount				
Global Headquarters [Chuo-ku,Tokyo and others]	Administrative and sales	24,951	98	(513) 16,052	28,531	767	3,780	58,128	1,032
Head Office [Chuo-ku, Osaka and others]	Administrative and sales	2,906	31	(1,006) 362,305	990	2	604	4,533	424
Osaka Plant [Yodogawa-ku, Osaka]	Production, research and development	17,155	2,037	(6,250) 163,694	1,046	1	18,578	38,816	471
Hikari Plant [Hikari-shi, Yamaguchi]	Production, research and development	30,111	14,730	(3,763) 1,011,061	3,618	664	5,561	54,685	1,068
Narita Plant [Narita-shi, Chiba]	Production, research and development	886	1,550	27,644	584	3	2,158	5,180	197
Shonan Research Center [Fujisawa-shi, Kanagawa]	Research and development	2,771	257	21,009	274	—	7,893	11,195	596
Sales Hubs [Chuo-ku,Tokyo and others]	Administrative and sales	72	—	—	—	—	25	97	1,020

Notes:
(1) The carrying amount of the Company's facilities are the unconsolidated financial statements which is based on J-GAAP.
(2) The Company’s facilities belong to the Pharmaceuticals segment.
(3) "Other" in the carrying amount shows the total amount of tools, furniture and fixtures and construction in progress.
(4) The table above includes land of JPY 1 million (237m^2) and buildings of JPY 298 million which are leased to parties other than consolidated companies.
(5) The part of land and buildings are leased from parties other than consolidated companies. The annual lease payments were JPY 4,383 million. Figures in parentheses of "Land" represent the square meters of the leased land.
(6) Global Headquarters and Head Office consist of buildings, accompanying facilities and lands, including dormitories, company housing and other lands and facilities managed by Global Headquarters and Head Office.

(2) Consolidated Subsidiaries

As of March 31, 2025

Subsidiaries' Company Name [Main Location]	Operating Segment	Type of Facilities	Carrying Amount (JPY (millions))							Number of Employees
			Buildings and Structures	Machinery and Vehicles	Land		ROU Assets	Other	Total Amount	
					Area (m^2)	Amount				
Baxalta, US, Inc. [Covington, GA,U.S.A.]	Pharmaceuticals	Production and others	212,635	102,401	(6,217) 823,227	5,651	65,580	76,789	463,056	2,851
Takeda Pharmaceuticals U.S.A., Inc. [Cambridge, MA, U.S.A.]	Pharmaceuticals	Administrative, sales and others	21,920	244	(18,857) —	—	177,046	21,532	220,742	3,981
BioLife Plasma Services LP [Bannockburn, IL, U.S.A.]	Pharmaceuticals	Production and others	61,529	22,863	(81,869) 453,691	4,329	93,802	7,137	189,660	8,938
Shire Human Genetic Therapies, Inc. [Lexington, MA, U.S.A.]	Pharmaceuticals	Production and others	46,079	16,999	(5,411) 393,799	26,811	54,630	21,573	166,092	839
Takeda Manufacturing Austria AG [Vienna, Austria]	Pharmaceuticals	Production and others	52,451	30,814	128,801	7,193	2,999	14,964	108,421	3,048
Baxalta Belgium Manufacturing S.A. [Lessines, Belgium]	Pharmaceuticals	Production and others	14,802	28,193	150,599	475	1,137	43,055	87,661	1,081
Baxalta Manufacturing, S.à r.l. [Neuchatel, Switzerland]	Pharmaceuticals	Production and others	15,072	23,729	87,040	2,675	—	37,673	79,149	643
Takeda Manufacturing Italia S.p.A.[Rome, Italy]	Pharmaceuticals	Production and others	12,503	19,207	111,150	1,436	—	20,257	53,402	822
Takeda Development Center Americas, Inc. [Cambridge, MA, U.S.A.]	Pharmaceuticals	Research, development and others	17,294	11,767	73,382	9,175	3	4,370	42,609	3,627
Takeda GmbH [Konstanz, Germany]	Pharmaceuticals	Production and others	2	20,144	—	—	469	20,539	41,153	1,761
Takeda Ireland Limited [Kilruddery, Ireland]	Pharmaceuticals	Production and others	19,629	10,448	202,679	3,426	—	6,728	40,232	435
Takeda Manufacturing Singapore Pte. Ltd. [Singapore]	Pharmaceuticals	Production and others	8,500	21,565	(7,096) —	—	185	3,760	34,010	378
Takeda Singen Real Estate GmbH & Co. KG [Singen, Germany]	Pharmaceuticals	Production and others	17,343	—	141	908	—	14,665	32,916	—

Notes:

(1) The carrying amount of subsidiaries' companies are based on IFRS.
(2) "Other" in the carrying amount shows the total amount of tools, furniture and fixtures and construction in progress.
(3) The table above includes land of JPY 1,488 million (3,369m^2) and buildings and structures of JPY 1,499 million which are leased to parties other than consolidated companies.
(4) The table above includes the part of buildings and structures, machinery and vehicles and land leased from parties other than consolidated companies. The annual lease payments were JPY 30,142 million. Figures in parentheses of “Land” represent the square meters of the leased land.
(5) Location specified is the main location of the subsidiary. Certain production facilities may be in other locations in the country specified.

3. Plans for New Facility Construction, Old Facility Disposal, etc.

The following table sets forth our material new facility construction, facility removal projects and/or facilities sales projects.

Classification	Company Name [Main Location]	Operating Segment	Details	Budget		Financing	Schedule	
				Total JPY (millions)	Paid JPY (millions)		Commencement	Completion
Construction	Takeda Pharmaceutical Company Limited [Yodogawa-ku, Osaka, Japan]	Pharmaceuticals	Manufacturing (1)	153,000 (2)	5,582	Funds on hand	Fiscal year 2025 (2)	Fiscal year 2029 (2)
Construction	Baxalta US Inc. [Los Angeles, CA, U.S.A.]	Pharmaceuticals	Manufacturing (3)	34,009	14,987	Funds on hand	January 2024	June 2027
Construction	Takeda Pharmaceuticals U.S.A., Inc. [Cambridge, MA, U.S.A.]	Pharmaceuticals	Research and office	284,322 (4)	2,557	Funds on hand/Lease	January 2023	December 2028
Construction	Baxalta Belgium Manufacturing S.A. [Lessines, Belgium]	Pharmaceuticals	Manufacturing and warehouse (5)	41,262	34,125	Funds on hand	February 2022	June 2027

Notes:

(1) The facility is for the manufacturing of plasma-derived therapies.

(2) Takeda had planned a long-term investment to construct a new manufacturing facility for plasma-derived therapies at the Osaka plant with the total budget of JPY 95,000 million. Considering the current circumstances, including a price surge in construction materials partly due to the depreciation of the Japanese yen and the labor shortage among construction companies, during the current fiscal year, Takeda has decided to increase the total planned investment amount and revised the expected commencement and completion schedule.

(3) The facility is for a plasma fractionation capacity expansion.

(4) The budget includes a lease term payment obligation expected to start in 2026 based on a lease agreement we entered into.

(5) The facility is for the manufacturing of plasma-derived therapies.

IV. Information on the Company

1. Information on the Company's Shares

(1)Total Number of Shares and Other Related Information

1)Total number of shares

Class	Total Number of Shares Authorized to be Issued (shares)
Common stock	3,500,000,000
Total	3,500,000,000

2)Number of shares issued

Class	Number of Shares Issued as of March 31, 2025	Number of Shares Issued as of the Filing Date (June 25, 2025)	Names of Stock Exchanges on Which the Company is Listed or Names of Authorized Financial Instruments Firms Association with Which the Company Is Registered	Description
Common stock	1,590,949,609	1,590,961,709	Securities Exchanges in Tokyo (Prime Market), Nagoya (Premium Market), Fukuoka, Sapporo, and New York	The number of shares per unit is 100 shares.
Total	1,590,949,609	1,590,961,709	—	—

Notes:

(1) The Company's American Depositary Shares (ADSs) are listed on the New York Stock Exchange.

(2) The number of shares issued as of the filing date does not include the shares issued upon exercise of stock acquisition rights from June 1, 2025 to the filing date.

(2) Stock Acquisition Rights

1) Description of stock option plans

Date of resolution	June 24, 2011
Position and the number of grantees	113 Corporate officers and other senior management
Number of stock acquisition rights (*)	7,815 [7,815] (Note1)
Class and the number of shares to be issued upon exercise of stock acquisition rights (*)	Common stock: 781,500 [781,500] (Note2)
Amount to be paid in upon exercise of stock acquisition rights (Exercise price) (*)	JPY 3,705
Exercise period of stock acquisition rights (*)	From July 16, 2014 to July 15, 2031 (Note3)
Price of issuing shares and the amount of capitalization upon exercise of stock acquisition rights (*)	Price of issuing stocks: JPY 4,132 (Note4) Amount of Capitalization: JPY 2,066
Conditions for exercise of stock acquisition rights (*)	1)At the time of the exercise of the stock acquisition rights, the holder of stock acquisition rights must be a director, an employee or other position similar thereto within the Company or the Company's subsidiaries; provided, however, that this shall not apply in the case where the holder retires due to the expiration of his/her term of board membership, mandatory retirement or other valid reason. 2)Where the holder of stock acquisition rights is found to have acted in breach of trust against the Company or the Company group, the holder of stock acquisition rights may not exercise his/her share options. 3)If the holder of stock acquisition rights is subject to imprisonment or severer penalty, such holder of stock acquisition rights may not exercise his/her share options. 4)Pledges and any other disposal of the stock acquisition rights may not be approved. 5)A single stock acquisition right may not be partially exercised.
Matters regarding transfer of stock acquisition rights (*)	Transfer of stock acquisition rights shall be subject to approval by resolution of the Board of Directors.
Matters regarding the grant of acquisition rights to shares upon organizational restructuring (*)	—

Asterisk (*) denotes items as of the end of the current fiscal year (March 31, 2025). For items changed between the end of the current fiscal year and May 31, 2025 (the end of the month preceding the submission date), the status as of May 31, 2025 is stated in square brackets ([ ]). Other items have not been changed since the end of the current fiscal year.

Notes:

(1) One hundred shares are allocated for one stock acquisition right.

(2) In the event that the Company conducts a stock split, a free distribution ("musho-wariate") of shares or a stock consolidation of its common stock, such number of shares shall be adjusted by application of the equation noted below. Such adjustment shall be made for the number of shares to be issued or transferred upon exercise of stock acquisition rights that have not been exercised as of that time. Any fractional figure of less than one (1) share arising as a result of this adjustment shall be rounded down.
* Post-adjustment number of shares = pre-adjustment number of shares x split or consolidation rate

Note: In the event of free distribution of shares, the rate shown above shall be the quotient of division of the post- distribution outstanding stock volume (excluding treasury stock) by the pre-distribution outstanding stock volume (excluding treasury stock).
In the event of a stock split, the post-adjustment number of shares shall be applied beginning on the base day for that split. In the event of free distribution of shares or stock consolidation, it shall be applied beginning on the effective date of the distribution or consolidation.
In addition to the cases noted above, the Company shall reasonably adjust to the extent possible, the number of shares to be issued or transferred upon exercise of stock acquisition rights, based on resolutions by the Board of Directors in the event of occurrence of circumstances requiring such adjustment. In the event of such adjustment of the number of shares, the Company shall notify each holder of stock acquisition rights noted in the stock acquisition rights ledger about the requisite matters no later than the previous day of the application of the post-adjustment number of shares. However, when notification cannot be made by this date, the Company shall promptly make the notification thereafter.

(3) In the event that a director to whom stock acquisition rights are allocated retires due to the expiration of his/her term of board membership, mandatory retirement or other valid reason, such person may exercise stock acquisition rights immediately following the date of such retirement even if the exercise period has not commenced.

(4) Issue price consists of exercise price (JPY 3,705 per share) and a fair value per stock acquisition right on the allotment date (JPY 427 per share). On the allotment date, the Company shall make a consensual offset between the remuneration receivables held by the Corporate Officers and Senior Management against the Company and fair value of stock acquisition rights allocated to each Corporate Officer and Senior Management director.

Date of resolution	July 30, 2012
Position and the number of grantees	118 Corporate officers and other senior management
Number of stock acquisition rights (*)	13,341 [13,220] (Note1)
Class and the number of shares to be issued upon exercise of stock acquisition rights (*)	Common stock: 1,334,100 [1,322,000] (Note2)
Amount to be paid in upon exercise of stock acquisition rights (Exercise price) (*)	JPY 3,725
Exercise period of stock acquisition rights (*)	From July 18, 2015 to July 17, 2032 (Note3)
Price of issuing shares and the amount of capitalization upon exercise of stock acquisition rights (*)	Price of issuing stocks: JPY 4,094 (Note4) Amount of Capitalization: JPY 2,047
Conditions for exercise of stock acquisition rights (*)	1)At the time of the exercise of the stock acquisition rights, the holder of stock acquisition rights must be a director, an employee or other position similar thereto within the Company or the Company's subsidiaries; provided, however, that this shall not apply in the case where the holder retires due to the expiration of his/her term of board membership, mandatory retirement or other valid reason. 2)Where the holder of stock acquisition rights is found to have acted in breach of trust against the Company or the Company group, the holder of stock acquisition rights may not exercise his/her share options. 3)If the holder of stock acquisition rights is subject to imprisonment or severer penalty, such holder of stock acquisition rights may not exercise his/her share options. 4)Pledges and any other disposal of the stock acquisition rights may not be approved. 5)A single stock acquisition right may not be partially exercised.
Matters regarding transfer of stock acquisition rights (*)	Transfer of stock acquisition rights shall be subject to approval by resolution of the Board of Directors.
Matters regarding the grant of acquisition rights to shares upon organizational restructuring (*)	—

Asterisk (*) denotes items as of the end of the current fiscal year (March 31, 2025). For items changed between the end of the current fiscal year and May 31, 2025 (the end of the month preceding the submission date), the status as of May 31, 2025 is stated in square brackets ([ ]). Other items have not been changed since the end of the current fiscal year.

Notes:

(1) One hundred shares are allocated for one stock acquisition right.

(2) In the event that the Company conducts a stock split, a free distribution ("musho-wariate") of shares or a stock consolidation of its common stock, such number of shares shall be adjusted by application of the equation noted below. Such adjustment shall be made for the number of shares to be issued or transferred upon exercise of stock acquisition rights that have not been exercised as of that time. Any fractional figure of less than one (1) share arising as a result of this adjustment shall be rounded down.
* Post-adjustment number of shares = pre-adjustment number of shares x split or consolidation rate

Note: In the event of free distribution of shares, the rate shown above shall be the quotient of division of the post- distribution outstanding stock volume (excluding treasury stock) by the pre-distribution outstanding stock volume (excluding treasury stock).
In the event of a stock split, the post-adjustment number of shares shall be applied beginning on the base day for that split. In the event of free distribution of shares or stock consolidation, it shall be applied beginning on the effective date of the distribution or consolidation.
In addition to the cases noted above, the Company shall reasonably adjust to the extent possible, the number of shares to be issued or transferred upon exercise of stock acquisition rights, based on resolutions by the Board of Directors in the event of occurrence of circumstances requiring such adjustment. In the event of such adjustment of the number of shares, the Company shall notify each holder of stock acquisition rights noted in the stock acquisition rights ledger about the requisite matters no later than the previous day of the application of the post-adjustment number of shares. However, when notification cannot be made by this date, the Company shall promptly make the notification thereafter.

(3) In the event that a director to whom stock acquisition rights are allocated retires due to the expiration of his/her term of board membership, mandatory retirement or other valid reason, such person may exercise stock acquisition rights

immediately following the date of such retirement even if the exercise period has not commenced.

(4) Issue price consists of exercise price (JPY 3,725 per share) and a fair value per stock acquisition right on the allotment date (JPY 369 per share). On the allotment date, the Company shall make a consensual offset between the remuneration receivables held by the Corporate Offices and Senior Management against the Company and fair value of stock acquisition rights allocated to each Corporate Officer and Senior Management.

Date of resolution	December 19, 2013
Position and the number of grantees	134 Corporate officers and other senior management
Number of stock acquisition rights (*)	10,533 [10,533] (Note1)
Class and the number of shares to be issued upon exercise of stock acquisition rights (*)	Common stock: 1,053,300 [1,053,300] (Note2)
Amount to be paid in upon exercise of stock acquisition rights (Exercise price) (*)	JPY 4,981
Exercise period of stock acquisition rights (*)	From July 20, 2016 to July 19, 2033 (Note3)
Price of issuing shares and the amount of capitalization upon exercise of stock acquisition rights (*)	Price of issuing stocks: JPY 5,534 (Note4) Amount of Capitalization: JPY 2,767
Conditions for exercise of stock acquisition rights (*)	1)At the time of the exercise of the stock acquisition rights, the holder of stock acquisition rights must be a director, an employee or other position similar thereto within the Company or the Company's subsidiaries; provided, however, that this shall not apply in the case where the holder retires due to the expiration of his/her term of board membership, mandatory retirement or other valid reason. 2)Where the holder of stock acquisition rights is found to have acted in breach of trust against the Company or the Company group, the holder of stock acquisition rights may not exercise his/her share options. 3)If the holder of stock acquisition rights is subject to imprisonment or severer penalty, such holder of stock acquisition rights may not exercise his/her share options. 4)Pledges and any other disposal of the stock acquisition rights may not be approved. 5)A single stock acquisition right may not be partially exercised.
Matters regarding transfer of stock acquisition rights (*)	Transfer of stock acquisition rights shall be subject to approval by resolution of the Board of Directors.
Matters regarding the grant of acquisition rights to shares upon organizational restructuring (*)	—

Asterisk (*) denotes items as of the end of the current fiscal year (March 31, 2025). For items changed between the end of the current fiscal year and May 31, 2025 (the end of the month preceding the submission date), the status as of May 31, 2025 is stated in square brackets ([ ]). Other items have not been changed since the end of the current fiscal year.

Notes:

(1) One hundred shares are allocated for one stock acquisition right.

(2) In the event that the Company conducts a stock split, a free distribution ("musho-wariate") of shares or a stock consolidation of its common stock, such number of shares shall be adjusted by application of the equation noted below. Such adjustment shall be made for the number of shares to be issued or transferred upon exercise of stock acquisition rights that have not been exercised as of that time. Any fractional figure of less than one (1) share arising as a result of this adjustment shall be rounded down.

* Post-adjustment number of shares = pre-adjustment number of shares x split or consolidation rate

Note: In the event of free distribution of shares, the rate shown above shall be the quotient of division of the post- distribution outstanding stock volume (excluding treasury stock) by the pre-distribution outstanding stock volume (excluding treasury stock).

In the event of a stock split, the post-adjustment number of shares shall be applied beginning on the base day for that split. In the event of free distribution of shares or stock consolidation, it shall be applied beginning on the effective date of the distribution or consolidation.

In addition to the cases noted above, the Company shall reasonably adjust to the extent possible, the number of shares to be issued or transferred upon exercise of stock acquisition rights, based on resolutions by the Board of Directors in the event of occurrence of circumstances requiring such adjustment. In the event of such adjustment of the number of shares, the Company shall notify each holder of stock acquisition rights noted in the stock acquisition rights ledger about the requisite matters no later than the previous day of the application of the post-adjustment number of shares. However, when notification cannot be made by this date, the Company shall promptly make the notification thereafter.

(3) In the event that a director to whom stock acquisition rights are allocated retires due to the expiration of his/her term of board membership, mandatory retirement or for other valid reason, such person may exercise stock acquisition rights immediately following the date of such retirement even if the exercise period has not commenced.

(4) Issue price consists of exercise price (JPY 4,981 per share) and a fair value per stock acquisition right on the allotment date (JPY 553 per share). On the allotment date, the Company shall make a consensual offset between the remuneration receivables held by the Corporate Offices and Senior Management against the Company and fair value of stock acquisition rights allocated to each Corporate Officer and Senior Management.

2) Description of rights plan

Not applicable.

3) Other stock acquisition rights

Not applicable.

(3) Exercise Status of Bonds with Stock Acquisition Rights Containing a Clause for Exercise Price Adjustments
Not applicable.

(4) Changes in Number of Shares Issued, Share Capital, Etc.

Date	Increase/Decrease in Number of Shares Issued (Thousands of Shares)	Balance of Shares Issued (Thousands of Shares)	Increase/Decrease in Share Capital JPY (millions)	Balance of Share Capital JPY (millions)	Increase/Decrease in Legal Capital Surplus JPY (millions)	Balance of Legal Capital Surplus JPY (millions)
From April 1, 2020 to March 31, 2021 (Notes 1)	14	1,576,388	22	1,668,145	22	1,654,239
From April 1, 2021 to March 31, 2022 (Note 1,2,3 and 4)	5,865	1,582,253	8,118	1,676,263	14,037	1,668,276
From April 1, 2022 to March 31, 2023 (Notes 1)	44	1,582,296	82	1,676,345	82	1,668,357
From April 1, 2023 to March 31, 2024 (Note 1)	123	1,582,419	251	1,676,596	251	1,668,608
From April 1, 2024 to March 31, 2025 (Note 1 and 5)	8,531	1,590,950	18,089	1,694,685	18,089	1,686,697

Notes:
(1) The increase in the number of shares issued in fiscal year 2020 (14 thousand), 2021 (10 thousand), 2022 (44 thousand), 2023 (123 thousand) and 2024 (12 thousand) is due to exercise of stock acquisition rights.
(2) Due to the share exchange where Nihon Pharmaceutical Co., Ltd. will be Takeda's wholly-owned subsidiary effective April 1, 2021, the number of shares issued increased by 1,462 thousand and the amount of legal capital surplus increased by JPY 5,919 million.
(3) 518 thousand shares out of the increase in the number of issued shares in fiscal year 2021 is due to the issuance of new stocks through third party allotment.
Price of issuing stocks: JPY 3,730 Amount of capitalization: JPY 1,865
Allottee: The Master Trust Bank of Japan, Ltd (trust account for Stock grant ESOP)
(4) Based on the resolution on July 8, 2021, new stocks were issued through third party allotment on July 26, 2021. Due to the issuance, the number of issued shares increased by 3,874 thousand shares and the amount of share capital and legal capital surplus increased by JPY 7,138 million, respectively.
(5) 8,519 thousand shares out of the increase in the number of issued shares in fiscal year 2024 is due to the issuance of new stocks through third party allotment.
Price of issuing stocks: JPY 4,241 Amount of capitalization: JPY 2,120.5
Allottee: 10,891 employees of the Company and certain subsidiaries of the Company
(6) The exercise of stock acquisition rights between April 1, 2025 to May 31, 2025 increased the number of shares issued by 12 thousand shares and the amount of share capital and legal capital surplus by 25 million JPY, respectively.

(5) Status by Type of Holder

As of March 31, 2025

	Status of Shares (1 unit = 100 shares)								
					Foreign Shareholders				
Classification	National and Local Governments	Financial Institutions	Financial Instruments Business Operators	Other Corporations	Foreign Shareholders Other Than Individuals	Individuals	Individuals and Others	Total	Shares Less Than One Unit
Number of shareholders (persons)	1	254	54	3,459	1,086	950	562,917	568,721	—
Number of shares held (Trading units)	4	4,612,461	1,162,403	492,162	5,728,360	6,636	3,889,010	15,891,036	1,846,009
Percentage of shares held (%)	0.00	29.03	7.31	3.10	36.05	0.04	24.47	100.00	—

Note: 11,734,484 shares of treasury stock include 117,344 units of shares held by “Individuals and Others” and 84 shares held by “Shares Less Than One Unit.”

(6) Major Shareholders

As of March 31, 2025

Name	Address	Number of Shares Held (Thousands of Shares)	Percentage of Total Number of Shares Issued (Excluding Treasury Stocks) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	278,204	17.62
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	93,117	5.90
The Bank of New York Mellon as depositary bank for depositary receipt holders (Standing proxy: Sumitomo Mitsui Banking Corporation)	240 Greenwich Street, 8th Floor West, New York, NY 10286, U.S.A. (1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	61,745	3.91
State Street Bank West Client-Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	33,923	2.15
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	30,424	1.93
JP Morgan Chase Bank 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (15-1, Konan 2-chome, Minato-ku, Tokyo)	30,117	1.91
State Street Bank And Trust Company 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, MA 02111, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	26,667	1.69
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (8-1, Akasaka 1-chome, Minato-ku, Tokyo)	24,752	1.57
JP Morgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	23,082	1.46
JP Morgan Chase Bank 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (15-1, Konan 2-chome, Minato-ku, Tokyo)	22,172	1.40
Total		624,204	39.53

(7) Status of Voting Rights

1) Issued shares

As of March 31, 2025

Classification	Number of Shares (Shares)		Number of Voting Rights (Units)	Description
Shares without voting rights		—	—	—
Shares with restricted voting rights (Treasury stock, etc.)		—	—	—
Shares with restricted voting rights (Others)		—	—	—
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock	11,734,400	—	—
Shares with full voting rights (Others)	Common stock	1,577,369,200	15,773,692	—
Shares less than one unit	Common stock	1,846,009	—	Shares less than one unit (100 shares)
Number of shares issued		1,590,949,609	—	—
Total number of voting rights		—	15,773,692	—

Notes:

(1) Based on the resolution at the Board of Directors Meeting on January 30, 2025, the Company acquired 7,029,800, 4,513,800 and 11,823,500 of treasury stock by open-market repurchase through a trust bank in February 2025, March 2025 and April 2025 respectively, thereby completing the repurchase of treasury stock in accordance with the resolution of the Board of Directors Meeting.

(2) Common stock in "Shares with full voting rights (Others)" includes 3,283,300 shares (voting rights: 32,833 units) held by the ESOP trust account and 2,281,800 shares (voting rights: 22,818 units) held by the BIP trust account, respectively.

(3) Common stock in "Shares less than one unit" includes 84 shares of treasury stock, and 136 shares held by the ESOP trust account and 243 shares held by the BIP trust account, respectively.

2) Treasury Stock, etc.

As of March 31, 2025

Name of Shareholders	Address	Number of Shares Held under Own Name (Shares)	Number of Shares Held under the Name of Others (Shares)	Total Shares Held (Shares)	Percentage of Total Shares Issued (%)
(Treasury stock) Takeda Pharmaceutical Company Limited	1-1, Doshomachi 4-chome, Chuo-ku, Osaka	11,734,400	—	11,734,400	0.74
Total	—	11,734,400	—	11,734,400	0.74

Note: In addition to the above treasury stock and 84 shares of less than one unit, 3,283,436 shares held by the ESOP trust account and 2,282,043 shares held by the BIP trust account are recorded as treasury stock in the financial statements.

(8) Officer / Employee Stock Ownership Plan

1) Employee (Takeda Group Management) Stock Ownership Plan

The Company introduced an Employee Stock Ownership Plan (the "Plan") in 2014 for Takeda Group Management in Japan and outside of Japan as a highly transparent and objective incentive plan that is closely linked to company performance. The purpose of this Plan is to improve the Company's mid- and long-term performance as well as raise awareness of the need to enhance the Company's value.
In addition, the Company introduced an Employee Stock Purchase Plan (ESPP) and Long Term Incentive Plan (LTIP) for the Takeda Group employees residing outside of Japan in 2020. Accordingly, since 2020, a trust which is newly established, or the period of which is extended for purposes of the Plan, covers the Company Management in Japan.

(i) Outline of the Plan

The Plan uses a structure referred to as an Employee Stock Ownership Plan Trust (ESOP Trust). The ESOP Trust is an employee incentive plan designed based on Restricted Stock Units and Performance Share Units, whereby Restricted Stock Unit awards and Performance Share Unit awards are granted to Company Management in Japan. Restricted Stock Unit awards and Performance Share Unit awards are granted to certain members of senior management while Restricted Stock Unit awards are granted to the remainder of employees. The Company delivers the Company's shares acquired through the ESOP Trust, or pays money equivalent to the liquidation value of the Company's shares, along with dividends arising from the Company's shares, to employees based on their job positions and their achievement of performance indicators.

The Company plans to continue this scheme by introducing a new ESOP Trust or changing and entrusting additional funds to the existing expired ESOP Trust every year starting from 2014 to maintain the Plan. Consequently, on May 16, 2023, the Company extended the trust period of the ESOP Trust which was established in 2020 to cover the Company Management in Japan based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 11, 2023. On May 14, 2024, the Company extended the trust period of the ESOP Trust which was established in 2021 to cover the Company Management in Japan based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 9, 2024. On May 13, 2025, the Company extended the trust period of the ESOP Trust which was established in 2022 to cover the Company Management in Japan based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 8, 2025.

(ii) Trust Agreement

[2023]

Trust type:	Money trust other than a specified money trust for specific investment (Third party benefit trust)
Trust purpose:	To grant incentives to the Company Management in Japan
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Person(s) who meet beneficiary requirements among the Company Management in Japan
Trust administrator:	A third person who has no conflict of interest with the Company (Certified public accountant)
Date of trust agreement:	May 21, 2014 (an amendment agreement was executed regarding the extension of the Trust term as of May 16, 2023)
Trust term:	From May 21, 2014 to August 31, 2026 (the Trust term was extended by the amendment agreement executed as of May 16, 2023) (Base points were granted on July 1, 2023)
Exercise of voting rights:	No voting rights will be exercised
Vested rights holder:	The Company

[2024]

Trust type:	Money trust other than a specified money trust for specific investment (Third party benefit trust)
Trust purpose:	To grant incentives to the Company Management in Japan
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Person(s) who meet beneficiary requirements among the Company Management in Japan
Trust administrator:	A third person who has no conflict of interest with the Company (Certified public accountant)
Date of trust agreement:	May 22, 2015 (an amendment agreement was executed regarding the extension of the Trust term as of May 14, 2024)
Trust term:	From May 22, 2015 to August 31, 2027 (the Trust term was extended by the amendment agreement executed as of May 14, 2024) (Base points were granted on July 1, 2024)
Exercise of voting rights:	No voting rights will be exercised
Vested rights holder:	The Company

[2025]

Trust type:	Money trust other than a specified money trust for specific investment (Third party benefit trust)
Trust purpose:	To grant incentives to the Company Management in Japan
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Person(s) who meet beneficiary requirements among the Company Management in Japan
Trust administrator:	A third person who has no conflict of interest with the Company (Certified public accountant)
Date of trust agreement:	May 20, 2016 (an amendment agreement was executed regarding the extension of the Trust term as of May 13, 2025)
Trust term:	From May 20, 2016 to August 31, 2028 (the Trust term was extended by the amendment agreement executed as of May 13, 2025) (Base points will be granted on July 1, 2025 (scheduled))
Exercise of voting rights:	No voting rights will be exercised
Vested rights holder:	The Company

(iii) Maximum number of shares to be acquired by employees

Grant trust for FY 2025: Approximately 510,000 shares (scheduled)

(iv) Beneficiaries

Person(s) who meet beneficiary requirements among Takeda Management in Japan

2) ESPP and LTIP for Takeda Group employees

In 2020, the Company introduced (i) an ESPP under which eligible Takeda Group employees residing outside of Japan will be provided with the opportunity to purchase American depositary shares of the Company (Company ADS) at a discount, with the goal of encouraging employees to enter into broad-based employee ownership of the Company, and (ii) an LTIP under which eligible Takeda Group employees residing outside of Japan may be awarded Company ADS-based incentive compensation, with the goal of aligning the employees' interests with those of the Company's shareholders, to attract and retain Takeda Group employees residing outside of Japan and to further the Company's risk mitigation strategy by enabling the Company and its Group Companies to provide incentive compensation that appropriately balances risk and reward.

(i) Outline of ESPP

The ESPP allows eligible Takeda Group employees residing outside of Japan to receive Company ADSs purchased in the open market by making cash contributions. Eligible Takeda Group employees may enroll in the ESPP every six months, and their participation in the ESPP will be terminated, in principle, upon the termination of their employment with the Company and its Group Companies. From October 2020, the maximum amount of the contribution by a Takeda Group employee upon each enrollment will be, in principle, USD 7,500 or the equivalent thereof in the local currency.

(ii) Outline of LTIP

In the LTIP, certain equity awards, including Restricted Stock Unit awards (RSU awards) using Restricted Stock Units, and Performance Stock Unit awards (PSU awards) using Performance Stock Units, may be granted to eligible Takeda Group employees residing outside of Japan. Awards granted pursuant to the LTIP may be settled by Company ADSs to be converted from newly issued

shares of common stock in the Company or treasury shares, Company ADSs purchased in the open market, or cash in an amount equivalent to the vested Company ADSs. In July 2022, July 2023 and July 2024, RSU awards and PSU awards were granted to eligible Takeda Group employees. With respect to RSU awards, the number of Company ADSs corresponding to one-third of the RSU awards granted vests annually over a three-year period upon the fulfillment of applicable conditions, including the relevant persons being continuously employed by the Company or its Group Companies. With respect to PSU awards, in addition to the fulfillment of applicable conditions, including the relevant persons being continuously employed by the Company or its Group Companies, a number of Company ADSs, corresponding to the degree or level of achievement of company performance goals for the three fiscal years including and commencing from the grant year and other factors, fully vests after the end of the three fiscal year period. For both RSU awards and PSU awards, upon the occurrence of certain events, including the employee's death, instead of Company ADSs, cash in an amount equivalent to the vested Company ADSs is paid on a certain designated date.

3) Board Incentive Plan

The Company introduced the Board Incentive Plan (the Plan) for members of the Board of Directors in accordance with the resolution of the 140th General Shareholders' Meeting held on June 29, 2016. With the transition of the Company to a company with Audit and Supervisory Committee, this plan substitutes the former Board Incentive Plan (the former Plan) which was adopted in 2014 for members of the Board of Directors (excluding External Directors and Directors residing outside of Japan) in accordance with the resolution of 138th General Shareholders' Meeting held on June 27, 2014.
The Company partially revised the Plan in accordance with the resolution of the of 143rd General Shareholders' Meeting held on June 27, 2019.

(i) Outline of the Plan

The Plan uses a structure referred to as a Board Incentive Plan trust (the BIP Trust). The BIP Trust is an incentive plan for Directors designed based on Performance Share Units and Restricted Stock Units, whereby Performance Share Unit awards and Restricted Stock Unit awards are granted to Directors. The Company delivers or pays the Company's shares acquired through the BIP Trust and money equivalent to the liquidation value of the Company's shares, along with dividends arising from the Company's shares to (1) Directors who are not members of the Audit and Supervisory Committee (excluding External Directors and Directors residing outside of Japan) at a set time after the grant of Performance Share Unit awards and Restricted Stock Unit awards, and to (2) Directors who are members of the Audit and Supervisory Committee and External Directors three years after the date when the applicable base points allocated under the plan are granted after the grant of only Restricted Stock Unit awards in furtherance of these Directors' proper and objective supervisory function over business execution.

The Company plans to continue this scheme by introducing a new BIP Trust or changing and entrusting additional funds to the existing expired BIP Trust every year starting from 2014 and maintain the similar incentive plan as the former plan. In 2016, in adoption of the Plan instead of the former Plan, Directors who are members of the Audit and Supervisory Committee and External Directors appointed in 2016 were added in the scope of the Plan, and new BIP Trusts was established each for Directors who are not members of the Audit and Supervisory Committee (excluding Directors residing outside of Japan who are not External Directors.) as well as Directors who are members of the Audit and Supervisory Committee. (Such BIP Trust associated with Directors who are not members of the Audit and Supervisory Committee shall be referred to as the NSV (Non-Supervisory) Trust and such BIP Trust for those who are as the SV (Supervisory) Trust hereinafter).

On May 16, 2017, the Company partially revised the BIP Trust which was established in 2014 in order to allow it to be continued as the NSV Trust for the Plan and then extended the trust period and entrusted additional funds based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 10, 2017. (SV Trust was not established in 2017 as there were no newly appointed Directors who are members of the Audit and Supervisory Committee in 2017).

On May 21, 2018, the Company partially revised the BIP Trust which was established in 2015 in order to allow it to be continued as the NSV Trust for the Plan and then extended the trust period and entrusted additional funds based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 14, 2018. Also, based on the same resolution, the Company extended the trust period for the SV Trust which was established in 2016 and entrusted additional funds.

On August 1, 2019 the Company partially revised the plans to extend the term and changed a part of the BIP Trust already established in 2016 to the NSV Trust with entrustment of additional money to the Trust in order to allow the Plan to be continued as plans for Internal Directors (excluding Directors who are members of the Audit and Supervisory Committee and Directors residing outside of Japan) ("Plan I"), External Directors (excluding Directors who are members of the Audit and Supervisory Committee) ("Plan II"), and members of the Audit and Supervisory Committee ("Plan III") and such plans were approved by Shareholders on June 27, 2019.

On May 16, 2023, the Company extended the BIP Trust which was established in 2020 as the NSV Trust with entrustment of additional money to the Trust based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 11, 2023 in order to allow the Plan to be continued as plans for Internal Directors (excluding Directors who are members of the Audit and Supervisory Committee and Directors residing outside of Japan) ("Plan I"), External Directors (excluding Directors who are members of the Audit and Supervisory Committee) ("Plan II"), and members of the Audit and Supervisory Committee ("Plan III").

On May 14, 2024, the Company extended the BIP Trust which was established in 2021 as the NSV Trust with entrustment of additional money to the Trust based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 9, 2024 in order to allow the Plan to be continued as plans for Internal Directors (excluding Directors who are members of the Audit and Supervisory Committee and Directors residing outside of Japan) ("Plan I"), External Directors (excluding Directors who are members of the Audit and Supervisory Committee) ("Plan II"), and members of the Audit and Supervisory Committee ("Plan III").

On May 13, 2025, the Company extended the BIP Trust which was established in 2022 as the NSV Trust with entrustment of additional money to the Trust based on the resolution of continuation of the Plan at the meeting of the Board of Directors held on May 8, 2025 in order to allow the Plan to be continued as plans for Internal Directors (excluding Directors who are members of the Audit and Supervisory Committee and Directors residing outside of Japan) ("Plan I"), External Directors (excluding Directors who are members of the Audit and Supervisory Committee) ("Plan II"), and members of the Audit and Supervisory Committee ("Plan III").

(ii) Trust Agreement

[2023 (Plans I, II, and III)]

Trust type:	Money trust other than a specified money trust for specific investment (Third party benefit trust)
Trust purpose:	To grant incentives to Directors
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Person(s) who meet beneficiary requirements among Directors
Trust administrator:	A third person who has no conflict of interest with the Company (Certified public accountant)
Date of trust agreement:	August 4, 2014 (an amendment agreement was executed regarding the extension of the Trust term as of May 16, 2023)
Trust term:	August 4, 2014 to August 31, 2026 (the Trust term was extended by the amendment agreement executed as of May 16, 2023) (Base points were granted on July 1, 2023)
Exercise of voting rights:	No voting rights will be exercised
Type of acquired shares:	Common shares of the Company
Total amount of shares to be acquired:	2.4 billion yen (including trust fees and trust expenses)
Timing of share acquisition:	May 18, 2023
Manner of share acquisition:	To be acquired from the stock market
Vested rights holder:	The Company

[2024 (Plans I, II, and III)]

Trust type:	Money trust other than a specified money trust for specific investment (Third party benefit trust)
Trust purpose:	To grant incentives to Directors
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Person(s) who meet beneficiary requirements among Directors
Trust administrator:	A third person who has no conflict of interest with the Company (Certified public accountant)
Date of trust agreement:	May 22, 2015 (an amendment agreement was executed regarding the extension of the Trust term as of May 14, 2024)
Trust term:	May 22, 2015 to August 31, 2027 (the Trust term was extended by the amendment agreement executed as of May 14, 2024) (Base points were granted on July 1, 2024)
Exercise of voting rights:	No voting rights will be exercised
Type of acquired shares:	Common shares of the Company
Total amount of shares to be acquired:	1.9 billion yen (including trust fees and trust expenses)
Timing of share acquisition:	May 16, 2024
Manner of share acquisition:	To be acquired from the stock market
Vested rights holder:	The Company

[2025 (Plans I, II, and III)]

Trust type:	Money trust other than a specified money trust for specific investment (Third party benefit trust)
Trust purpose:	To grant incentives to Directors
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Person(s) who meet beneficiary requirements among Directors
Trust administrator:	A third person who has no conflict of interest with the Company (Certified public accountant)
Date of trust agreement:	August 3, 2016 (an amendment agreement was executed regarding the extension of the Trust term as of May 13, 2025)
Trust term:	August 3, 2016 to August 31, 2028 (the Trust term was extended by the amendment agreement executed as of May 13, 2025) (Base points will be granted on July 1, 2025 (scheduled))
Exercise of voting rights:	No voting rights will be exercised
Type of acquired shares:	Common shares of the Company
Total amount of shares to be acquired:	1.4 billion yen (including trust fees and trust expenses)
Timing of share acquisition:	May 15, 2025
Manner of share acquisition:	To be acquired from the stock market
Vested rights holder:	The Company

(iii) Maximum number of shares to be acquired by Directors

Grant trust for FY 2025: Approximately 630,000 shares (scheduled)

(iv) Beneficiaries

Person(s) who meet beneficiary requirements among Directors

2. Acquisition of Treasury Stock and Other Related Status

[Class of shares] Acquisition of common stock under Article 155, Item 3 and Item 7 of the Companies Act

(1) Acquisition of Treasury Stock Based on a Resolution Approved at the Ordinary General Meeting of Shareholders

Not applicable.

(2) Acquisition of Treasury Stock Based on a Resolution Approved by the Board of Directors

Classification	Number of Shares (Shares)	Total Amount (JPY)
Status of the resolution of the Board of Directors (January 30, 2025) (Acquisition: from February 17, 2025 to May 31, 2025)	28,500,000	¥ 100,000,000,000
Treasury stock acquired during the current fiscal year	11,543,600	49,977,908,700
Number of shares and total amount of outstanding shares of resolution	16,956,400	50,022,091,300
Ratio of non-exercised portion at the end of the current fiscal year (%)	59.5	50.0
Treasury stock acquired during the current period	11,823,500	49,977,956,800
Ratio of non-exercised portion as of the filing date (%)	18.0	0.0

(3) Acquisition of Treasury Stock not Based on a Resolution Approved at the Ordinary General Meeting of Shareholders or a Resolution Approved by the Board of Directors

Classification	Number of Shares (Shares)	Total Amount (JPY)
Treasury stock acquired during the current fiscal year	4,161	¥ 17,508,023
Treasury stock acquired during the current period	184	793,499

Notes:

(1) The Treasury stock acquired during the current period does not include the purchase of shares constituting less than one full unit during the period from June 1, 2025 to the filing date of this report.

(2) The above table does not include the shares of the Company acquired by the trust account relating to the ESOP Trust or BIP Trust.

(4) Current Status of the Disposition and Holding of Acquired Treasury Stock

Classification	Current Fiscal Year		Current Period	
	Number of Shares (Shares)	Total Disposition Amount (JPY)	Number of Shares (Shares)	Total Disposition Amount (JPY)
Acquired treasury stock for which subscribers were solicited	7,327,462	¥ 24,999,310,416	—	¥ —
Acquired treasury stock that was cancelled	—	—	—	—
Acquired treasury stock for which transfer of shares was conducted in association with merger/ stock exchange/ stock issuance/ corporate separation	—	—	—	—
Other (Sold due to request for sale of shares constituting less than one full unit)	92	381,705	—	—
Number of shares of treasury stock held	11,734,484	—	23,558,168	—

Notes:

(1) The Treasury stock acquired during the current period does not include the purchase of shares constituting less than one full unit during the period from June 1, 2025 to the filing date of this report.

(2) The above table does not include the shares of the Company held by the trust account relating to the ESOP Trust or BIP Trust.

3. Dividend Policy

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

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

- Invest in growth drivers; and
- Shareholder returns.

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

The Company's Articles of Incorporation stipulates that an interim dividend may be paid. Our policy is to distribute surplus twice a year, an interim and a year-end dividend. The Company may decide the matters listed in each item of Paragraph 1, Article 459 of the Companies Act including dividends from surplus by resolution of the Board of Directors, unless otherwise provided in laws and regulations.

(For dividends for which the basis date falls in the year ended March 31, 2025, please refer to "1. Consolidated Financial Statements and others - (1) Consolidated Financial Statements - Notes to Consolidated Financial Statements - Note26 Equity and Other Equity Items" in our Form 20-F.)

4. Corporate Governance

(1) Corporate Governance

1) Corporate Governance Structure

In line with the Company's purpose "Better Health for People, Brighter Future for the World," the Company continues to pursue a management framework appropriate for a global, values-based, R&D-driven, digital biopharmaceutical company. The Company is strengthening its internal controls, including thorough compliance and risk management, and establishing a structure that enables agile, sound, and transparent decision-making. These measures will further improve the Company's corporate governance and maximize its corporate value.

2) Organizational Composition and Operation

[Organization Form]

Company with Audit and Supervisory Committee

(Reasons for Adoption of Current Corporate Governance System)

The Company is a company with an Audit and Supervisory Committee (ASC), which enables the Board of Directors (BOD) to delegate a substantial part of their decision-making authority of important business executions to Management, and to enhance the separation of business execution and supervision. The governance structure allows the Company to further expedite the decision-making process and enables the BOD to focus more on discussions on business strategies and, particularly important business matters. The Company is aiming to increase transparency and independence of the BOD and further enhancing its corporate governance, by establishing systems of audit and supervision conducted by the ASC, and increasing the proportion of the number of External Directors and the diversity of the BOD.

[Directors]

– Chair of the Board Meeting: Independent External Director
– Number of Directors: 14 persons (Male 11 persons, Female 3 persons including 4 Directors who are Audit and Supervisory Committee Members)
– Election of External Directors: Elected

[Audit and Supervisory Committee]

– Number of Audit and Supervisory Committee members: 4 persons including 4 External Directors

From June 2021, the ASC has consisted only of External Directors to further enhance the independence of the Committee.

– Audit and Supervisory Committee

The ASC consists only of External Directors and ensures its independence and effectiveness in line with the ASC Charter and Internal Guidelines on Audit and Supervision of ASC. The Committee conducts audits of the Directors' performance of duties and performs any other duties stipulated under laws and regulations and the Articles of Incorporation.

– Matters Relating to the Independence of Such Directors and/or Staff from the Executive Directors

The ASC Office was established to support the operations of the ASC, and an appropriate number of staff members are appointed among employees. The appointment and any personnel change of the members of the ASC Office require the agreement of the ASC.

The ASC Office assists the ASC in fulfilling its duties by collecting information on a regular basis through attendance at important meetings and review of important documents, and by periodical interviews etc. with executives through business reporting. In addition, the Company ensures the effectiveness of audit by conducting a systematic audit through the internal control system. For the reasons above, no full-time ASC member are appointed.

– Cooperation among the ASC, Accounting Auditors and Internal Audit Departments

(Cooperation between the ASC and Accounting Auditors)

The ASC receives reports directly from the Accounting Auditors on audit plans, the audit structure/system and audit results for each business year. In addition, the ASC and Accounting Auditors closely cooperate with each other by exchanging information and opinions, as necessary.

(Cooperation between the ASC and Group Internal Audit (GIA) department)

Based on the status of the development and operation of the internal control system, the ASC works in close cooperation with the GIA department to improve audit efficiency. This is done through audit reports from the GIA department to the ASC, and instructions from the ASC to the GIA department.

(Relationship between the ASC and Internal Control Promoting Department)

The ASC works closely with the divisions responsible for internal control, such as Global Ethics and Compliance, Global Finance, etc. and utilizes the information received from these divisions to ensure that the ASC audits are conducted effectively.

[Internal Criteria for Independence of External Directors of the Company]

The Company will judge whether an External Director has sufficient independence against the Company with the emphasis on his/her meeting the following quality requirements, on the premise that he/she meets the criteria for independence established by the financial instruments exchanges.

The Company believes that such persons will truly meet the shareholders' expectations as the External Directors of the Company, i.e., the persons who can exert strong presence among the diversified members of the Directors and of the Company by proactively continuing to inquire the nature of, to encourage improvement in and to make suggestions regarding the important matters of the Company doing pharmaceutical business globally, for the purpose of facilitating impartial and fair judgment on the Company's business and securing sound management of the Company. The Company requires such persons to meet two or more of the following four quality requirements to be an External Director:

(1) He/She has advanced insights based on the experience of corporate management;
(2) He/She has a high level of knowledge in the area requiring high expertise such as accounting and law;
(3) He/She is well versed in the pharmaceutical and/or global business; and
(4) He/She has advanced linguistic skill and/or broad experience which enable him/her to understand diverse values and to actively participate in discussion with others.

3) Business Execution

[Management Setup]

At the Company, the BOD determines the fundamental policies for the group, and the Takeda Executive Team (TET) executes the management and business operations in accordance with such decisions. The External Directors of the Board are all qualified individually and with a diverse and relevant experience as a group. The ASC, which is composed entirely of External Directors audits and supervises the execution of directors from an independent standpoint and contributes to proper governance and decision-making of the Board. Moreover, in order to respond to management tasks that continue to diversify, the Company has established the TET, as well as the Business & Sustainability Committee (which is responsible for corporate / business development matters and sustainability-related matters), the Portfolio Review Committee (which is responsible for R&D and products related matters), and the Risk, Ethics & Compliance Committee (which is responsible for risk management, business ethics and compliance matters). These committees review important matters to ensure the agility and flexibility of business execution and ensure greater coordination among the various functions. Matters not requiring the approval of the aforementioned committees are delegated to the TET stipulated in the "Takeda Group’s Management Policy (T-MAP)". The Company aims for agile and efficient decision-making across the group.

[Board of Directors]

The Company has given its BOD the primary function of observing and overseeing business execution as well as decision-making for strategic or particularly important matters regarding company management. The BOD is operated by the “Board of Directors Charter”. The BOD consists of 14 Directors (including three females), including 11 External Directors, six Japanese and eight non-Japanese (as of June 25, 2025), and meets in principle eight times per year to make resolutions and receive reports on important matters regarding management. In the fiscal year 2024, the BOD discussed and made decisions on particularly important matters including the convocation and proposal matters of the General Meeting of Shareholders, enterprise risk assessments, annual and mid-range business plan, interim financial results, quarterly financial results, financial statements, business report, revision of the T-MAP, etc. They also discussed and made decisions on the selection of the next President & Chief Executive Officer (President & CEO) candidate based on the recommendation of Nomination Committee. In addition, it had a strategic session to focus on the discussion about long-term business forecasts, R&D pipeline strategy and global business strategy, etc., as well as an executive session for discussion among only External Directors. Eight BOD meetings were held in fiscal year 2024 and all Internal Directors who took office at the end of fiscal year 2024 attended all meetings. (Please refer to the Table “External Directors’ Relationship with the Company (2)” in [Directors], Part II, section 1 of this report about the attendance of External Directors.) The BOD is chaired by an Independent External Director to increase the independence of the BOD. To ensure the validity and transparency of the decision-making process for the election of Director candidates and compensation of Directors, the Company established a Nomination Committee and a Compensation Committee, all the members of which are External Directors and both of which are chaired by External Directors, as advisory committees to the BOD.

[Internal Audit]

The GIA department, comprising 55 members, the Corporate Environment, Health and Safety (EHS) department in the Global Manufacturing & Supply division, and Global Quality conduct regular internal audits for each division of the Company and each

Group company using their respective guiding documents, the "Group Internal Audit Charter", the "Global Environment, Health and Safety Policy and Position" and the "Global Quality Policy."

[Takeda Executive Team (TET)]

The TET consists of the President & Chief Executive Officer (President & CEO) and function heads of the Takeda Group who report directly to the President & CEO.

[Business & Sustainability Committee]

The Business & Sustainability Committee consists of TET members. In principle, it holds a meeting twice a month to discuss and make decisions on important execution of corporate/business development matters and sustainability-related matters.

[Portfolio Review Committee]

The Portfolio Review Committee (PRC) consists of TET members and the heads of the R&D core functions. In principle, it holds a meeting two to three times a month. The PRC is responsible for ensuring that the Company's portfolio is optimized to achieve the organization's strategic objectives, and determines the composition of the portfolio by reviewing and approving R&D investments in portfolio assets. In addition to determining which assets and projects will be funded, the PRC defines how investments will be resourced.

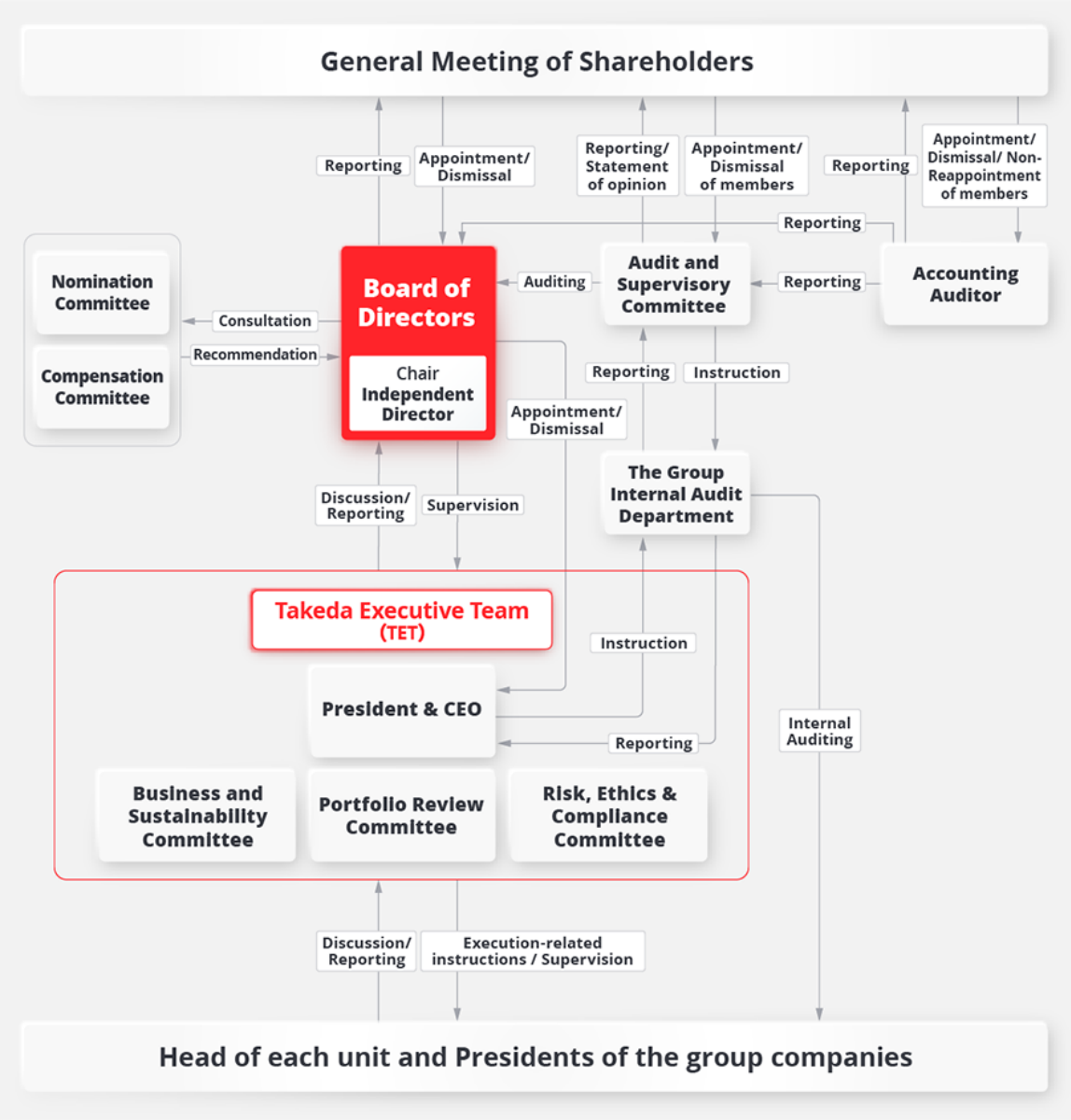
[Risk, Ethics & Compliance Committee]

The Risk, Ethics & Compliance Committee consists of TET members. In principle, it holds a meeting once every quarter to discuss and make decisions on important matters concerning risk management, business ethics and compliance matters, and the risk mitigation measures.

[Basic Views on the Internal Control System and the Progress of System Development]

The Company regards internal control, together with risk management, as an important component of corporate governance and has developed its internal control system as described below.

The below shows a schematic diagram of Takeda's internal control system.



(i) Systems to ensure the appropriateness of operations in the Takeda Group

- The Company's "Corporate Philosophy," consisting of its "Purpose," "Values: Takeda-ism," "Vision" and "Imperatives," is deeply engrained throughout the organization. These principles serve as the foundation of the Takeda corporate culture. In addition, the Company is working to strengthen its compliance framework through the dissemination of the "Takeda Global Code of Conduct" and by developing ethics and compliance programs.
- As a "company with an Audit and Supervisory Committee," the Company has established a system that enables the ASC to effectively perform its duties relating to audit and supervision, and has increased the proportion and diversity of External Directors in order to ensure the transparency and objectivity of the BOD.
- The Company has voluntarily established its Nomination Committee and Compensation Committee, as advisory bodies to the BOD. Both committees ensure objectivity and fairness in the selection and compensation of Directors by having only External Directors as committee members, including the Chairperson. In the fiscal year 2024, the Nomination Committee and the Compensation Committee held six meetings and five meetings, respectively. The election of members of both committees was held on June 26, 2024, and almost all members attended all committee meetings held during their tenure (Mr. Yoshiaki Fujimori attended five out of six Nomination Committee meetings). In the fiscal year 2024, the Nomination Committee deliberated on the selection of the next President & CEO candidate, reviewed the succession plan, assessed director candidates and their succession plans, and provided recommendations to the BOD. In fiscal year 2024, the Compensation Committee reviewed and discussed the goals and results of performance-based compensation, the alignment of the compensation policy to the achievement of the Company's medium- and long-term plans and to the business environment, the amount of compensation for directors, the appropriate Corporate KPIs for STI (Short Term Incentive) and Performance Share Unit awards (PSU awards), the public disclosure of compensation, etc., and the committee further provided guidance to the BOD.

  The member composition is as follows (as of June 25, 2025) :
  Nomination Committee: Mr. Masami Iijima (Chairperson), Dr. Steven Gillis, Ms. Emiko Higashi, Mr. Michel Orsinger, Mr. Jean-Luc Butel and Mr. Yoshiaki Fujimori (Mr. Christophe Weber as an observer)
  Compensation Committee: Ms. Emiko Higashi (Chairperson), Dr. John Maraganore, Mr. Michel Orsinger, Ms. Miki Tsusaka and Ms. Kimberly A. Reed
- The Company has established the below management committees in order to properly deliberate and decide on important matters:
  - Business & Sustainability Committee: responsible for corporate/business and sustainability-related matters

  - Portfolio Review Committee: responsible for R&D and product related matters
  - Risk, Ethics & Compliance Committee: responsible for risk management, business ethics and compliance matters.
- The Company has established the TET, which consists of the President & CEO and the heads of the divisions of the Takeda Group, to strengthen its global business management and foster cross-divisional collaboration.
- The Company has established the "Takeda Group's Management Policy (T-MAP)," which summarizes the Company's business and operations, decision-making and reporting structures, important operational rules, and applies it to all divisions and subsidiaries of the Takeda Group. In addition, each TET member establishes rules for operations and delegation of authority in each division and subsidiary to ensure that operations are conducted appropriately.
- The Company has developed a management system across the Takeda Global Policies such as business resilience, Environment, Health and Safety (EHS) and raising & handling concerns of potential misconduct.
- The Company has established a Quality Management System (QMS), which includes documented requirements and procedures. Audits and compliance monitoring ensure proper operations in research and development, manufacturing and product quality, as well as compliance with the laws and regulations of the pharmaceutical industry (GxP).
- The Company has established the Group Internal Audit (GIA), an independent assurance function within Takeda Group, to support the enhancement and protection of organizational value through its audit activities. The GIA department develops and maintains an audit quality assurance and improvement program and conducts internal audit activities.

(ii) System for retention and management of information concerning the execution of the duties of Directors

- The Company has established the "Global Records and Information Management (RIM) Policy" and properly retains and manages the BOD meeting minutes, approvals of management decisions, and other information concerning the execution of the duties of Directors.

(iii) Rules and other systems for managing the risk of loss

- The Company has established an integrated system that brings together the three areas of enterprise risk management, business continuity management, and crisis management based on the "Global Business Resilience Policy."
  - The Company conducts annual enterprise risk assessment for the identification, evaluation, and mitigation planning for prioritized risks.
  - The Company develops business continuity plans for major risks and essential business areas.
  - The Company formulates crisis management plans to identify, manage and recover from a crisis and responds to it by organizing a Crisis Management Committee according to the level of impact.
- The Company has established the principles and processes to identify, monitor and report selected high-risk business activities based on the "Global Monitoring Policy."
- The Company has established a patient safety and quality management framework, under both normal state and crisis mode, to initiate necessary actions for patient safety and quality issues including product recall.

(iv) System to ensure that the duties of Directors are executed efficiently

- Under the provisions of its Articles of Incorporations, the Company has established a structure that delegates a certain degree of decision-making authorities with respect to business execution to certain Directors. This enables the BOD to focus more on business strategies, internal controls and other important business matters of the Takeda Group.
- These matters delegated to certain Directors are discussed and decided at the appropriate management committees, to ensure an agile and effective decision-making process.
- The Company has established delegation of authority and decision-making rules such as the "Board of Directors Charter" and "T-MAP" to ensure the duties of the Directors are executed in an appropriate and efficient manner.

(v) Systems to ensure that Directors and employees comply with laws and regulations and the Company's Articles of Incorporation in executing their duties

- The Company has established a dedicated department responsible for business ethics and compliance in order to strengthen group-wide compliance systems.
- The Company has established its Code of Conduct, global policies (prohibition of bribery, handling of personal information, prohibition of insider trading, etc.) and other compliance-related internal rules, and implements training programs throughout the Takeda Group.
- The Company has established global policies and internal rules for interactions with healthcare professionals, healthcare entities, patients, patient organizations, government officials and government entities to comply with laws and regulations, which are essential for pharmaceutical companies.
- The Company has established guidelines for raising and handling concerns of potential misconduct and has procedures for employees to remain anonymous and ensure their confidentiality through the Takeda Ethics Line.

(vi) System to ensure the reliability of financial reporting

- The Company ensures the reliability of disclosed materials by establishing and implementing an internal control system for financial reporting based on the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(vii) Basic Views on Eliminating Anti-Social Forces

The Company's basic policy is to eliminate any relationship, including normal transactions, with antisocial forces that pose a threat to the order or safety of civil society. The Company works to avert any damage from antisocial forces by maintaining close contact with the police, collecting information, and providing the information and training opportunities internally.

(viii) System to ensure that the audits by the ASC are conducted effectively

The Company has established the following system that defines the roles, authority, duties, etc. of the ASC through the "Audit and Supervisory Committee Charter," as well as internal guidelines regarding the audit and supervision of the ASC.

1) Matters related to ensuring the independence from the Directors, of employees who assist the ASC, and the effectiveness of instructions given to such employees by the ASC:

- The ASC Office is established, and dedicated staff members are appointed, in order to assist ASC in the execution of duties under the direction of the ASC.
- The appointment, personnel changes, personnel evaluations and other matters related to the dedicated staff members require the consent of the ASC.

2) Structure for the Directors and the employees to report to the ASC, and other reporting structures related to the ASC:

- The ASC is informed on matters concerning the Company's basic management policy and plans, and material matters including those related to subsidiaries and affiliates of the Company.
- Any facts that could cause significant damage to the Takeda Group need to be immediately reported to the ASC.
- The ASC can access the minutes and materials of important meetings at any time.
- The Company has established a system to ensure that the Directors and employees, etc. would not be subject to any unfavorable treatment for reporting to the ASC.

3) Other systems to ensure that audits by the ASC are performed effectively:

- The ASC can conduct systematic audits in cooperation with the internal audit division (to which the ASC is authorized to give instructions), the internal control promotion division and the accounting auditor.
- Expenses necessary for the execution of duties by the ASC and the ASC members are borne by the Company.

4) Adoption of Anti-Takeover Measures

The Company has not adopted any defense measures against hostile takeovers

5) Other

[Liability Limitation Agreement]

– The Company has executed agreements with Non-Executive Directors stating that the maximum amount of their liabilities for damages as set forth in Article 423, Paragraph 1 of the Companies Act shall be the amount provided by law.

[Outline of the terms of the company indemnification agreement]

– The Company has executed company indemnification agreements as defined in Article 430-2, Paragraph 1 of the Companies Act with Directors, providing that the Company shall indemnify expenses set forth in Article 430-2, Paragraph 1, Item 1 thereof and damages set forth in Article 430-2, Paragraph 1, Item 2 thereof within the scope permitted by the laws and regulations.

[Outlines of the terms of the directors & officers liability insurance]

- The Company has executed directors & officers liability insurance contracts as defined in Article 430-3, Paragraph 1 of the Companies Act with insurance companies, under which directors, statutory auditors and employees in managerial or supervisory positions of the Company or the Company's group are insured. Such insurance covers damages which may arise from liability incurred by such insured persons in connection with the execution of their duties or claims made against such insured persons in relation to such liability unless any exclusion stipulated in the insurance policy applies.
  The Company bears the full amount of the premium for such insurance and any insured person does not bear any substantial amount of the premium.

[Other stipulation in the Company's articles of incorporation regarding Number and Appointment of Directors]

- The Company shall have 12 or fewer Directors (excluding Directors who are Audit and Supervisory Committee Members). The Company shall have four or fewer Directors who are Audit and Supervisory Committee Members.
- The Directors shall be elected at a general meeting of shareholders that distinguishes between Directors who are Audit and Supervisory Committee Members and other Directors. Voting on resolutions for appointments shall take place in the presence of shareholders who have one-third or more of the voting rights of shareholders entitled to exercise their voting rights, and a majority of the votes of the shareholders present shall be requisite for adoption of the resolution. The appointment of Directors shall not be made by cumulative voting.

[Other stipulation in the Company's articles of incorporation regarding matters to be resolved at the general meeting of shareholders or the board of directors]

- For the purpose of agile implementation of capital policy and dividend policy, the company may decide the matters listed in each item of Paragraph 1, Article 459 of the Companies Act including dividends from surplus by resolution of the Board of Directors, unless otherwise provided for in laws and regulations.
- In order to fully demonstrate the expected role of directors in executing their duties, the Company may, by a resolution of the Board of Directors, exempt Directors (and former Audit and Supervisory Board members) from their liability for damages set forth in Paragraph 1, Article 423 of the Companies Act to the extent permitted by laws.
- For the purpose of smooth operation of general meeting of shareholders, the extraordinary resolution of general meeting of shareholders provided for in Paragraph 2, Article 309 of the Companies Act shall be adopted by two-thirds or more of the votes of the shareholders present at the meeting and entitled to exercise their voting rights at which a quorum shall be one-third or more of the voting rights of the shareholders entitled to exercise their voting rights.

(2) Members of the Board of Directors

1) List of the Board of Directors

11 male Directors and 3 female Directors (percentage of female: 21%)

Name	Christophe Weber	
Title	Representative Director, President and Chief Executive Officer	
Date of Birth	November 14, 1966	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		914,100 shares (700,616 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		15,398 shares (456,506 shares)
Term	See (Note 5)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
April 2012	President & General Manager, GlaxoSmithKline Vaccines	
April 2012	CEO, GlaxoSmithKline Biologicals	
April 2012	Member of GlaxoSmithKline Corporate Executive Team	
April 2014	Chief Operating Officer of the Company	
June 2014	President and Representative Director of the Company (to present)	
April 2015	Chief Executive Officer of the Company (to present)	
September 2020	Head of Global Business, Takeda Pharmaceuticals U.S.A., Inc. (to present)	

Name	Milano Furuta	
Title	Director, Chief Financial Officer	
Date of Birth	February 26, 1978	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		17,800 shares (81,822 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (— shares)
Term	See (Note 5)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
April 2000	Joined The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.)	
June 2006	Joined Taiyo Pacific Partners, USA	
July 2010	Joined the Company	
June 2017	Country Manager, Takeda Pharma AB (Sweden)	
January 2019	Corporate Strategy Officer & Chief of Staff of the Company	
April 2021	President, Japan Pharma Business Unit of the Company	
April 2024	Chief Financial Officer of the Company (to present)	
June 2024	Director of the Company (to present)	

Name	Andrew Plump	
Title	Director, President, Research and Development	
Date of Birth	October 13, 1965	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		— shares (— shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		425,849 shares (828,870 shares)
Term	See (Note 5)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
January 2008	Vice President, Cardiovascular Disease Franchise, Worldwide Discovery Head, Merck & Co.	
March 2014	Senior Vice President & Deputy to the President for Research & Translational Medicine, Sanofi	
February 2015	Chief Medical & Scientific Officer Designate of the Company	
June 2015	Director of the Company (to present)	
June 2015	Chief Medical & Scientific Officer of the Company	
January 2019	President, Research and Development (to present)	
July 2021	President, Research and Development, Takeda Development Center Americas, Inc. (to present)	

Name	Masami Iijima	
Title	Director, Chair of the Board of Directors meeting	
Date of Birth	September 23, 1950	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		3,300 shares (13,965 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (— shares)
Term	See (Note 5)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
June 2008	Representative Director, Executive Managing Officer, Mitsui & Co., Ltd	
October 2008	Representative Director, Senior Executive Managing Officer, Mitsui & Co., Ltd.	
April 2009	Representative Director, President and Chief Executive Officer, Mitsui & Co., Ltd.	
April 2015	Representative Director, Chairman of the Board of Directors, Mitsui & Co., Ltd.	
June 2018	External Director, SoftBank Group Corp. (to present)	
June 2019	Counselor, Bank of Japan (to present)	
April 2021	Director, Mitsui & Co., Ltd.	
June 2021	Counselor, Mitsui & Co., Ltd. (to present)	
June 2021	External Director of the Company who is an Audit and Supervisory Committee Member	
June 2022	External Director of the Company (to present)	
June 2022	Chair of the Board of Directors meeting of the Company (to present)	
June 2023	External Director, Kajima Corporation (to present)	

Name	Ian Clark	
Title	Director	
Date of Birth	August 27, 1960	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		— shares (16,321 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		2,096 shares (— shares)
Term	See (Note 5)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
January 2010	Director, Chief Executive Officer and Head of North American Commercial Operations, Genentech, Inc.	
January 2017	External Director, Shire plc	
January 2017	External Director, Corvus Pharmaceuticals, Inc. (to present)	
January 2017	External Director, Guardant Health, Inc. (to present)	
January 2019	External Director of the Company (to present)	
August 2020	External Director, Olema Pharmaceuticals, Inc. (to present)	

Name	Steven Gillis	
Title	Director	
Date of Birth	April 25, 1953	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		— shares (16,321 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		8,257 shares (— shares)
Term	See (Note 5)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
August 1981	Founder, Director and Executive Vice President, Research and Development, Immunex Corporation (currently, Amgen, Inc.)	
May 1993	Chief Executive Officer, Immunex Corporation (currently, Amgen, Inc.)	
October 1994	Founder, Director and Chief Executive Officer, Corixa Corporation (currently, GlaxoSmithKline)	
January 1999	Director and Chairman, Corixa Corporation (currently, GlaxoSmithKline)	
August 2005	Managing Director, ARCH Venture Partners (to present)	
October 2012	External Director, Shire plc	
January 2019	External Director of the Company (to present)	

Name		Emiko Higashi
Title		Director
Date of Birth		November 6, 1958
Number of Shares Held, (Number of Shares to be Provided) (Note3)		5,000 shares (20,497 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (— shares)
Term		See (Note 5)
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
May	1994	Managing Director, Investment Banking, Merrill Lynch & Co.
April	2000	CEO, Gilo Ventures, LLC
January	2003	Managing Director, Tomon Partners, LLC (to present)
November	2010	External Director, KLA-Tencor Corporation (currently KLA Corporation) (to present)
June	2016	External Director of the Company
May	2017	External Director, Rambus Inc. (to present)
June	2019	External Director of the Company who is an Audit and Supervisory Committee Member
March	2023	External Director, Rapidus Corporation (to present)
June	2024	External Director of the Company (to present)

Name		John Maraganore
Title		Director
Date of Birth		October 11, 1962
Number of Shares Held, (Number of Shares to be Provided) (Note3)		— shares (13,965 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (— shares)
Term		See (Note 5)
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
April	2000	Senior Vice President, Strategic Product Development, Millennium Pharmaceuticals, Inc.
December	2002	Director and Chief Executive Officer, Alnylam Pharmaceuticals, Inc.
June	2017	Chairperson, Biotechnology Innovation Organization
November	2021	External Director, Beam Therapeutics, Inc. (to present)
February	2022	External Director, Kymera Therapeutics, Inc. (to present)
June	2022	External Director of the Company (to present)

Name		Michel Orsinger
Title		Director
Date of Birth		September 15, 1957
Number of Shares Held, (Number of Shares to be Provided) (Note3)		— shares (20,497 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (— shares)
Term		See (Note 5)
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
March	2001	Chief Executive Officer and President, OTC Division Worldwide, Consumer Health, Novartis AG
April	2007	President and Chief Executive Officer, Synthes, Inc. (currently Johnson & Johnson)
June	2012	Worldwide Chairman, Global Orthopedics Group, DePuy Synthes Companies, Johnson & Johnson
June	2012	Member of Global Management Team, Johnson & Johnson
June	2016	External Director of the Company
June	2019	External Director of the Company who is an Audit and Supervisory Committee Member
June	2022	External Director of the Company (to present)

Name		Miki Tsusaka
Title		Director
Date of Birth		April 24, 1963
Number of Shares Held, (Number of Shares to be Provided) (Note3) Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (8,844 shares) — shares (— shares)
Term		See (Note 5)
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
May	1995	Partner and Managing Director, Boston Consulting Group
May	2003	Senior Partner and Managing Director, Boston Consulting Group
May	2005	Global Leader, Marketing, Sales & Pricing Practice, Boston Consulting Group
October	2011	Executive Committee Member, Boston Consulting Group
June	2013	Chief Marketing Officer, Boston Consulting Group
February	2023	President, Microsoft Japan Co., Ltd. (to present)
June	2023	External Director of the Company (to present)

Name		Koji Hatsukawa
Title		Director, Head of Audit and Supervisory Committee
Date of Birth		September 25, 1951
Number of Shares Held, (Number of Shares to be Provided) (Note3) Number of ADSs Held (Number of ADSs to be Provided) (Note4)		13,600 shares (18,483 shares) — shares (— shares)
Term		See (Note 6)
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
March	1974	Joined Price Waterhouse Accounting Office
July	1991	Representative Partner, Aoyama Audit Corporation
October	2005	Director and Manager of International Operations, ChuoAoyama PricewaterhouseCoopers
May	2009	CEO, PricewaterhouseCoopers Arata
June	2013	External Audit & Supervisory Board Member, Fujitsu Limited (to present)
June	2016	External Director who is an Audit and Supervisory Committee Member
June	2019	External Director of the Company who is the Head of the Audit and Supervisory Committee (to present)

Name		Jean-Luc Butel
Title		Director, Audit and Supervisory Committee Member
Date of Birth		November 8, 1956
Number of Shares Held, (Number of Shares to be Provided) (Note3) Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (20,497 shares) — shares (— shares)
Term		See (Note 6)
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
January	1998	Corporate Officer, President, Worldwide Consumer Healthcare, Becton, Dickinson and Company
November	1999	President, Independence Technology, Johnson & Johnson
May	2008	Corporate Officer, Executive Committee Member, Executive Vice President and Group President, International, Medtronic, Plc.
January	2015	President, International, Baxter International Inc.
July	2015	Global Healthcare Advisor, President, K8 Global Pte. Ltd. (to present)
June	2016	External Director of the Company who is an Audit and Supervisory Committee Member
June	2019	External Director of the Company
September	2021	External Director, Rani Therapeutics (to present)
June	2024	External Director of the Company who is an Audit and Supervisory Committee Member (to present)

Name	Yoshiaki Fujimori	
Title	Director, Audit and Supervisory Committee Member	
Date of Birth	July 3, 1951	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		16,000 shares (18,483 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		— shares (— shares)
Term	See (Note 6)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
May 2001	Senior Vice President, General Electric Company	
March 2011	Representative Director and Chairman, GE Japan Corporation	
August 2011	Representative Director, President and CEO, LIXIL Corporation	
August 2011	Director, Representative Executive Officer, President and CEO, LIXIL Group Corporation	
January 2016	Representative Director, Chairman and CEO, LIXIL Corporation	
June 2016	External Director of the Company	
July 2016	External Director, Boston Scientific Corporation (to present)	
February 2017	Senior Executive Advisor, CVC Asia Pacific (Japan) Kabushiki Kaisha (to present)	
August 2018	External Director and Chairman of the Board, Oracle Corporation Japan (to present)	
June 2019	External Director, Riraku K.K. (to present)	
June 2022	External Director of the Company who is an Audit and Supervisory Committee Member (to present)	
July 2022	External Director, Trygroup Inc. (to present)	

Name	Kimberly A. Reed	
Title	Director, Audit and Supervisory Committee Member	
Date of Birth	March 11, 1971	
Number of Shares Held, (Number of Shares to be Provided) (Note3)		— shares (13,965 shares)
Number of ADSs Held (Number of ADSs to be Provided) (Note4)		1,375 shares (— shares)
Term	See (Note 6)	
Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		
October 1997	Counsel, United States House of Representatives	
May 2004	Senior Advisor to United States Secretaries of the Treasury, United States Department of the	
February 2007	Director and Chief Executive Officer, Community Development Financial Institutions Fund, United States Department of the Treasury	
December 2007	Vice President, Financial Markets Policy Relations, Lehman Brothers	
September 2009	President, International Food Information Council Foundation	
May 2019	Chairman of the Board of Directors, President, and Chief Executive Officer, Export-Import Bank of the United States	
February 2021	Distinguished Fellow, Council on Competitiveness (to present)	
August 2021	External Director, Momentus Inc. (to present)	
June 2022	External Director of the Company who is an Audit and Supervisory Committee Member (to	
March 2023	External Director, Hannon Armstrong Sustainable Infrastructure Capital, Inc. (to present)	

Total Number of Shares Held (Total Number of Shares to be Provided)	969,800 shares	(964,276 shares)
Total Number of ADSs Held (Total Number of ADSs to be Provided)	452,975 shares	(1,285,376 shares)

Notes:

(1) Mr. Masami Iijima, Mr. Ian Clark, Dr. Steven Gillis, Ms. Emiko Higashi, Dr. John Maraganore, Mr. Michel Orsinger, and Ms. Miki Tsusaka are External Directors.

(2) Mr. Koji Hatsukawa, Mr. Jean-Luc Butel, Mr. Yoshiaki Fujimori, and Ms. Kimberly A. Reed are External Directors who are also Audit and Supervisory Committee Members.

(3) The number of shares held represents the number of ordinary shares held as of March 31, 2025. The number of shares to be provided includes the number of ordinary shares vested but undelivered and scheduled to be vested, including those granted to directors based outside of Japan that will be converted to ADSs for settlement following vesting, under the Board Incentive Plan (“BIP”). The number of shares to be provided pursuant to the BIP and the Employee Stock Ownership Plan (“ESOP”) are comprised of Restricted Stock Unit awards (“RSU awards”) and PSU awards. RSU awards vest one third each year over a three-year period and PSU awards vest three years from the date of grant. Included PSU awards to be vested in the future years represent the total number of shares to be issued assuming that relevant targets are met at the 100% level; the actual number of shares issued may be fewer or greater depending on the level at which targets are met. If there are Performance Share Unit awards (“PSU awards”) vested after March 31, 2025, the number of such shares to be provided has been adjusted to the results of KPI. In addition, with regard to the Company's shares to be provided under the Plan, the voting rights thereof may not be exercised before such shares are provided to each Director.

(4) The number of ADSs held represents the number of American Depositary Shares held as of March 31, 2025 and is rounded to the nearest whole number. Each ADS represents one half of an ordinary share. The number of ADSs to be provided includes the number of American Depositary Shares vested but undelivered and scheduled to be vested under Long-Term Incentive Plan for Company Group Employees Overseas ("LTIP"). The number of ADSs to be provided pursuant to the LTIP is comprised of RSU awards and PSU awards. RSU awards vest one third each year over a three-year period and PSU awards vest three years from the date of grant. Included PSU awards to be vested in the future years represent the total number of ADSs to be issued assuming that relevant targets are met at the 100% level; the actual number of ADSs issued may be fewer or greater depending on the level at which targets are met. If there are PSU awards vested after March 31, 2025, the number of such ADSs to be provided has been adjusted to the results of KPI. In addition, with regard to the ADSs to be provided under the Plan, the voting rights thereof may not be exercised before such shares are provided to each Director.

(5) The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be from the time of closing of the ordinary general meeting of shareholders concerning the fiscal year ended March 31, 2025 to the time of closing of the ordinary general meeting of shareholders concerning the fiscal year ended March 31, 2026.

(6) The term of office of Directors who are Audit and Supervisory Committee Members shall be from the time of closing of the ordinary general meeting of shareholders concerning the fiscal year ended March 31, 2024 to the time of closing of the ordinary general meeting of shareholders concerning the fiscal year ended March 31, 2026.

2) External Directors

Number of External Directors:	11 persons (including 4 independent External Directors who are Audit and Supervisory Committee Members)
Number of independent officers under the rule of financial instruments exchange such as Tokyo Stock Exchange on which the company is listed:	11 persons

Mr. Masami Iijima served as Representative Director, President, and CEO of Mitsui & Co., Ltd, where he oversaw global management of the company. He then focused on supervising management and enhancing the effectiveness of the BOD as the Representative Director, Chairman of the BOD, and Chair of the Board meeting of the company. Through his career, he has gained extensive experience in various fields including corporate governance and risk management. Since June 2021, he has been involved in the management of the Company as an External Director who is an ASC Member, and since June 2022, as an External Director who is not an ASC Member. He has also served as the chair of the BOD meeting since June 2022, facilitating the BOD meetings as well as leading the discussions in the External Director meetings. As an External Director, he has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He attended eight of the eight BOD meetings held in the fiscal year 2024. His ownership of the Company's shares is immaterial (as of June 2025), and there are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Mr. Ian Clark served as an External Director of Shire, and based on such experience, has a deep expertise in the company's portfolio and its related therapeutic areas. He has also served in several key positions at global healthcare companies in Europe and Canada. He has gained deep insights through such extensive experience in the management of global healthcare business. He especially has remarkable expertise in oncology marketing and managing the biotechnology division of healthcare companies. Since January 2019, he has been involved in the management of the Company as an External Director. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He attended eight of the eight BOD meetings held in the fiscal year 2024. There are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Dr. Steven Gillis served as an External Director of Shire, and based on such experience, has deep expertise in the company's portfolio and its related therapeutic areas. He has a Ph.D. in biology and has served in several key positions at global healthcare companies in the U.S. and Europe. He also has extensive experience in global healthcare business management and especially has significant expertise in immune-related healthcare business. Since 2019, he has been involved in the management of the Company as an External Director. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He attended eight of the eight BOD meetings held in the fiscal year 2024. There are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Ms. Emiko Higashi has experience in various key positions, including experience as CEO of investment funds mainly in the U.S., as well as experience in investment funds specializing in healthcare and technology. She has advanced knowledge and extensive experience in the areas of finance and accounting and financial industry, healthcare industry and data and technology. She has been involved in the management of the Company as an External Director who is not an ASC Member since June 2016, as an External Director who is an ASC Member since June 2019 and as an External Director who is not an ASC Member since June 2024. She has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. She attended eight of the eight BOD meetings held in the fiscal year 2024. Her ownership of the Cpmany's shares is immaterial (as of June 2025) and there are no personnel, capital, business or other special relationships between her and the Company. The Company deemed that she is highly independent and designated her as an Independent Director of the Company because she has no conflict risk with the interests of the Company's general shareholders in executing her duties as an External Director.

Dr. John Maraganore has a wide experience in the pharmaceutical industry for more than 30 years. He served as the Director and CEO of Alnylam Pharmaceuticals for around 20 years. Prior to that, he served as an officer and a member of the management team at Millennium Pharmaceuticals. Since June 2022, he has been involved in the management of the Company as an External Director. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He attended eight of the eight BOD meetings held in the fiscal year 2024. There are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Mr. Michel Orsinger has served in several key positions at global healthcare companies in the U.S. and Europe. He has gained deep insights from extensive experience in global healthcare business management. He has been involved in the management of the Company as an External Director who is not an ASC Member since June 2016, as an External Director who is an ASC Member since June 2019 and as an External Director who is not an ASC Member since June 2022. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He attended eight of the eight BOD meetings held in the fiscal year 2024. There are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Ms. Miki Tsusaka has exceptional leadership skills and wide expertise in global business & strategy, data & digital, and deep insights in driving innovation and creating value by technology utilization. Having worked with companies across Asia, Europe, and North America, she has deep knowledge and a wide variety of experience working in a global environment across various industries. Since June 2023, she has been involved in the management of the Company as an External Director. She has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. She attended eight of the eight BOD meetings held after her appointment in fiscal year 2024. There are no personnel, capital, business or other special relationships between her and the Company. The Company deemed that she is highly independent and designated her as an Independent Director of the Company because she has no conflict risk with the interests of the Company's general shareholders in executing her duties as an External Director.

Mr. Koji Hatsukawa has extensive experience and expertise in the areas of corporate finance and accounting as a certified public accountant. He has also held top management positions, including serving as representative and CEO of an auditing firm. Since June 2016, he has been involved in the management of the Company as an External Director who is an ASC Member, and since June 2019, he has been serving as the head of the ASC. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He has also contributed to the realization of the ASC's vision of ensuring sound and continuous growth of the Company, creating mid- and long-term corporate value, and establishing a good corporate governance system that will accommodate society's trust, through audit and supervision. He attended eight of the eight meetings of the Board of Directors held in the fiscal year 2024. His ownership of the Company's shares is immaterial (as of June 2025), and there are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Mr. Jean-Luc Butel has served in several key positions at global healthcare companies in the U.S., Europe, and Asia. Based on such extensive experience in global healthcare business management, he has deep insights in healthcare business management. He has been involved in the management of the Company as an External Director who is an ASC Member since June 2016, as an External Director who is not an ASC Member since June 2019 and as an External Director who is an ASC Member since June 2024. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He has also contributed to the realization of the ASC's vision of ensuring sound and continuous growth of the Company, creating mid- and long-term corporate value, and establishing a good corporate governance system that will accommodate society's trust, through audit and supervision. He attended eight of the eight BOD meetings held in the fiscal year 2024. There are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Mr. Yoshiaki Fujimori has served in several key positions, such as CEO at a global U.S. company and its Japanese subsidiary, as well as at a Japanese company that spearheaded global expansion ahead of other companies. Through his career, he has gained deep insights from extensive experiences in global management of such healthcare companies. Since June 2016, he has been involved in the management of the Company as an External Director who is not an ASC Member since, and since June 2022, as an External Director who is an ASC Member. He has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. He has also contributed to the realization of the ASC's vision of ensuring sound and continuous growth of the Company, creating mid- and long-term corporate value, and establishing a good corporate governance system that will accommodate society's trust, through audit and supervision. He attended eight of the eight BOD meetings held in the fiscal year 2024. His ownership of the Company's shares is immaterial (as of June 2025), and there are no personnel, capital, business or other special relationships between him and the Company. The Company deemed that he is highly independent and designated him as an Independent Director of the Company because he has no conflict risk with the interests of the Company's general shareholders in executing his duties as an External Director.

Ms. Kimberly A. Reed was the first woman to serve as Chairman of the Board of Directors, President, and CEO of the Export-Import Bank of the United States (EXIM), —the nation's official export credit agency—where she helped companies succeed in the competitive global marketplace. She has extensive domestic and international experience in the field, having held pivotal positions at the International Foundation and Community Development Financial Institutions Fund in the U.S., and having served as a Senior Advisor of the U.S. Government and Counsel with U.S. Congressional Committees. Through her career, she has gained substantial leadership experience and wide expertise in the area of global business, legal, and public policy, finance and accounting. Since June 2022, she has been involved in the management of the Company as an External Director who is an ASC Member. She has actively participated in the BOD meetings and contributed to ensuring fair and appropriate decision-making and sound management of business activities of the Company. She has also contributed to the realization of the

ASC's vision of ensuring sound and continuous growth of the Company, creating mid- and long-term corporate value, and establishing a good corporate governance system that will accommodate society's trust, through audit and supervision. She attended eight of the eight BOD meetings held in the fiscal year 2024. There are no personnel, capital, business or other special relationships between her and the Company. The Company deemed that she is highly independent and designated her as an Independent Director of the Company because she has no conflict risk with the interests of the Company's general shareholders in executing her duties as an External Director.

- Supporting System for External Directors

The Company provides, in a timely manner, relevant information about important management-related matters to External Directors to help them make informed decisions. The agenda of the Board of Directors meetings are shared in advance. Explanations of the summary of topics to be discussed at board meetings are also provided in advance. The BOD & CEO Office is responsible for the coordination with External Directors who are not Audit and Supervisory Committee Members. The Audit and Supervisory Committee Office is responsible for supporting the operation of External Directors who are Audit and Supervisory Committee Members. They serve as the secretariat for the Audit and Supervisory Committee, and shares the necessary information for auditing and other duties at the Audit and Supervisory Committee.

(3) Status of Auditing

1) Audit and Supervisory Committee

1. Organization, Members and Procedures

For the organization, members and procedures of the Audit and Supervisory Committee, refer to (1) Corporate Governance, 2. Organizational Composition and Operation [Audit and Supervisory Committee] and (2) Members of the Board of Directors, 1) List of the Board of Directors and (2) External Directors.

2. Activities of the Audit and Supervisory Committee and Its Members

The Takeda Group held the Audit and Supervisory Committee meetings 8 times (the length per meeting was approximately 3 hours) in the fiscal year ended March 31, 2025. The table below shows the attendance by each Audit and Supervisory Committee member:

Type	Name	Attendance at the Audit and Supervisory Committee
External Audit and Supervisory Committee member	Koji Hatsukawa	8 out of 8 meetings (100%)
External Audit and Supervisory Committee member	Jean-Luc Butel	8 out of 8 meetings (100%)
External Audit and Supervisory Committee member	Yoshiaki Fujimori	8 out of 8 meetings (100%)
External Audit and Supervisory Committee member	Kimberly A. Reed	8 out of 8 meetings (100%)

In the current fiscal year, the Audit and Supervisory Committee primarily considered and discussed the audit policy and plan, directors' performance of duties, the design and operating effectiveness of the internal control system, the audit approach of the Accounting Auditors and the appropriateness of their audits based on the information acquired through the following activities, and made proposals to directors and executive departments as necessary.

Audit activities

(1) Directors' performance of duties	Attending the Board of Directors meetings
	Exchanging opinions with the President and CEO
	Attending significant meetings (e.g., Business & Sustainability Committee)
	Inspecting and reviewing significant materials/documents (e.g., agendas and minutes of significant meetings)
(2) Internal control system	Exchanging opinions with the executives including TET members
	Approval of the internal audit plan, receipt of the audit results by and exchanging opinions with the Group Internal Audit
	Receipt of the reports on control status from and exchanging opinions with the internal control promoting departments (e.g., the Global Ethics & Compliance Division)
(3) Accounting Auditors	Receiving explanations on an audit plan and reports on interim review results, the status of audits performed and audit results (including internal control audit), and subsequent discussions thereof.
	Discussion of Key Audit Matters (KAM / CAM)
	Conducting the assessment of Accounting Auditors

2) Internal Audit

For the organization, members and procedures of the internal audit function, see (1) Corporate Governance 3) Business Execution, [Internal Audit] and (1) Corporate Governance 3) Business Execution, [Basic Views on the Internal Control System and the Progress of System Development] (i) Systems to ensure the appropriateness of operations in the Takeda Group. With respect to cooperation among internal audit, audit by Audit and Supervisory Committee and accounting audit, refer to (1) Corporate Governance, 2) Organizational Composition and Operation, [Audit and Supervisory Committee].

3) Accounting Audit

1. Name of Audit Firm
   KPMG AZSA LLC
2. Consecutive auditing period
   18 years
3. Certified Public Accountants who performed Accounting Audit
   Mr. Mr. Kotetsu Nonaka (consecutive auditing period: 7 years), Masahiko Chino (consecutive auditing period: 3 years) and Mr. Hiroaki Namba (consecutive auditing period: 5 years)
4. Composition of other members who supported Accounting Audit
   26 certified public accountants and 87 other individuals.
5. Policy and reasons on the appointment of Accounting Auditor
   The Audit and Supervisory Committee appoints KPMG AZSA LLC as its Accounting Auditor based on the criteria we established for the appointment that enable us to comprehensively consider the Accounting Auditor's expertise, audit quality, independence, audit capabilities for the Company's worldwide business operations, quality control systems and other factors.

   In addition, if the Accounting Auditor is determined to fall under any of the events prescribed in each item of Article 340, Paragraph 1 of the Companies Act, or if an event which has a material adverse effect on the audit procedures of the Company occurs, including, but not limited to, the case in which such Accounting Auditor's auditing license is suspended, the Accounting Auditor shall be dismissed by the Audit and Supervisory Committee based on the approval of all members thereof. The Audit and Supervisory Committee also determines whether to reappoint the Accounting Auditor considering audit quality, quality control systems, independence and other factors.
6. Assessment of the Accounting Auditor by the Audit and Supervisory Committee
   The Audit and Supervisory Committee has determined the assessment criteria based on the practical guidance for Audit & Supervisory Committee members in assessing its Accounting Auditor and developing its assessment criteria issued by Japan Audit & Supervisory Board Members Association and assessed the expertise, audit quality, independence, and other factors of KPMG AZSA LLC annually based on the criteria.

4) Details of audit fees and other matters

1. Details of fees paid to the certified public accountant auditor

(JPY millions)

	For the Fiscal Year ended March 31, 2024		For the Fiscal Year ended March 31, 2025	
Classification	**Fees for Audit and Attestation Services**	**Fees for Non-Audit Services**	**Fees for Audit and Attestation Services**	**Fees for Non-Audit Services**
The Company	¥ 2,599	¥ 15	¥ 2,382	¥ 50
Consolidated subsidiaries	—	—	—	—
Total	¥ 2,599	¥ 15	¥ 2,382	¥ 50

Fees for non-audit service for the fiscal year ended March 31, 2024 were for services for consent letter regarding the issuance of Form S-8.
Fees for non-audit service for the fiscal year ended March 31, 2025 were for services for comfort letters regarding the issuance of bonds.

2. Details of fees paid to member firms of the KPMG network (excluding fees paid to the certified public accountant auditor)

(JPY millions)

	For the Fiscal Year ended March 31, 2024		For the Fiscal Year ended March 31, 2025	
Classification	**Fees for Audit and Attestation Services**	**Fees for Non-Audit Services**	**Fees for Audit and Attestation Services**	**Fees for Non-Audit Services**
The Company	¥ —	¥ 201	¥ —	¥ 133
Consolidated subsidiaries	1,114	38	1,189	23
Total	¥ 1,114	¥ 239	¥ 1,189	¥ 156

Fees for non-audit services of the Company for the fiscal year ended March 31, 2024 include mainly services related to non-financial information, and for the fiscal year ended March 31, 2025 include limited assurance on certain sustainability information.
Fees for non-audit services of the consolidated subsidiaries for the fiscal years ended March 31, 2024 and 2025 include mainly assurance services based on the local laws and regulations to member firms of the KPMG network, to which the Company's certified public accountant auditor, KPMG AZSA LLC, belongs.

3. Details of other significant fees for audit and attestation services
No significant fees for audit and attestation services were provided for the fiscal years ended March 31, 2023 and 2024.

4. Policy for determining audit fees
Audit fees are determined upon approval of the Audit and Supervisory Committee, taking into account the estimated number of hours required for auditing based on the execution of duties by the auditors required for auditing and other factors. In addition, the Audit and Supervisory Committee gives an approval upon confirmation of the independence of the certified public accountant auditor prior to the certified public accountant auditor providing services to the Company and its subsidiaries.

5. The rationale for the Audit and Supervisory Committee agreement with accounting auditor's fee
The Audit and Supervisory Committee confirms and examines the auditing plan of the Accounting Auditor, the implementation status of auditing by Accounting Auditor and the rationale for calculating the estimated remuneration. As a result of such confirmation and examination, the Audit and Supervisory Committee agreed on the remuneration, etc. of the Accounting Auditor pursuant to Article 399, Paragraph 1 of the Companies Act.

(4) Remuneration for Directors

1) Policies concerning the calculation method of or the amount of compensation for directors of the Company

The Company has formulated the Compensation Policy for Directors and based on the policies and decision-making processes described therein, the composition and level of compensation for directors are determined.

The resolutions of the general shareholders meetings regarding director compensation and the dates of the resolutions are as follows:

(a) Remuneration for Directors who are not Audit & Supervisory Committee Members

(i) Regarding basic compensation, the total per month is no more than JPY 150 million (no more than JPY 30 million per month of the total is to be paid to External Directors) (based on a resolution made at the 140th Ordinary General Meeting of Shareholders held on June 29, 2016. Eleven (11) directors were eligible (including six (6) external directors)).

(ii) Regarding directors' bonuses for fiscal year 2024 company performance results, the proposal "Payment of Bonuses to Directors who are not Audit & Supervisory Committee Members" was approved as proposed at the 149th General Meeting of Shareholders held on June 25, 2025. Accordingly, bonuses for 2 Directors for this fiscal year will be paid within the upper limit of JPY 460 million as set forth in this proposal.

(iii) The stock compensation (Performance Share Unit awards and Restricted Stock Unit awards) is based on the resolution of the 143rd Ordinary General Meeting of Shareholders held on June 27, 2019. The upper limit on the monetary value of stock compensation and the number of the shares to be granted are as follows:

a. Stock compensation granted to Internal Directors (excluding Directors residing outside of Japan) (Three (3) directors were eligible at the time of resolution)

Upper limit of JPY 4.5 billion per year for three consecutive fiscal years (the upper limit on the number of shares to be granted is calculated by dividing the above-mentioned upper limit by the closing price of stock of the Company on the Tokyo Stock Exchange on a predetermined day each fiscal year)

b. Stock compensation granted to External Directors (Eight (8) directors were eligible at the time of resolution)
Upper limit of JPY 0.3 billion for each fiscal year (the upper limit on the number of stocks to be granted is calculated by dividing the above-mentioned upper limit by the closing price of stocks of the Company at the Tokyo Stock Exchange on a predetermined day each fiscal year)

(b) Remuneration for Directors who are Audit & Supervisory Committee Members

(i) The basic compensation is a fixed amount depending on the position, and the total per month is no more than JPY 15 million (based on a resolution of the 140th Ordinary General Meeting of Shareholders held on June 29, 2016). (Four (4) directors were eligible at the time of resolution)

(ii) The stock compensation (Restricted Stock Unit awards) is based on a resolution made at the 143rd Ordinary General Meeting of Shareholders held on June 27, 2019, for which no more than JPY 200 million will be allocated for each fiscal year. The upper limit on the number of shares to be granted is calculated by dividing the above-mentioned upper limit by the closing price of stocks of the Company at the Tokyo Stock Exchange on a predetermined day each fiscal year. (Four (4) directors were eligible at the time of resolution)

The Board of Directors has the authority to decide the amount of or any specific policy on the calculation method to determine the compensation of Directors who are not Audit & Supervisory Committee Members. The Audit & Supervisory Committee has the authority to decide the amount of, or any specific policy on the calculation method to determine, the compensation, of Directors who are Audit & Supervisory Committee Members.

The Compensation Committee has been established with all the Committee members being External Directors, to serve as an advisory body for the Board of Directors to ensure the appropriateness of Directors' Compensation and the transparency in its decision-making process. The level of compensation, compensation mix and performance-based compensation (Long-term Incentives and Bonus programs) for Directors are reviewed by the Compensation Committee before resolution by the Board of Directors.

The determination of the amount of individual compensation for Internal Directors who are not Audit & Supervisory Committee Members (Since there are no Internal Directors who are Audit & Supervisory Committee Members in the Company, they are referred to as "Internal Directors" hereinafter from page in "(4) Remunerations for Directors") has been delegated to the Compensation Committee by resolution of the Board of Directors in order to ensure the objectivity and transparency of the process of determining individual compensation. Regarding activities in fiscal year 2024, the Compensation Committee held five meetings. During fiscal year 2024, with advice from independent external compensation consultants, the committee continued its focus on evolving the executive compensation framework to reflect that of a patient-focused, values-based, R&D-driven global biopharmaceutical company. Within this context, the committee reviewed and discussed

the goals and results of performance-linked compensation, the alignment of the compensation policy to the achievement of the Company's medium- and long-term plans and to the business environment, the amount of compensation for directors, the appropriate Corporate KPIs for STI (Short Term Incentive) and Performance Share Unit awards and the public disclosure of compensation, and the committee further provided guidance to the Board of Directors. With the advice of the Compensation Committee, the Board of Directors determines the compensation of External Directors who are not Audit & Supervisory Committee members.

<FY2024 Compensation Committee members>

Chairperson: Emiko Higashi (External Director)

Members: John Maraganore (External Director), Michel Orsinger (External Director) and Kimberly A. Reed (External Director, Audit & Supervisory Committee member)

The compensation of Directors consists of both "Performance-based Compensation" and "non-Performance-based Compensation". The composition and level of compensation for directors is determined based on the policies and decision-making processes described in the Company's Compensation Policy for Directors which is outlined later in this section. As part of the enhancements to our compensation framework, the Company set the proportion of Performance Share Unit awards as 60% of our long-term incentive mix for Internal Directors.

Internal Directors may be eligible for an annual bonus (STI). Bonuses may be paid with the aim of driving the achievement of annual goals. As the FY2024 Corporate KPIs for internal director bonuses, the Company set Total Core Revenue, Growth and Launch Products Incremental Core Revenue and Total Core Operating Profit as the annual indicators, and the Board of Directors set target values in order to facilitate the achievement of the management guidance with review and advice from the Compensation Committee.

Additionally, Division KPIs have been set for individual divisions depending on the roles and responsibilities of internal directors, with the exception of the CEO. For example, Division KPIs of sales divisions include revenues and Division KPIs of the research divisions include R&D goals. The goals for each Division KPI have been set based on the divisional annual plans with the aim of achieving group- wide annual targets.

For the FY 2024 President and CEO, the annual bonus was weighted as 100% to the achievement of the specified Corporate KPI(s). For other Internal Directors that have divisional responsibilities, 75% of their annual bonus opportunity was linked to the achievement of the specified Corporate KPI(s) to drive their commitment to group-wide goals, while 25% was linked to the achievement of the division KPI.

The annual bonus (Short-Term Incentive Plan (STI)) cash payout is calculated as follows:

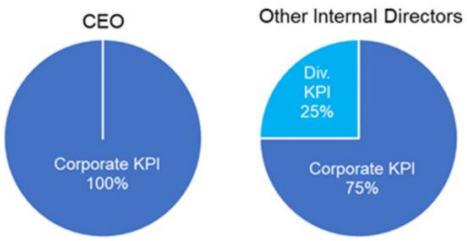
Annual STI Payout Calculation for CEO						
Base Salary	×	STI Target %	×	STI Payout Multiple (based on Corporate KPI performance)	=	STI Payout

Annual STI Payout Calculation for Internal Directors (other than CEO)						
Base Salary	×	STI Target %	×	STI Payout Multiple (based on 75% Corporate KPI performance + 25% Division KPI performance))	=	STI Payout

The STI Target range is from 100% to 250% of Base Salary for "Bonuses" and reflects the market practices of global companies.

For FY2024, the STI target % was set at 150% of base salary for CEO, and at 100% and 110% of base salary for other Internal Directors (CFO and President, Research & Development), respectively. The STI amounts earned by individual Directors reflect their consolidated compensation, including the amount earned from the subsidiary companies, if applicable.

STI Payout Multiple (STI payout rate based on KPI performance) used for annual Bonuses varies from 0% to 200% in accordance with the achievement of KPIs, which may include top line revenues and indicators on profit, and other performance factors established for a single fiscal year. Payout Scores for specific Corporate KPIs are calculated and determined based on pre-established performance and payout ranges.



(Reference) Management Guidance

Fiscal Year 2024	Core Change at CER
Core Revenue	Low-single digit % increase
Core Operating Profit	Low-single digit % increase
Core EPS	Flat to slightly declining

The targets and the results of Corporate KPIs related to STI for FY2024 are as follows:

KPI	Rationale	Weight (A)	Target	Result	Performance Achievement (% of Target)	Payout Score (B)	Weighted Payout Score (A) x (B)
Total Core Revenue*	• Key indicator of growth, including pipeline delivery • Important measure of success within the industry	45 %	JPY 4,231.0 billion	JPY 4,389.2 billion	103.7 %	174.8 %	78.7 %
Growth and Launch Products Incremental Core Revenue	• Growth Products : Emphasis on subset of revenue that is a key driver of future revenue growth • Launch Products: Key indicator of driving pipeline growth and commercial revenue success	15 %	JPY 309.9 billion	JPY 272.2 billion	87.9 %	63.6 %	9.5 %
Total Core Operating Profit	• Measure of margin achievement while ensuring expense discipline • Reflects synergy capture • Communicated to shareholders as a key measure of Takeda success	40 %	JPY 992.9 billion	JPY 1,176.3 billion	118.5 %	200.0 %	80.0 %
Corporate KPI Payout Multiple based on Pre-established STI Targets							168.2 %
Adjustment of VYVANSE Overachievement							(19.1) % points
Final Corporate KPI Payout Multiple after Adjustment							149.1 %

Notes:

* The payout score was reduced by an adjustment made to remove the effect of hyperinflation in certain countries.

The FY2024 STI targets were established at the beginning of the performance period and were based on the annual operating plan. Based on assessments and the data available at the time, the plan anticipated the continued generic erosion of sales of VYVANSE (for attention deficit hyperactivity disorder (“ADHD”)) in the U.S., which began following loss of exclusivity in August 2023. However, the pace of generic erosion has been slower than anticipated due to various factors, including unanticipated generic supply constraints, and the Company has responded with significant efforts to continue to supply VYVANSE to meet patient needs. As a result, the Company achieved larger than expected revenue and operating profit from VYVANSE versus the plan. The Corporate KPI STI Payout Multiple based on performance achievement was 168.2%. However, management recommended that the Corporate KPI STI Payout Multiple be calculated moderating the impact of the VYVANSE overachievement. The Compensation Committee reviewed the circumstances, including the external factors beyond management’s control as well as the internal efforts to ensure product supply and operational execution to meet higher patient demand that contributed to VYVANSE’s performance and the impact of reinvestment of the additional VYVANSE revenues. The Committee determined that a payout multiple reflecting half of the actual VYVANSE overachievement versus target was a fair and balanced approach given these factors. As a result, the Compensation Committee exercised its discretion to reduce the payout multiple by 19.1% points and approved the adjusted Corporate KPI STI Payout Multiple of 149.1%.

Division KPIs related to annual bonuses for Internal Directors (other than the CEO) are set according to each division's specific business and organizational goals which can clearly represent each division's performance. The performance scores have also exceeded 100%. Please refer to “(d) Certain Supplemental Non-IFRS Measures as Defined and Presented by Takeda” of “II. Operating and Financial Review and Prospects 4. Management's Analysis of Financial Position, Operating Results and Cash Flows” for definition of Core financial measures.

A Long-term Incentive Plan that allocated 60% for the plan designed based on Performance Share Units (Performance Share Unit awards) and 40% for the plan designed based on Restricted Stock Units (Restricted Stock Unit awards) is in place for Internal Directors to strengthen the link between compensation, company performance and share price, and to reinforce the commitment to increasing corporate value in the mid- and long-term. Regarding Performance Share Unit (PSU) awards, which represent 60% of the standard points allocated to each Internal Director as part of the Long-Term Incentives Plan, the number of PSUs earned and granted to Internal Directors is calculated as follows:

Target PSU Awards (Standard Points (Target Number of Units))	×	PSU Payout Multiple (based on KPI performance)	=	PSUs earned

The PSU payout multiple ranges from 0% to 200%, based on performance of KPIs, such as top line revenues, cash flow, indicators on profit, R&D metrics, and other performance factors over a three-year performance period.

The number of shares to be vested to Internal Directors based on the PSUs earned according to the achievement of company performance objectives are determined as one share per one unit. After a certain period after grant, 50% of the PSUs earned are vested as stock and the remaining are paid in cash.

KPIs used for the PSU awards granted in 2024 which will be vested in 2027, were Total 3-year Accumulated Core Revenue, Total 3-year Accumulated Core Operating Profit, and R&D Approvals, Pivotal Study Start, and other key events.

The targets and the results of KPIs related to PSU awards from FY2022-2024 are as follows:

KPI[1]	Weight (A)	Target	Result	Performance Achievement (% of Target)	Payout Score (B)	Weighted Payout Score (A)x(B)
3-year Accumulated Core Revenue[2]	25 %	JPY 12,097.6 billion	JPY 12,126.9 billion	100.2 %	104.8 %	26.2 %
3-year Accumulated Core Operating Profit Margin	25 %	30.0 %	27.8 %	92.7 %	63.7 %	15.9 %
3-year Accumulated Free Cash Flow[3]	25 %	JPY 1,969.0 billion	JPY 2,038.0 billion	103.5 %	123.4 %	30.8 %
R&D Pivotal Study Start and Approvals	25 %			127.6 %	143.3 %	35.8 %
PSU Payout Multiple (Before 3-Year Relative TSR Modifier)						108.8 %
3-year Relative TSR	Modifier +/-20% points					10% points
PSU Payout Multiple						118.8 %

Notes:

(1) Each KPI has been set in order to align the long-term strategy with shareholder returns, while also promoting the retention of critical global executive talent.

(2) The payout score was reduced by an adjustment made to remove the effect of hyperinflation in certain countries.

(3) Free cash flows excluding upfront payment related to the acquisition of TAK-279 were used for FY2022, FY2023 and FY2024 to exclude the impact of a significant one-time event which was not predicted in the initial target from a consistent performance evaluation standpoint.

FY2022-2024 Target PSU awards were 207,502 units (standard points) for CEO under BIP and 11,972 units (standard points) for CFO under ESOP, respectively. In addition, FY2022-2024 Target PSU awards for President, Research & Development was 171,398 units (to be settled in ADS) under the LTIP for Company Group Employees Overseas. The PSUs earned by individual Directors reflect their consolidated compensation, including the amount earned from the subsidiary companies, if applicable.

With respect to Restricted Stock Unit awards as part of the Long-Term Incentives Plan, based on the standard points determined according to the Director's professional duties and responsibility, regardless of company performance, the share conversion units are calculated by multiplying the percentage for each Director below and are granted to the Directors.

The number of shares to be vested to each Director is one share per one unit.

Directors	Percentage of RSU awards in Total LTI
Internal Directors	40%
External Directors who are not Audit and Supervisory Committee Members	100%
Directors who are Audit and Supervisory Committee Members	100%

Regarding the number of share conversion units to be vested in a certain period after the grant for Internal Directors, and 3 years after the grant of standard points for External Directors who are not Audit & Supervisory Committee Members and Directors who are Audit & Supervisory Committee Members, 50% of the share conversion units are vested as stock and the remaining are paid in cash.

2) Total remuneration paid to Directors of the Company and the number of subject Directors (by job title and remuneration type)

Director title	Total remuneration JPY (millions)	Total remuneration amount by remuneration type JPY (millions)					Number of subject directors
		Basic compensation	Performance-based compensation		Non-monetary remuneration	Other [5]	
			Annual bonus [3]	Performance Share Unit awards [4]	Restricted Stock Unit awards		
Directors (excluding Audit and Supervisory Committee members) (excluding External Directors) [1]	¥ 2,142	¥ 414	¥ 453	¥ 756	¥ 519	¥ —	4
Directors (Audit and Supervisory Committee members) (excluding External Directors) [2]	—	—	—	—	—	—	—
External Directors	545	232	—	—	215	98	12

Notes:

(1) These amounts do not include salaries and bonuses that Directors, who also work as employees, receive for the employee portion of their compensation. In addition, these amounts do not include remuneration that Directors who also serve or work as directors or employees of consolidated subsidiaries, receive from them.

(2) Directors who are Audit & Supervisory Committee Members are all External Directors.

(3) The final amount of annual bonus is stated.

(4) Although Performance Share Unit awards are categorized as both Performance-based Compensation and Non-monetary Remuneration, Performance Share Unit awards are reported as Performance-based Compensation.

(5) The total amount of 98 million yen were paid to 8 External Directors residing outside of Japan to account for the impact of foreign exchange rates on compensation.

(6) In addition to the above, expenses of Performance Share Unit awards and Restricted Stock Unit awards for 1 Director who was not an ASC Member and retired by the end of the previous fiscal year were recognized as JPY 26 million and JPY 9 million respectively in the fiscal year.

3) Total remuneration (on a consolidated basis) paid to Internal Directors of the Company (by director)

Name (Director title)	Total amount of remuneration on a consolidated basis JPY (millions)	Company paying remuneration	Remuneration amount by remuneration type JPY (millions)				
			Basic compensation	Performance-based compensation		Non-monetary remuneration	Other
				Annual bonus	Performance Share Unit awards[1][2]	Restricted Stock Unit awards[1]	
Christophe Weber (Director)	¥ 2,160	Takeda Pharmaceutical Company Limited	¥ 255[4]	¥ 309	¥ 574[5]	¥ 401[5]	¥ —
		Takeda Pharmaceuticals U.S.A., Inc.[3]	82	184	183[6]	173[6]	—
Andrew S. Plump (Director)	1,195	Takeda Pharmaceutical Company Limited	12	—	—	—	—
		Takeda Development Center Americas, Inc.[7]	190	323	351[8]	270[8]	49[9]
Milano Furuta (Director)	303	Takeda Pharmaceutical Company Limited[10]	88[11]	144	31[12]	39[12]	—
Costa Saroukos (Director)[13]	289	Takeda Pharmaceutical Company Limited	59[14]	—	151[15]	79[15]	—

Notes:

(1) Compensation expense related to Performance Share Unit awards and Restricted Stock Unit awards are recognized over multiple fiscal years, depending on the length of the period eligible for earning compensation. This column shows amounts recognized as expenses during the fiscal year ended March 31, 2025.

(2) Although Performance Share Unit awards are categorized as both Performance-based compensation and Non-monetary compensation, Performance Share Unit awards are reported as Performance-based compensation.

(3) Shows the salary and annual bonus earned as Head of Global Business of Takeda Pharmaceuticals U.S.A., Inc.
(4) Basic compensation includes the grossed-up amount paid for residence and pension allowances etc. for the relevant officer (JPY 117 million).
(5) The amount recognized as an expense during the fiscal year for the stock incentive plan (Board Incentive Plan) grants awarded in fiscal years 2021-2024.
(6) The amount recognized as an expense during the fiscal year for the stock incentive plan (the Long-Term Incentive Plan for Company Group Employees Overseas (LTIP)) grants awarded in fiscal years 2023-2024.
(7) Shows the salary and other amounts earned as the President, Research and Development of Takeda Development Center Americas, Inc.
(8) The amount recognized as an expense during the fiscal year for the stock incentive plan (the Long-Term Incentive Plan for Company Group Employees Overseas (LTIP)) grants awarded in fiscal years 2021-2024.
(9) Amounts of local retirement plan contributions and other additional benefits paid by Takeda Development Center Americas, Inc. during the fiscal year, as well as the amount equal to taxes on such amounts.
(10) Compensation granted to or earned by Milano Furuta before appointment as a Director is not included.
(11) Basic compensation includes the amount paid for pension allowance etc. for the relevant officer. (JPY 5 million)
(12) The amount recognized as an expense during the fiscal year for the stock incentive plan (Board Incentive Plan) grants awarded in fiscal year 2024.
(13) Costa Saroukos retired at the close of 148th General Meeting of Shareholders held on June 26, 2024.
(14) Basic compensation includes the grossed-up amount paid for residence, pension allowances, and educational allowances etc. for the relevant officer. (JPY 25 million).
(15) The amount recognized as an expense during the fiscal year for the stock incentive plan (Board Incentive Plan) grants awarded in fiscal years 2021-2023.
(16) In addition to the above, expenses of Performance Share Unit awards and Restricted Stock Unit awards under the stock incentive plan (Board Incentive Plan) grants awarded in fiscal years 2021-2022 for Masato Iwasaki, who retired at the close of 147th General Meeting of Shareholders held on June 28, 2023, were recognized as JPY 26 million and JPY 9 million respectively during the fiscal year.

4) Total remuneration (on a consolidated basis) paid to External Directors of the Company (by director)

Name (Director title)	Total amount of remuneration on a consolidated basis JPY (millions)	Company paying remuneration	Remuneration amount by remuneration type JPY (millions)				
			Basic compensation	Performance-based compensation		Non-monetary remuneration	
				Annual bonus	Performance Share Unit awards	Restricted Stock Unit awards[1]	Other[2]
Masami Iijima (Director)	¥ 43	Takeda Pharmaceutical Company Limited	¥ 24	¥ —	¥ —	¥ 19	¥ —
Ian Clark (Director)	50	Takeda Pharmaceutical Company Limited	19	—	—	19	11
Steven Gillis (Director)	50	Takeda Pharmaceutical Company Limited	19	—	—	19	11
Emiko Higashi (Director)	51	Takeda Pharmaceutical Company Limited	22	—	—	19	9
John Maraganore (Director)	43	Takeda Pharmaceutical Company Limited	19	—	—	19	5
Michel Orsinger (Director)	53	Takeda Pharmaceutical Company Limited	19	—	—	19	15
Miki Tsusaka (Director)	38	Takeda Pharmaceutical Company Limited	19	—	—	19	—
Koji Hatsukawa (Director who is an Audit and Supervisory Committee Member)	43	Takeda Pharmaceutical Company Limited	23	—	—	19	—
Jean-Luc Butel (Director who is an Audit and Supervisory Committee Member)	51	Takeda Pharmaceutical Company Limited	21	—	—	19	11
Yoshiaki Fujimori (Director who is an Audit and Supervisory Committee Member)	40	Takeda Pharmaceutical Company Limited	21	—	—	19	—
Kimberly A. Reed (Director who is an Audit and Supervisory Committee Member)	46	Takeda Pharmaceutical Company Limited	21	—	—	19	5
Olivier Bohuon[3] (Director)	37	Takeda Pharmaceutical Company Limited	3	—	—	3	30

Notes:

(1) Compensation expense related to Restricted Stock Unit awards are recognized over multiple fiscal years, depending on the length of the period eligible for earning compensation. This column shows amounts recognized as expenses during the fiscal year ended March 31, 2025.
(2) The amounts represent expenses for adjustments on compensation, paid to External Directors residing outside of Japan, to account for the impact of foreign exchange rates.
(3) Olivier Bohuon passed away on May 5, 2024 and his term as director terminated on the same date.

5) Employee Portion or Consolidated Subsidiaries' Portion of Internal Director Remuneration and Number of Directors

		Total employee remuneration amount by remuneration type JPY (millions)					
			Performance-based compensation		Non-monetary remuneration		
Director title	Total employee remuneration JPY (millions)	Basic compensation	Annual bonus	Performance Share Unit awards	Restricted Stock Unit awards	Other	Number of subject directors
Directors (excluding Audit and Supervisory Committee members) (excluding External Directors)	¥ 1,804	¥ 272	¥ 507	¥ 533	¥ 442	¥ 49	2

Note: The amounts include the salary and other amounts paid to Director Christophe Weber for the role of Head of Global Business of Takeda Pharmaceuticals U.S.A., Inc., and to Director Andy Plump for the role of the President, Research and Development of Takeda Development Center Americas, Inc.

6) Director's Compensation Policy

1. Guiding Principles

The following are the guiding principles of the Company's compensation system for Directors to achieve our management objectives under the corporate governance code:

- To attract, retain and motivate managerial talent to realize our Vision
- To increase corporate value through optimization of the Company's mid- and long-term performance, while reinforcing our patient first values
- To be closely linked with company performance, highly transparent and objective
- To support a strong alignment with the interests of shareholders and enhance a shareholder-oriented management perspective
- To encourage Directors' spirit of challenge aligned with the values of Takeda-ism, perseverance
- To establish transparent and appropriate governance of Directors' compensation to establish the credibility with, and the support of, our stakeholders

2. Level of Compensation

We aim to be competitive in the global marketplace to attract and retain talent who will contribute to Takeda's continued transformation into a Global, Values-based, R&D-driven Biopharmaceutical Leader.

Directors' compensation is intended to be competitive in the global market consisting of major global companies. Specifically, the global market data we monitor includes compensation data from major global pharmaceutical companies with which we compete, and from other major companies in Japan, the U.S. and Switzerland.

3. Compensation Mix

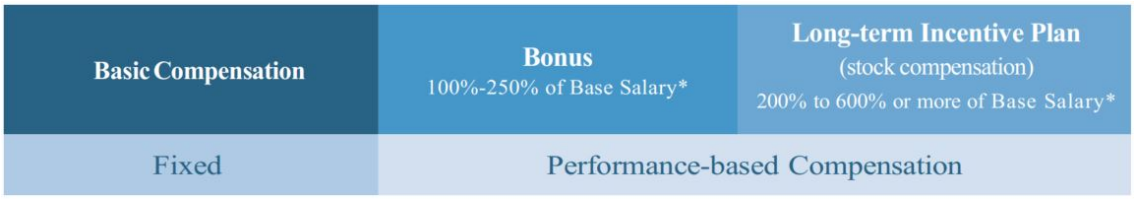
3-1. Internal Directors

The compensation of Internal Directors consists of "Basic Compensation" (Base Salary and other fixed compensation (if applicable)), which is paid at a fixed amount and "Performance-based Compensation", which is paid as a variable amount based on company and other performance factors.

"Performance-based Compensation" consists of an annual "Bonus (short-term incentive compensation)" to be paid based on financial and other performance results for each fiscal year, and a "Long-term Incentive Plan (stock compensation)" linked with long-term company performance results over a 3-year period and with Takeda's share price.

Both Bonus and Long-term incentives represent a significantly higher proportion of Total Director Compensation putting Internal Directors' pay at risk in alignment with the Company's performance. The ratio of Long-term Incentives is particularly high within Performance-based Compensation in order to ensure the alignment of the interests of Internal Directors and shareholders and drive mid-term and long-term company value creation. The targets range from 100%-250% of Base Salary for "Bonus" and range from 200% to 600% of Base Salary for "Long-term Incentive", reflecting the market practices of global companies.

- Standard Compensation Mix Model for Internal Directors



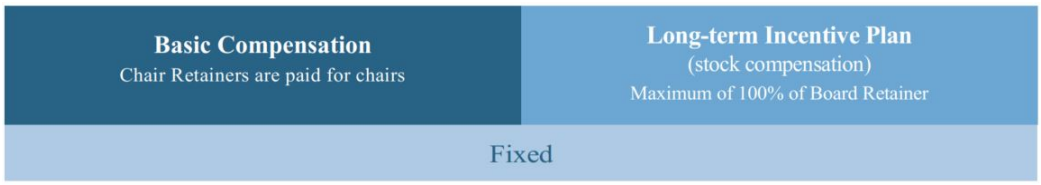
* The ratio of Bonus and Long-term Incentives to Base Salary is determined according to the Internal Director's position.

3-2. External Directors who are not Audit & Supervisory Committee Members

The compensation of External Directors who are not Audit & Supervisory Committee Members consists of Basic Compensation, which is paid as a fixed amount, and Long-term Incentive (stock compensation). As part of the Basic Compensation, Chair Retainers are paid for the chair of the board of directors meeting, chairperson of the Compensation Committee, and chairperson of the Nomination Committee, in addition to the Board Retainer. Bonus is not available for this category of Director.
The current compensation mix is "Basic Compensation" and "Long-term Incentive", which is a maximum of 100% of the Board Retainer.

The compensation of External Directors who are not Audit & Supervisory Committee Members based outside of Japan may be adjusted to account for the impact of foreign exchange rates.

- Standard Compensation Mix Model for External Directors who are not Audit & Supervisory Committee Members



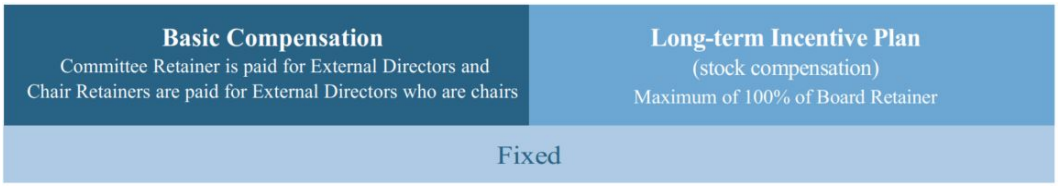
3-3. Directors who are Audit & Supervisory Committee Members

The compensation of Directors who are Audit & Supervisory Committee Members consists of Basic Compensation, which is paid as a fixed amount, and Long-term Incentive (stock compensation). As part of the Basic Compensation, Committee Retainer is paid for External Directors who are Audit & Supervisory Committee Members, and Chair Retainers are also paid for External Directors who are head of the Audit & Supervisory Committee, chairperson of the Compensation Committee, and chairperson of the Nomination Committee, in addition to the Board Retainer. Bonus is not available for this category of Director.

The current compensation mix is "Basic Compensation" and "Long-term Incentive", which is a maximum of 100% of the Board Retainer.

The compensation of External Directors who are Audit & Supervisory Committee Members based outside of Japan may be adjusted to account for the impact of foreign exchange rates.

- Standard Compensation Mix Model for Directors who are Audit & Supervisory Committee Members



4. Performance-based Compensation

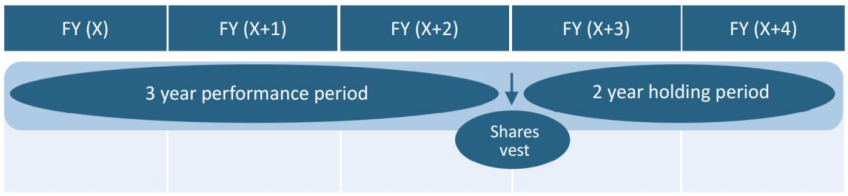
4-1. Internal Directors

For Internal Directors, the Company has introduced a Long-term Incentive Plan that is allocated as 60% for the plan designed based on Performance Share Units (Performance Share Unit awards) and 40% for the plan designed based on Restricted Stock Units (Restricted Stock Unit awards). Performance Share Unit awards are tied to company performance results to strengthen the link between compensation and company performance and share price, and to reinforce Internal Directors' commitment to increasing corporate value in the mid- and long-term. Restricted Stock Unit awards are linked only to share price.

Annual Performance Share Unit Awards

Performance Share Unit awards, which fall under Performance-based Compensation, will be linked to the latest mid- to long- term key performance indicators (KPIs) over a three-year performance period. KPIs are intended to be transparent and objective and may include top line revenues, cash flow, indicators on profit, R&D metrics, and other performance factors. The payout range for Performance Share Unit awards is from 0% to 200% (100% at target), based on performance achievement. For Long-term Incentive awarded in 2019 and after, a two year holding period will be mandated, and this includes Restricted Stock Unit awards if and when shares become vested.

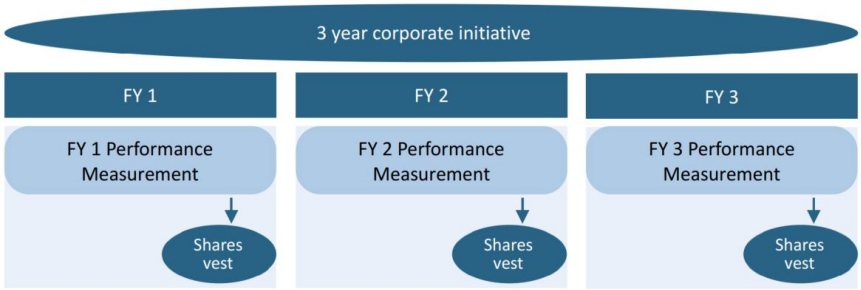
• Annual Performance Share Unit Awards Image



Special Performance Share Unit Awards

In addition to regular stock compensation, the Company may, from time to time, award one-time special Performance Share Unit awards which are directly linked to point-in-time corporate initiatives and which are aligned with shareholder expectations. Performance against established KPIs for one-time special Performance Share Unit awards are determined independently each year over a three-year period, with shares becoming vested after the relevant performance metric(s) are determined to have been achieved for the applicable period. There is no post-vesting holding period established for one-time special Performance Share Unit awards.

• Special Performance Share Unit Awards (stock compensation) Image



• Annual Bonus (Short-Term Incentive)

Bonuses will be paid based on performance achievement of annual goals. Bonuses will be paid in the range of 0% to 200% (100% at target) in accordance with the achievement of KPIs, which may include top line revenues, indicators on profit, and other performance factors established for a single fiscal year. For President and CEO, the annual bonus is weighted as 100% to the achievement of the specified Corporate KPI(s).

For other Internal Directors that have divisional responsibilities, 75% of their annual bonus opportunity is linked to the achievement of the specified Corporate KPI(s) to drive their commitment to group-wide goals, while 25% is linked to the achievement of the division KPI.

4-2. Directors who are Audit & Supervisory Committee Members and External Directors

The Long-term Incentive Plan (stock compensation) for Directors who are Audit & Supervisory Committee Members and External Directors consists of Restricted Stock Unit awards linked only to share price and is not otherwise linked to company performance results. The stock compensation awarded in 2019 and after will vest three years after the award date of base points used for the calculation and Directors will be required to hold at least 75% of their vested share portion until they cease service as a director (however, stock compensation awarded in or before 2018 will vest and be paid after they cease service as a director). Bonuses are not available for these categories of Director.

• Whole Picture of Director's Compensation

		Directors who are not Audit and Supervisory Committee Members		Directors who are Audit and Supervisory Committee Members
		Internal Directors	External Directors	External Directors
Basic Compensation		●	●	●
Bonus		● [2]		
Long-term Incentive Plan (stock compensation)	Performance based [1]	● [3, 4]		
	Not linked to performance results	● [4]	● [5]	● [5]

1. Includes Special Performance Share Unit awards
2. Varies from 0% to 200% in accordance with the achievement of KPIs, which may include top line revenues, indicators on profit, and other performance factors established for a single fiscal year
3. Varies from 0% to 200% in accordance with the achievement of KPIs, which may include top line revenues, cash flow, indicators on profit, R&D metrics, and other performance factors over a three-year performance period
4. During term of office
5. Vest and paid three years after the award date of the base points used for the calculation are granted

5. Compensation Governance

5-1. Compensation Committee

The Compensation Committee, with all the Committee members being External Directors, has been established to serve as an advisory body for the Board of Directors to ensure the appropriateness of Directors' compensation and the transparency in its decision-making process. The level of compensation, compensation mix and performance-based compensation (Long-term Incentives and Bonus programs) for Directors are reviewed by the Compensation Committee before resolution by the Board of Directors. The Company delegated to the Compensation Committee, by resolution of the Board of Directors, the authority to determine Internal Directors' individual compensation in order to ensure objectivity and transparency in the decision making process. In order to enhance transparency of the Company's corporate governance, the Company has externally disclosed the Compensation Committee Charter as a part of the Company's corporate governance documents.

The Director's Compensation Policy may continue to evolve and be revised to guide the development of compensation programs that align with Directors' accountabilities and responsibilities, shareholder value creation and Takeda-ism.

5-2. Recoupment Policy

The Compensation Committee and Board of Directors adopted a clawback policy in 2020 and amended that policy in 2023. The amended policy provides that, in the event of a restatement of financial results, Takeda will, in accordance with SEC and NYSE rules, recover from its executive officers any erroneously paid incentive compensation, which consists of incentive-based compensation for the applicable recovery period that would not have been granted absent the restatement (i.e., mandatory clawbacks). In addition, in the event of a restatement and/or significant misconduct, the independent External Directors may require Takeda to recoup additional incentive and other contingent compensation. This would include all or a portion of the incentive and other contingent compensation received by any Internal Director, any other member of the TET, and any other individual designated by the independent External Directors, within the fiscal year, and the three (3) prior fiscal years preceding the date of the Board of Directors' determination of the restatement or the date that independent External Directors determines that significant misconduct occurred, as applicable. The amended policy became effective on October 2, 2023 and, with respect to mandatory clawbacks in the event of a restatement, applies to incentive compensation beginning in the fiscal year ended March 31, 2024.

7) Rationale that compensation for each Director (excluding Audit & Supervisory Committee Members) is in line with Director's Compensation Policy

As stated in 5. Compensation Governance in section 6) Director's Compensation Policy, in order to provide for objectivity and transparency in the compensation setting process, based on the resolution by the Board of Directors, the Compensation Committee has been delegated the authority to make decisions on individual compensation for Internal Directors. Individual compensation for External Directors who are not Audit & Supervisory Committee Members proposed by the Compensation Committee is approved by the Board of Directors.

The level of compensation, compensation mix, and performance-based compensation (Short- and Long-term Incentives programs) for Directors is reviewed by the Compensation Committee from a multilateral perspective, consistent with the Director's Compensation Policy stated above.

Based on the resolution by the Board of Directors, the Compensation Committee was delegated authority to make decisions on individual compensation and determined the amount of individual compensation for Internal Directors for this fiscal year. The Compensation Committee proposed the amount of compensation for External Directors who are not Audit & Supervisory Committee Members to the Board of Directors. Therefore, after confirming the review of the process and the content of the proposal of the Compensation Committee, the Board of Directors believes that the individual compensation for Internal Directors and External Directors who are not Audit & Supervisory Committee Members is aligned with the Director's Compensation Policy stated above.

(5) Shareholdings

1) Standard and concept of classification of shareholdings

Those stocks held for the purpose of capital gain and dividend income are classified as "pure investment purpose stocks."
Those stocks held for the purpose of improvement of mid-to-long term corporate value are classified as "Non-pure investment purpose stocks."

2) Shareholdings for reasons other than pure investment purposes

(a) Shareholding policy and method for assessing its rationality and details of assessment by the Board of Directors regarding possession of individual shares

The Company only holds shares of other companies with which it has business relationships and seeks to minimize the number of shares. With respect to such shareholdings, the Company assesses whether or not each shareholding contributes to the corporate value of the Company group by considering the Company's mid-to-long term business strategy, and comparing benefits of such ownership (dividends, business transactions, expected returns from strategic alliance, etc.) with the Company's cost of capital. As a result of the review, the Company divests shares from applicable shareholdings that are deemed to be of little significance after taking the financial strategy and market environment into consideration. For this fiscal year, the Company decided to keep holding 4 issues as a result of aforementioned reviewing process.
The Company decides whether to exercise its voting rights of the shares after conducting a comprehensive review. This assessment considers whether a relevant proposal makes a positive contribution to shareholder value as well as the value of the issuing companies. The Company will object to any proposals that are deemed detrimental to shareholder value or the corporate governance of the issuing companies.

(b) Number of issues and balance sheet amount

	Number of Issues	Balance Sheet Amount JPY (millions)
Unlisted Shares	46	¥ 9,511
Shares other than unlisted shares	4	9,354

(Issues with an increase in shares in the current fiscal year)

	Number of Issues	Total Amounts of Acquisition Costs for the Increase in Number of Shares JPY (millions)	Reasons for the Increase in Number of Shares
Unlisted Shares	3	¥ 1,182	New investment, Exercise rights of Convertible Bond, and reclassification from affiliated companies applying the equity method
Shares other than unlisted shares	1	—	Reclassification due to listing

(Issues with a decrease in shares in the current fiscal year)

	Number of Issues	Total Sales Amount for the Decrease in Number of Shares JPY (millions)
Unlisted Shares	2	¥ 170
Shares other than unlisted shares	3	23,022

(c) Shareholdings (other than unlisted shares) held for purposes other than pure investment are as follows:

Shareholdings (other than unlisted shares)

Issue	Current Fiscal Year Number of Shares (Shares) Balance Sheet Amounts JPY (millions)	Prior Fiscal Year Number of Shares (Shares) Balance Sheet Amounts JPY (millions)	Purpose of Holding, Outline of business alliance, Quantitative/Economic Rationale for Shareholding and the Reason for the Increase in the Number of Shares	Holding of the Company's Share
ASKA Pharmaceutical Holdings, Co. Ltd.	2,204,840 5,080	2,204,840 4,893	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving business and strategic partnership. (Outline of business alliance, etc.) Partnership for pharmaceuticals distribution and out-licensing (Quantitative / economic rationale for shareholding) Note:2	✓ Note 3
Chordia Therapeutics Inc.	10,760,500 2,884	— —	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving strategic partnership. (Outline of business alliance, etc.) Partnerships for therapies in the oncology area (Quantitative / economic rationale for shareholding) Note 2 (Reason for the Increase in the Number of Shares) Due to newly listing of this company during the current fiscal year	
Noile-Immune Biotech Inc.	8,119,800 1,307	8,119,800 1,527	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving strategic partnership. (Outline of business alliance, etc.) Technology License concerning CAR-T cell therapies (Quantitative / economic rationale for shareholding) Note 2	
Ovid Therapeutics, Inc.	1,781,996 83	1,781,996 823	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving strategic partnership. (Outline of business alliance, etc.) Alliance concerning therapies for developmental and epileptic encephalopathies (Quantitative / economic rationale for shareholding) Note 2	
Denali Therapeutics, Inc.	— —	4,214,559 13,100	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving strategic partnership. (Outline of business alliance, etc.) Partnership to develop and commercialize therapies for neurodegenerative diseases (Quantitative / economic rationale for shareholding) Note 2	
Phathom Pharmaceuticals, Inc.	— —	3,153,217 5,072	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving strategic partnership. (Outline of business alliance, etc.) Partnership to develop and commercialize therapies for gastrointestinal diseases and disorders (Quantitative / economic rationale for shareholding) Note 2	
Wave Life Sciences Ltd.	— —	1,096,892 1,025	(Purpose of holding) The Company holds stocks in this company for the purpose of maintaining and improving strategic partnership. (Outline of business alliance, etc.) Partnership to develop and commercialize therapies for neurological diseases (Quantitative / economic rationale for shareholding) Note 2	

Notes:
(1) "-" means that the Company does not hold applicable stocks
(2) Since it is difficult to disclose the quantitative effect of shareholdings held for purposes other than pure investment, the method used to assess the rationality of shareholding is described as follows.
The Company comprehensively assesses the rationale for its shareholdings based on the cost of capital, dividends, transaction amounts as well as strategic importance and business relationships. As a result of verification, the Company believes these investments will have a sufficient quantitative effect or contribute to improving corporate value in the medium to long term.
(3) The shareholding company is ASKA Pharmaceutical Co. Ltd., the subsidiary of ASKA Pharmaceutical Holdings, Co. Ltd.

Deemed Shareholdings

Not applicable

3) Shareholdings for pure investment purposes

	Current Fiscal Year		Prior Fiscal Year	
Category	Number of Issues (Name of Issues)	Total Amounts on Balance Sheet JPY (millions)	Number of Issues (Name of Issues)	Total Amounts on Balance Sheet JPY (millions)
Unlisted Shares	—	¥ —	—	¥ —
Shares except unlisted shares	—	—	2	241

	Current Fiscal Year		
Category	Total Amounts of Dividends Received JPY (million)	Total Amounts of Profit/ Loss from Sales of Shares JPY (million)	Total Amounts of Profit/Loss from Revaluation of Shares JPY (million)
Unlisted Shares	¥ —	¥ —	¥ —
Shares except unlisted shares	5	5	—

V. Financial Information

1. Basis of preparation of the consolidated financial statements and the non-consolidated financial statements

(1) The consolidated financial statements of the Company have been prepared in accordance with IFRS pursuant to Article 93 of "Ordinance on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976) (hereinafter "Ordinance on Consolidated Financial Statements").

(2) The non-consolidated financial statements of the Company are prepared in accordance with the Ordinance of the Ministry of Finance No. 59 of 1963 "Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements" (hereinafter "Ordinance on Financial Statements").

Also, the Company is qualified as a company submitting financial statements prepared in accordance with special provision and prepares financial statements in accordance with the provision of Article 127 of the Ordinance on Financial Statements.

2. Audit certification

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the consolidated financial statements for the fiscal year from April 1, 2024 to March 31, 2025 and the non-consolidated financial statements for the fiscal year (from April 1, 2024 to March 31, 2025) were audited by KPMG AZSA LLC.

3. Particular efforts to secure the appropriateness of the consolidated financial statements and a framework to ensure that the consolidated financial statements are appropriately prepared in accordance with IFRS

The Company has made particular efforts to ensure the appropriateness of the consolidated financial statements and has established a framework to ensure that the consolidated financial statements are appropriately prepared in accordance with IFRS. The details of these are the follows:

(1) To establish a framework capable of appropriately adopting changes in accounting standards, the Company has made efforts to build expert knowledge by appointing employees who have sufficient knowledge about IFRS, joining the Accounting Standards Board of Japan and similar organizations, and participating in their training programs.

(2) To ensure that the Company appropriately prepares the consolidated financial statements in accordance with IFRS, the Company has created the Group guidelines for accounting practices based on IFRS, and has been conducting accounting procedures based on these guidelines. The Company regularly obtains press releases and accounting standards published by the International Accounting Standards Board, understands the latest accounting standards and assesses their potential impact on the Company, and then updates the Group guidelines in a timely manner.

TAKEDA PHARMACEUTICAL COMPANY LIMITED AND ITS SUBSIDIARIES

1. Consolidated Financial Statements and Others

(1) Consolidated financial statements

See below link for the consolidated financial statements included in the financial section of the Form 20-F for FY2024 (on pages from F-5 to F-78).

https://www.takeda.com/investors/sec-filings-and-security-reports/

(2) Others

1) Interim and annual financial information for the year ended March 31, 2025

		Six-month period ended September 30, 2024	Fiscal year ended March 31, 2025
Revenue	JPY (millions)	2,384,028	4,581,551
Profit before tax	JPY (millions)	255,976	175,084
Net profit attributable to owners of the Company	JPY (millions)	187,294	107,928
Basic earnings per share	JPY	118.85	68.36

2) Litigation and others

See Note 32 Commitments and Contingent Liabilities - Litigation to the consolidated financial statements which is disclosed in our Form 20-F.

2. Unconsolidated Financial Statements and Others

(1) Unconsolidated Financial Statements

1) Unconsolidated Balance Sheets

	Note	JPY(millions) Fiscal 2023 (As of March 31, 2024)	Fiscal 2024 (As of March 31, 2025)
ASSETS			
CURRENT ASSETS			
Cash and deposits		130,947	169,555
Accounts receivable	3	47,917	37,011
Securities		122,471	93,576
Merchandise and products		62,146	76,940
Work in process		38,541	36,480
Raw materials and supplies		43,223	53,043
Income taxes receivables		1,865	374
Short-term loans receivable from subsidiaries and affiliates	3	179,261	300
Other	3	104,390	121,665
Total current assets		730,761	588,944
NON-CURRENT ASSETS			
Tangible non-current assets			
Buildings and structures		81,261	78,850
Machinery and equipment		21,668	18,661
Vehicles		45	42
Tools and fixtures		10,837	11,689
Land		35,043	35,043
Lease assets		1,211	1,438
Construction in progress		19,248	26,911
Total tangible non-current assets		169,311	172,634
Intangible non-current assets		31,933	28,365
Investments and other assets			
Investment securities		37,044	99,274
Investment in subsidiaries and affiliates		7,853,042	7,693,846
Contributions to subsidiaries and affiliates		647,460	8,589
Long-term deposits		5,913	5,854
Long-term loans receivable from subsidiaries and affiliates	3	—	700,461
Prepaid pension costs		64,926	79,809
Deferred tax assets		123,639	65,929
Other	3	92,290	45,671
Total investments and other assets		8,824,314	8,699,433
Total non-current assets		9,025,558	8,900,431
Total assets		9,756,319	9,489,375

	Note	JPY(millions) Fiscal 2023 (As of March 31, 2024)	Fiscal 2024 (As of March 31, 2025)
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	3	71,654	90,292
Other payable	3	141,538	148,449
Accrued expenses	3	71,022	70,015
Income taxes payable		445	1,506
Short-term loans	3	415,969	1,042,099
Current portion of bonds		317,000	270,000
Current portion of long-term loans		50,000	85,000
Deposits received	3	69,157	151,577
Reserve for employees' bonuses		14,817	14,069
Reserve for share-based payments		3,171	3,040
Reserve for bonuses for directors and corporate auditors		436	454
Reserve for restructuring costs		1,022	1,313
Other		15,408	10,550
Total current liabilities		1,171,639	1,888,365
NON-CURRENT LIABILITIES			
Bonds		3,016,582	3,392,083
Long-term loans	3	1,341,465	164,997
Reserve for retirement benefits		7,789	7,064
Reserve for litigation		762	703
Reserve for share-based payments		2,438	2,000
Reserve for restructuring costs		452	—
Asset retirement obligations		1,832	1,733
Long-term deferred income		12,880	13,092
Other		112,282	29,984
Total non-current liabilities		4,496,482	3,611,655
Total liabilities		5,668,121	5,500,020
NET ASSETS			
SHAREHOLDERS' EQUITY			
Share capital		1,676,596	1,694,685
Share premium			
Additional paid-in capital		1,668,608	1,686,697
Other share premium		16,989	23,065
Total share premium		1,685,597	1,709,762
Retained earnings			
Legal reserve		15,885	15,885
Other retained earnings		1,334,490	1,183,376
Reserve for retirement benefits		5,000	5,000
Reserve for dividends		11,000	11,000
Reserve for research and development		2,400	2,400
Reserve for capital improvements		1,054	1,054
Reserve for promotion of exports		434	434
Reserve for reduction of non-current assets	2	28,832	26,716
General reserve		814,500	814,500
Unappropriated retained earnings		471,270	322,273
Total retained earnings		1,350,375	1,199,261
Treasury shares		(51,229)	(74,786)
Total shareholders' equity		4,661,339	4,528,923
VALUATION AND TRANSLATION ADJUSTMENTS			
Unrealized gains on available-for-sale securities		11,031	6,151
Deferred gains on derivatives under hedge accounting		(585,282)	(546,824)
Total valuation and translation adjustments		(574,252)	(540,674)
Share acquisition rights		1,111	1,106
Total net assets		4,088,198	3,989,355
Total liabilities and net assets		9,756,319	9,489,375

2) Unconsolidated Statements of Income

	Note	JPY (millions) Fiscal 2023 (April 1, 2023 to March 31, 2024)	Fiscal 2024 (April 1, 2024 to March 31, 2025)
Net sales	1	595,575	580,360
Cost of sales	1	245,505	258,904
Gross profit		350,070	321,456
Selling, general and administrative expenses	1,2	302,001	284,559
Operating income		48,070	36,897
Non-operating income			
Interest and dividend income	1	306,382	195,321
Other	1	85,231	16,522
Total non-operating income		391,614	211,842
Non-operating expenses			
Interest expenses	1	82,204	120,671
Other	1	71,081	41,474
Total non-operating expenses		153,285	162,145
Ordinary income		286,399	86,594
Extraordinary income			
Gain on restructuring of subsidiaries and affiliates	1,3	138,488	120,061
Gain on sales of investment securities	3	—	14,715
Total extraordinary income		138,488	134,776
Extraordinary loss			
Restructuring costs	1,4	—	22,038
Loss on litigation	4	33,545	—
Total extraordinary loss		33,545	22,038
Income before income taxes		391,342	199,332
Income taxes - current		20,281	(705)
Income taxes - deferred		32,187	47,217
Income taxes		52,468	46,512
Net income		338,874	152,820

3) Unconsolidated Production Cost

		JPY (millions)			
		Fiscal 2023 (April 1, 2023 to March 31, 2024)		Fiscal 2024 (April 1, 2024 to March 31, 2025)	
Classification	**Note**	**Amount**	**Percentage (%)**	**Amount**	**Percentage (%)**
I Raw materials cost		158,413	72.6	172,140	76.0
II Labor cost		16,801	7.7	17,263	7.6
III Expenses	1	42,853	19.7	37,100	16.4
Gross production cost		218,067	100.0	226,502	100.0
Beginning work-in-process		46,094		38,541	
Total		264,161		265,043	
Ending work-in-process		38,541		36,480	
Transfer to other accounts	2	3,543		2,692	
Cost of products manufactured		222,077		225,872	

(Note1) The major items of expenses are as follows:

	JPY (millions)	
	Fiscal 2023 (April 1, 2023 to March 31, 2024)	Fiscal 2024 (April 1, 2024 to March 31, 2025)
Depreciation and amortization	11,991	11,942
Maintenance costs	8,915	8,729
Outsourced labor cost	5,298	4,420

(Note 2) This item includes transfers to expenses related to pre-launch products in non-operating expenses.

(Note 3) The method of cost accounting is an actual and continuous costing by process and by lot.

4) Unconsolidated Statements of Changes in Net Assets

(April 1, 2023 to March 31, 2024)

	JPY (millions)						
	Shareholders' equity						
		Capital surplus			Retained earnings		
						Other retained earnings	
	Share capital	Additional paid-in capital	Other share premium	Total share premium	Legal reserve	Reserve for retirement benefits	Reserve for dividends
Balance at the beginning of the fiscal year	1,676,345	1,668,357	2,055	1,670,413	15,885	5,000	11,000
Changes of items during the fiscal year							
Issuance of new shares	251	251		251			
Dividends				—			
Provision for reserve for reduction of non-current assets				—			
Reversal of reserve for reduction of non-current assets				—			
Net income				—			
Acquisition of treasury shares				—			
Disposal of treasury shares			14,933	14,933			
Net change in items other than shareholders' equity during the fiscal year				—			
Total changes of items during the fiscal year	251	251	14,933	15,184	—	—	—
Balance at the end of the fiscal year	1,676,596	1,668,608	16,989	1,685,597	15,885	5,000	11,000

(April 1, 2023 to March 31, 2024)

	JPY (millions)						
	Shareholders' equity						
	Retained earnings						
	Other retained earnings						
	Reserve for research and development	Reserve for capital improvements	Reserve for promotion of exports	Reserve for reduction of non-current assets	General reserve	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of the fiscal year	2,400	1,054	434	29,890	814,500	419,850	1,300,012
Changes of items during the fiscal year							
Issuance of new shares							—
Dividends						(288,512)	(288,512)
Provision for reserve for reduction of non-current assets				773		(773)	—
Reversal of reserve for reduction of non-current assets				(1,830)		1,830	—
Net income						338,874	338,874
Acquisition of treasury shares							—
Disposal of treasury shares							—
Net change in items other than shareholders' equity during the fiscal year							—
Total changes of items during the fiscal year	—	—	—	(1,057)	—	51,420	50,363
Balance at the end of the fiscal year	2,400	1,054	434	28,832	814,500	471,270	1,350,375

(April 1, 2023 to March 31, 2024)

	JPY (millions)						
	Shareholders' equity		Validation and translation adjustments				
	Treasury shares	Total shareholders ' equity	Unrealized gains on available-for-sale securities	Deferred gains on derivatives under hedge accounting	Total valuation and translation adjustments	Share acquisition rights	Total net assets
Balance at the beginning of the fiscal year	(100,288)	4,546,482	8,584	(350,036)	(341,452)	1,188	4,206,219
Changes of items during the fiscal year							
Issuance of new shares		502			—		502
Dividends		(288,512)			—		(288,512)
Provision for reserve for reduction of non-current assets		—			—		—
Reversal of reserve for reduction of non-current assets		—			—		—
Net income		338,874			—		338,874
Acquisition of treasury shares	(2,367)	(2,367)			—		(2,367)
Disposal of treasury shares	51,426	66,359			—		66,359
Net change in items other than shareholders' equity during the fiscal year		—	2,447	(235,246)	(232,800)	(77)	(232,877)
Total changes of items during the fiscal year	49,059	114,856	2,447	(235,246)	(232,800)	(77)	(118,021)
Balance at the end of the fiscal year	(51,229)	4,661,339	11,031	(585,282)	(574,252)	1,111	4,088,198

(April 1, 2024 to March 31, 2025)

	JPY (millions)						
	Shareholders' equity						
		Capital surplus			Retained earnings		
						Other retained earnings	
	Share capital	Additional paid-in capital	Other share premium	Total share premium	Legal reserve	Reserve for retirement benefits	Reserve for dividends
Balance at the beginning of the fiscal year	1,676,596	1,668,608	16,989	1,685,597	15,885	5,000	11,000
Changes of items during the fiscal year							
Issuance of new shares	18,089	18,089		18,089			
Dividends				—			
Provision for reserve for reduction of non-current assets				—			
Reversal of reserve for reduction of non-current assets				—			
Net income				—			
Acquisition of treasury shares				—			
Disposal of treasury shares			6,077	6,077			
Net change in items other than shareholders' equity during the fiscal year				—			
Total changes of items during the fiscal year	18,089	18,089	6,077	24,166	—	—	—
Balance at the end of the fiscal year	1,694,685	1,686,697	23,065	1,709,762	15,885	5,000	11,000

(April 1, 2024 to March 31, 2025)

	JPY (millions)						
	Shareholders' equity						
	Retained earnings						
	Other retained earnings						
	Reserve for research and development	Reserve for capital improvements	Reserve for promotion of exports	Reserve for reduction of non-current assets	General reserve	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of the fiscal year	2,400	1,054	434	28,832	814,500	471,270	1,350,375
Changes of items during the fiscal year							
Issuance of new shares							—
Dividends						(303,934)	(303,934)
Provision for reserve for reduction of non-current assets							—
Reversal of reserve for reduction of non-current assets				(2,117)		2,117	—
Net income						152,820	152,820
Acquisition of treasury shares							—
Disposal of treasury shares							—
Net change in items other than shareholders' equity during the fiscal year							—
Total changes of items during the fiscal year	—	—	—	(2,117)	—	(148,997)	(151,114)
Balance at the end of the fiscal year	2,400	1,054	434	26,716	814,500	322,273	1,199,261

(April 1, 2024 to March 31, 2025)

	JPY (millions)						
	Shareholders' equity		Validation and translation adjustments				
	Treasury shares	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains on derivatives under hedge accounting	Total valuation and translation adjustments	Share acquisition rights	Total net assets
Balance at the beginning of the fiscal year	(51,229)	4,661,339	11,031	(585,282)	(574,252)	1,111	4,088,198
Changes of items during the fiscal year							
Issuance of new shares		36,178			—		36,178
Dividends		(303,934)			—		(303,934)
Provision for reserve for reduction of non-current assets		—			—		—
Reversal of reserve for reduction of non-current assets		—			—		—
Net income		152,820			—		152,820
Acquisition of treasury shares	(51,905)	(51,905)			—		(51,905)
Disposal of treasury shares	28,348	34,425			—		34,425
Net change in items other than shareholders' equity during the fiscal year		—	(4,880)	38,458	33,578	(5)	33,573
Total changes of items during the fiscal year	(23,557)	(132,416)	(4,880)	38,458	33,578	(5)	(98,843)
Balance at the end of the fiscal year	(74,786)	4,528,923	6,151	(546,824)	(540,674)	1,106	3,989,355

Notes to the Unconsolidated Financial Statements

Going Concern Assumption

No events to be noted for this purpose.

Significant Accounting Policies

1. Valuation of Significant Assets

(1) Valuation of Securities

Shares of subsidiaries and affiliates:	Valued at cost using the moving-average method
Available-for-sale securities	
Other than non-marketable equity securities:	Valued at market prices on the balance sheet date (Unrealized gains and losses are included in net assets, and cost of securities sold is calculated using the moving-average method. With respect to translation differences for foreign currency denominated debt securities, those related to changes in fair value in foreign currency are recognized as unrealized gains and losses while other translation differences are recognized as foreign exchange gains and losses)
Non-marketable equity securities:	Valued at cost using the moving-average method

(2) Valuation of Derivatives: Valued at market value

(3) Valuation of Inventories

Merchandise and products:	Cost determined by gross average method (Balance sheet values are calculated by write-down of the book value based on decreases in profitability)
Work in process:	Cost determined by gross average method (Balance sheet values are calculated by write-down of the book value based on decreases in profitability)
Raw materials and Supplies:	Cost determined by gross average method (Balance sheet values are calculated by write-down of the book value based on decreases in profitability)

2. Depreciation Methods for Significant Non-current Assets

(1) Tangible non-current assets (excluding lease assets)

The Company uses the declining-balance method.

However, for buildings (excluding building improvements) acquired on or after April 1, 1998, the straight-line method is applied.

Estimated useful lives are mainly as follows:

Buildings and structures:	15-50 years
Machinery and equipment:	4-15 years

(2) Intangible non-current assets (excluding lease assets)

The Company uses the straight line depreciation method for intangible non-current assets. The depreciation period is based on the period of availability.

(3) Lease assets

The Company depreciates lease assets related to finance leases with no transfer of ownership rights over the lease term, with a nil residual value.

3. Significant Reserves

(1) With respect to allowance for doubtful receivables, in order to account for potential losses from uncollectible notes and accounts receivable, the Company recognizes reserve for uncollectible receivables based on historical loss ratios. Specific claims, including doubtful claims, are individually evaluated in light of their recoverability, and the allowance for doubtful receivables is recognized at the amount deemed unrecoverable.

(2) Reserve for employees' bonuses is stated at the estimated amount of bonuses required to be paid to eligible employees at the balance sheet date based on the applicable payments period in order to cover payment of bonuses to employees.

(3) Reserve for bonuses for directors and corporate auditors is stated as the estimated amount to be paid in order to cover payments of bonuses to directors and corporate auditors.

(4) Reserve for retirement benefits is based on the present value of the projected retirement benefit obligation as of the balance sheet date estimated at the beginning of each fiscal year, less pension assets under the corporate pension plans measured at fair value in order to cover payments of retirement benefits to employees. In calculating retirement benefit obligations, the benefit formula basis is used as the method of attributing expected benefit to periods up to this fiscal year end.

Prior service cost is amortized using the straight-line method over a fixed number of years (five years) within the average remaining years of service when obligations arise.
Unrecognized net actuarial gains and losses are expensed from the period of occurrence in proportional amounts, on a straight-line basis over the fixed number of years (five years) within the average remaining years of service in each period when obligations arise.

(5) Reserve for litigation is recorded, after taking appropriate legal and other specialist advice, where an outflow of resources is considered probable and a reliable estimate can be made for the likely outcome of the dispute.

(6) Reserve for share-based payments is stated at the estimated amount of share-based obligations as of the balance sheet date mainly in order to grant the Company's share to directors and employees in accordance with the share-based payment rules.

(7) Reserve for restructuring costs is recorded based on estimated costs expected to arise from restructuring mainly to build an efficient operating model, including reductions in the workforce and consolidation of sites.

4. Revenue and expenses

(Revenue recognition)

The Company’s revenue is primarily related to the sale of pharmaceutical products and is generally recognized when control of the products is passed to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products. Control is generally transferred at the point in time of shipment to or receipt of the products by the customer, or when the services are performed. The amount of revenue to be recognized is based on the consideration the Company expects to receive in exchange for its goods or services. If a contract contains more than one contractual promise to a customer (performance obligation), the consideration is allocated based on the standalone selling price of each performance obligation. The consideration the Company receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized to the extent it is highly probable that a significant reversal will not occur.

The Company’s gross sales are subject to various deductions, which are primarily composed of rebates, discounts and return to retail customers, government agencies and wholesalers. These deductions represent estimates of the related obligations, requiring the use of judgment when estimating the effect of these sales deductions on gross sales for a reporting period. These adjustments are deducted from gross sales to arrive at net sales. The Company monitors the obligation for these deductions on annually basis and records adjustments when rebate trends, contract terms and legislative changes, or other significant events indicate that a change in the obligation is appropriate. Historically, subsequent changes in sales rebates, discounts and return have not been material to net earnings.

The Company generally receives payments from customers within 90 days after the point in time when goods are delivered to the customers. The Company usually performs those transactions as a principal, but the Company also sells products on behalf of others in which case revenue is recognized at an amount of sales commission that the company expects to be entitled as an agent.

The Company also generates revenue in the form of royalty payments, upfront payments, and milestone payments from the out-licensing and sale of intellectual property (“IP”). Royalty revenue earned through a license is recognized when the underlying sales have occurred. Revenue from upfront payment is generally recognized when the Company provides a right to use IP. Revenue from milestone payments is recognized at the point in time when it is highly probable that the respective milestone event criteria is met, and a significant reversal in the amount of revenue recognized will not occur. Revenue from other services such as R&D of compounds that are out-licensed is recognized over the service period.

The Company generally receives payments from customers within 30 days after entering into out-licensing contracts or confirmation by customers that conditions for the milestone payments are met. The Company licenses its own intellectual property rights to customers and performs those transactions as a principal. The Company also provides other services as a principal or an agent.

The Company identifies a contract modification in case of a change in the scope or price (or both) of a contract.

5. Other Significant Accounting Policies for the Unconsolidated Financial Statements

(1) Hedge Accounting

1) Methods of hedge accounting
The Company uses deferred hedging. The allocation treatment is adopted for forward exchange contracts that meet the requirements for that method and special treatment is adopted for interest rate swaps that meet the requirements for special treatment.

2) Hedging instruments, hedged items and hedging policies
The Company uses forward interest rate, interest rate swaps and cross currency interest swaps to hedge a portion of future cash flow related to accounts receivable from customers with the right to sell back and income or expense that is linked to variable interest rates. In addition, the Company uses forward exchange contracts, currency options and cross currency interest rate swaps to hedge a portion of risk of changes in future cash flow arising from changes in foreign exchange. Foreign currency risk of the investments in foreign operations is managed through the use of foreign currency denominated bonds and loans, forward exchange contracts and other financial instruments. These hedge transactions are conducted in accordance with established policies regarding the scope of usage and standards for selection of financial institutions.

3) Method of assessing effectiveness of hedges
Preliminary testing is conducted using statistical methods such as regression analysis, and post-transaction testing is conducted using ratio analysis. The Company omits the assessment if material terms of the transaction are the same and also the hedging effect is extremely high.

(2) Stated Amount
All amounts shown are rounded to the nearest million Japanese Yen ("JPY") (i.e., a half of a million or more is rounded up to a full one million and less than a half of a million is disregarded).

Accounting Estimates and Assumptions

The items which were recorded on the financial statements as of March 31, 2024 and 2025 using accounting estimates or assumptions and could have a material impact on the financial statements as of March 31, 2026 are described below.

Deferred Tax Assets

The Company recognized deferred tax assets of JPY 123,639 million and JPY 65,929 million on the balance sheet as of March 31, 2024 and 2025, respectively. As discussed in the note (Tax Effect Accounting), the amount of deferred tax assets before offsetting with the deferred tax liabilities as of March 31, 2024 and 2025 are JPY 184,778 million and JPY 131,923 million, which is a net of gross deferred tax assets for deductible temporary differences and net operating loss carryforward of JPY 551,846 million and JPY 551,576 million with valuation allowances of JPY 367,068 million and JPY 419,652 million.

These deferred tax assets are recorded to the extent that it is probable that future taxable profits will be available against which the reversal of deductible temporary differences or utilization of the net operating losses carryforward will generate a tax benefit for the Company.

The Company also assesses deferred tax assets to determine the realizable amount at the end of each period. In assessing the recoverability of deferred tax assets, The Company considers the scheduled reversal of taxable temporary differences, projected future taxable profits, and tax planning strategies. Future taxable profits according to profitability is estimated based on the Company's business plan. Therefore, the change in judgment upon determining the revenue forecasts related to certain products used for the Company’s business plan could have a material impact on the amount of the deferred tax assets to be recorded on the financial statements of the following fiscal year.

Additional Information

Long-Term Incentive Scheme

The Company has a long-term incentive scheme for the directors and senior management for the purpose of improving the Company’s mid- and long-term performance as well as raising awareness of the need to enhance the Company’s value.

(1) Outline of the scheme

See "Notes to Consolidated Financial Statement, 28 Share-based Payments, Equity-settled Plans, Stock Incentive Plans" in Consolidated IFRS Financial Statements for the year ended March 31, 2025.

(2) Treasury shares owned by the trust

As for accounting treatment of long-term incentive scheme for senior executives, the Company applied "Practical treatment concerning transactions which grant stocks of the company to employees etc. through trusts" (Practical Issue Task Force No. 30, March 26, 2015) and recognizes carrying amount (excluding incidental acquisition costs) of treasury shares owned by the trust as "Treasury shares" in "Net Assets". In addition, as for accounting treatment of long-term incentive scheme for directors, the Company applied Practical Issue Task Force No. 30 mutatis mutandis. The carrying amount and number of the treasury shares were JPY 25,593 million, 5,888 thousand shares and JPY 24,154 million, 5,565 thousand shares as of March 31, 2024 and 2025, respectively. The amounts of dividend paid to the treasury shares were JPY 1,113 million and JPY 1,099 million for the years ended March 31, 2024 and 2025, respectively. Dividends declared for the treasury shares whose effective date falls in the following fiscal year were JPY 545 million.

Notes on Unconsolidated Balance Sheet

1. Contingent liabilities

(Guarantees)

The Company has provided guarantees to the following subsidiaries mainly for obligations to cover the redemption or repayment of debt, payment of certain obligations associated with factoring transactions, rental fees based on the real-estate lease contracts and payment of obligations associated with derivatives.

JPY (millions)

	Fiscal 2023 (As of March 31, 2024)	**Fiscal 2024 (As of March 31, 2025)**
Employees of Takeda Pharmaceutical Company Limited	6	—
Shire Acquisitions Investments Ireland Designated Activity Company	454,733	223,674
Baxalta Incorporated	199,448	196,208
Pharma International Insurance Designated Activity Company	81,477	87,890
Takeda Pharmaceuticals U.S.A., Inc.	30,041	29,553
Baxalta Innovations GmbH	20,445	23,011
Takeda Pharmaceuticals America, Inc.	9,048	9,059
Total	795,186	569,395

(Litigation)

For details of major litigation matters, please refer to the following items described in "1. Consolidated Financial Statements and others - (1) Consolidated Financial Statements - Notes to Consolidated Financial Statements - Note 32. Commitment and Contingent Liabilities, Litigation."

Product Liability and Related Claims

ACTOS Economic Loss Cases

Proton Pump Inhibitor (“PPI”) Product Liability Claims

2. Fiscal 2023 (April 1, 2023 to March 31, 2024)

Reserve for reduction of non-current assets is recognized based on the Special Taxation Measures Law.

Fiscal 2024 (April 1, 2024 to March 31, 2025)

Reserve for reduction of non-current assets is recognized based on the Special Taxation Measures Law.

3. Receivables from and payables to subsidiaries and affiliates

JPY (millions)

	Fiscal 2023 (As of March 31, 2024)	**Fiscal 2024 (As of March 31, 2025)**
Short-term receivables	222,783	66,864
Long-term receivables	170	700,589
Short-term payables	539,671	1,096,774
Long-term payables	640,763	—

Notes on Unconsolidated Statement of Operations

1. Transactions with subsidiaries and affiliates

JPY (millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Operating transactions:		
Sales	126,005	134,224
Purchases	122,918	185,983
Other	82,293	92,180
Non-operating transactions:		
Non-operating income	305,394	188,258
Non-operating expenses	50,075	36,300
Extraordinary income	138,488	120,061
Extraordinary loss	—	6,872
Purchases of assets	639,448	—
Acquisition amount of loans receivable from the Company as a result of in-kind dividends	639,448	641,873
Acquisition amount of loans receivable from subsidiaries and affiliates as a result of in-kind dividends	159,448	272,991

2. Selling, general and administrative expenses

(1) Selling expense

JPY (millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Sales commission	32,951	33,872

(2) General and administrative expense

JPY (millions)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Salaries	29,009	28,701
Reserve for bonuses	8,976	8,196
Depreciation	7,792	7,921
Outside service fees	14,515	11,675
Research and development	164,472	152,006

3. Extraordinary income

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(Gain on restructuring of subsidiaries and affiliates)

The gain on restructuring of subsidiaries and affiliates was recognized mainly in the course of preparation for the liquidation of subsidiaries and affiliates in connection with the restructuring of Takeda Group

Fiscal 2024 (April 1, 2024 to March 31, 2025)

(Gain on restructuring of subsidiaries and affiliates)

The gain on restructuring of subsidiaries and affiliates was mainly recognized for exchange gains associated with in-kind dividends from subsidiaries in connection with the restructuring of Takeda Group.

(Gain on sales of investment securities)

The gain was mainly from the sales of shares in Denali Therapeutics Inc. and Phathom Pharmaceuticals, Inc.

4. Extraordinary loss

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(Loss on litigation)

The loss on litigation was recognized in connection with the supply agreement litigation with AbbVie, Inc.

Fiscal 2024 (April 1, 2024 to March 31, 2025)

(Restructuring costs)

The loss was from restructuring expenses to build an efficient operating model, including reductions in the workforce and consolidation of sites.

Notes on Securities

Fiscal 2023 (As of March 31, 2024)

Fair value of investments in subsidiaries and associates (Carrying amount Investment in subsidiaries: JPY 7,852,715 million, Investment in associates: JPY 327 million) is not disclosed as they are non-marketable equity securities.

Fiscal 2024 (As of March 31, 2025)

Fair value of investments in subsidiaries and associates (Carrying amount Investment in subsidiaries: JPY 7,693,595 million, Investment in associates: JPY 252 million) is not disclosed as they are non-marketable equity securities.

Accounting for Deferred Income Taxes

1. Major components of deferred tax assets and deferred tax liabilities:

JPY (millions)

	FY2023 As of March 31, 2024	FY2024 As of March 31, 2025
(Deferred tax assets)		
Reserve for employees' bonuses	4,531	4,286
Research and development costs	14,677	11,738
Inventories	22,436	17,317
Deferred hedge gains or losses on derivatives under hedge accounting	19,452	9,817
Accrued expenses	12,780	15,356
Reserve for retirement benefits	2,364	3,628
Reserve for restructuring costs	451	401
Tangible non-current assets	4,998	5,425
Patent rights	7,368	5,130
Sales rights	17,183	11,871
Investments in subsidiaries and affiliates	31,426	27,647
Securities	4,149	2,239
Net operating loss carryforward (Notes1,3)	357,821	366,260
Excess interest under Japanese earnings stripping rules	34,303	50,654
Other	17,909	19,807
Deferred tax assets - subtotal	551,846	551,576
Valuation allowance for net operating loss carryforward (Notes1,3)	(318,409)	(336,531)
Valuation allowance for deductible temporary difference	(48,659)	(83,121)
Total valuation allowance	(367,068)	(419,652)
Total deferred tax assets	184,778	131,923
(Deferred tax liabilities)		
Prepaid pension costs	(19,854)	(26,535)
Unrealized gain on available-for-sale securities	(4,499)	(2,388)
Reserve for reduction of non-current assets	(16,774)	(16,445)
Bonds	(20,011)	(20,627)
Other	0	0
Total deferred tax liabilities	(61,139)	(65,994)
Net deferred tax assets	123,639	65,929

(Notes)

(1) As part of integration with the Shire, the subsidiaries were liquidated in order to reorganize capital in subsidiaries. As a result of this liquidation, losses from liquidation of subsidiaries were treated as a tax deductible expense, which resulted in a substantial amount of Net operating loss.

(2) The deferred tax assets are not recognized for the deductible temporary difference arose from the recognition of the stock of sub-subsidiaries as a dividend in kind at fair value for tax purposes in association with liquidation of subsidiaries in the previous fiscal year because they are not expected to be sold in the foreseeable future. The aggregate amounts of deductible temporary difference for these investments in subsidiaries and affiliates were JPY 3,007,046 million and JPY 3,162,611 million as of March 31, 2024 and 2025, respectively. The aggregate amounts of taxable temporary differences for investments in subsidiaries and affiliates for which deferred tax liabilities were not recognized were JPY 549,074 million and JPY 549,055 million as of March 31, 2024 and 2025, respectively.

(3) Net operating loss carryforward and related deferred tax assets by the expiry date are as follows:

Fiscal 2023 (As of March 31, 2024)

JPY(millions)

	1st year	2nd year	3rd year	4th year	5th year	After 5th year		Total
Net operating loss carry forward (a)	—	—	—	—	202,096	155,726		357,821
Valuation allowance for net operating loss carry forward	—	—	—	—	(180,379)	(138,030)		(318,409)
Net deferred tax assets	—	—	—	—	21,717	17,696	(b)	39,413

(a)The amount of net operating loss carryforward is multiplied by the effective statutory tax rate.

(b)As a result of the liquidation described in Note(1), the losses from liquidation of subsidiaries were booked as taxable loss which resulted in a substantial amount of net operating loss carry forward. Of JPY 357,821 million of net operating loss carry forward, JPY 39,413 million was considered as recoverable based on the estimation of future taxable profit from future revenue forecasts and other.

Fiscal 2024 (As of March 31, 2025)

JPY(millions)

	1st year	2nd year	3rd year	4th year	5th year	After 5th year		Total
Net operating loss carry forward (a)	—	—	—	205,905	147,530	12,825		366,260
Valuation allowance for net operating loss carry forward	—	—	—	(176,425)	(147,388)	(12,717)		(336,531)
Net deferred tax assets	—	—	—	29,480	141	108	(b)	29,729

(a)The amount of net operating loss carryforward is multiplied by the effective statutory tax rate.

(b)As a result of the liquidation described in Note(1), the losses from liquidation of subsidiaries were booked as taxable loss which resulted in a substantial amount of net operating loss carry forward. Of JPY 366,260 million of net operating loss carry forward, JPY 29,729 million was considered as recoverable based on the estimation of future taxable profit from future revenue forecasts and other.

2. The effective income tax rate of the Company after application of deferred tax accounting differs from the statutory tax rate for the following reasons:

(%)

	FY2023 (April 1, 2023 to March 31, 2024)	FY2024 (April 1, 2024 to March 31, 2025)
Statutory tax rate	30.6	30.6
(Adjustments)		
Entertainment expenses and other non-deductible tax expenses	0.4	0.5
Dividend income and other nontaxable income	(69.3)	(56.3)
Changes in valuation allowance	(0.6)	20.0
Unitary tax on overseas subsidiaries	1.9	4.0
Changes in unrecognized deferred tax assets	50.6	23.9
Changes in unrecognized deferred tax liabilities	0.3	0.0
Deduction for research and development costs	(0.1)	(0.3)
Deduction in foreign tax for specified overseas subsidiaries	(0.2)	(0.2)
Effect of change in tax rate	—	0.5
Other	(0.2)	0.7
Effective tax rate after application of tax effect accounting	13.4	23.3

3. Revision to deferred tax assets and deferred tax liabilities due to changes in corporate tax rate

According to the Enactment of “The Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) on March 31, 2025, the “Defense Special Corporate Tax” will be imposed starting from the fiscal year beginning on or after April 1, 2026. In line with this, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities (limited to those which are expected to be realized on and after April 1, 2026) has been changed from 30.6% to 31.5%.
As a result of this change, deferred tax assets (after offsetting deferred tax liabilities) increased by JPY 204 million, and deferred income taxes decreased by 996 million JPY for the current fiscal year.

4. Accounting treatment of income taxes and inhabitant tax or accounting treatment of tax effects relevant to these taxes:

The Company apply the Group Tax Sharing System. Accordingly, the accounting treatment and disclosure of income taxes, inhabitant tax, and tax effect accounting are in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Issues Task Force No.42, August 12, 2021) ("Practical Issues Task Force No.42").

Business combinations

Transactions under common control

1 . Overview of the transaction

The Company has reduced the following book value of investments in subsidiary in order to reorganize capital in the subsidiaries.

JPY(millions)

Name	Principal Business	Transaction date	Acquisition cost	
Takeda Financing GK	Fund management	October 31, 2024	639,448	(Note 1)
Shire Ireland Finance Trading Limited	Same as above	February 3, 2025	156,144	(Note 2)

(Note 1)

This was recognized in association with the assets including loans to the Company received in the form of in-kind dividends in the course of the liquidation of Takeda Financing GK. The difference of JPY 2,513 million between the carrying amount of the Contributions to subsidiaries and affiliates held by the Company and the assets of JPY 641,961 million received was recognized as a gain on restructuring of subsidiaries and affiliates. The received loans were offset against the corresponding borrowings in the accounts.

(Note 2)

This was recognized in association with the loans to Takeda Pharmaceuticals U.S.A., Inc. and Dyax Corp. previously held by Shire Ireland Finance Trading Limited and were received in the form of in-kind dividends. The difference of JPY 116,848 million between the carrying amount of the Investments in other securities of subsidiaries and affiliates of Shire Ireland Finance Trading Limited held by the Company and the loans of JPY 272,991 million to the subsidiaries received was recognized as a gain on restructuring of subsidiaries and affiliates.

2 . Overview of the accounting treatment

The Company accounted for the transaction as a transaction under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No.21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, January 16, 2019).

Revenue Recognition

Information that forms the basis for understanding revenues is described in "*Significant Accounting Policies* - 4. *Revenue and expenses*."

Significant Subsequent Events

On June 12, 2025, Takeda issued unsecured JPY denominated senior bonds (“JPY Bonds”) with an aggregate principal amount of JPY 184,000 million. For details of the JPY Bonds, please refer to "1. Consolidated Financial Statements and others - (1) Consolidated Financial Statements - Notes to Consolidated Financial Statements - Note33 Subsequent Events" in our Form 20-F.

5) Supplementary Schedules

[Details of Tangible non-current assets and Intangible non-current assets]

Class of assets	Balance at the beginning of year JPY (millions)	Increase in current year JPY (millions)	Decrease in current year JPY (millions)	Depreciation in current year JPY (millions)	Balance at the end of year JPY (millions)	Accumulated depreciation JPY (millions)	Acquisition cost at the end of year JPY (millions)
Buildings and structures	81,261	3,947	475 (411)	5,883	78,850	134,458	213,309
Machinery and equipment	21,668	4,361	335 (310)	7,033	18,661	210,347	229,008
Vehicles	45	32	—	35	42	376	417
Tools and fixtures	10,837	7,044	218 (79)	5,974	11,689	36,390	48,079
Land	35,043	—	—	—	35,043	—	35,043
Lease assets	1,211	555	19	309	1,438	862	2,300
Construction in progress	19,248	12,546	4,882 (79)	—	26,911	—	26,911
Total tangible non-current assets	169,311	28,484	5,929 (880)	19,233	172,634	382,433	555,067
Use right of facilities	37	—	—	29	9	468	477
Other intangible non-current assets	31,895	2,650	965 (62)	5,224	28,357	40,575	68,932
Total intangible non-current assets	31,933	2,650	965 (62)	5,252	28,365	41,044	69,409

(Note 1)

The reason for major increase for the year is as follows:

Tools and fixtures	Acquisition of personal computers	JPY 1,335 million

(Note 2)

Numbers in parentheses in "Decrease in current year" represent impairment losses.

[Details of Reserve]

Item	Balance at the beginning of year JPY (millions)	Increase in current year JPY (millions)	Decrease in current year JPY (millions)	Balance at the end of year JPY (millions)
Reserve for employees' bonuses	14,817	14,069	14,817	14,069
Reserve for share-based payments	5,609	2,856	3,425	5,040
Reserve for bonuses for directors and corporate auditors	436	454	436	454
Reserve for restructuring costs	1,475	2,438	2,600	1,313
Reserve for retirement benefits	7,789	3,909	4,634	7,064
Reserve for litigation	762	—	59	703

(2) Major Assets and Liabilities

The disclosure of these items is omitted since the consolidated financial statements are prepared.

(3) Others

For details of major litigation, please refer to the following items described in "1. Consolidated Financial Statements and others - (1) Consolidated Financial Statements - Notes to Consolidated Financial Statements - Note 32. Commitment and Contingent Liabilities, Litigation" in our Form 20-F.

Product Liability and Related Claims

ACTOS Economic Loss Cases

Prompt Pump Inhibitor ("PPI") Product Liability Claims

VI. Overview of Administrative Procedures for Shares of the Company

Fiscal year	From April 1 to March 31
Ordinary general meeting of shareholders	During June
Record date	March 31
Record dates for dividends of surplus	March 31, September 30
Number of shares in one unit	100 shares
Buyback and increase in holdings of shares less than one unit	
Place of handling	Mitsubishi UFJ Trust and Banking Corporation Osaka Securities Agency Division 6-3, Fushimicho 3-chome, Chuo-ku, Osaka
Administrator of shareholder registry	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	-
Fees for buyback and increase in holdings	Free of charge
Method of giving public notice	The Company carries out its public notifications by means of electronic public notice. However, in the event of an accident, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun. The electronic public notices are posted on the Company's website, and the URL is as follows: https://www.takeda.com/jp/investors/public-notice/ (Japanese Only)
Shareholder privileges	None

VII. Reference Information on the Company

1.Information on the Parent Company

The Company does not have the parent company and other companies prescribed in Article 24-7, paragraph 1 of the Financial Instruments and Exchange Act.

2.Other Reference Information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2025 to the filing date of Annual Securities Report.

(1)	Annual Securities Report and documents attached, and Confirmation Letter	Fiscal Year (147th)	From	April 1, 2023	Filed with Director of the Kanto Local Finance Bureau on June 26, 2024
			To	March 31, 2024	
(2)	Internal Control Report and documents attached	Fiscal Year (147th)	From	April 1, 2023	Filed with Director of the Kanto Local Finance Bureau on June 26, 2024
			To	March 31, 2024	
(3)	Interim Securities Report and Confirmation Letter	Fiscal Year (148th Interim)	From	April 1, 2024	Filed with Director of the Kanto Local Finance Bureau on October 31, 2024
			To	September 30, 2024	

(4) Extraordinary Report

The Extraordinary Report pursuant to Article 19, paragraph 2, item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (results of resolution at the general meeting of shareholders)	Filed with Director of the Kanto Local Finance Bureau on July 2, 2024
The Extraordinary Report pursuant to Article 19, paragraph 2, item 3 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (Change in a specified subsidiary)	Filed with Director of the Kanto Local Finance Bureau on September 26, 2024
The Extraordinary Report pursuant to Article 19, paragraph 2, item 9 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (change in representative director)	Filed with Director of the Kanto Local Finance Bureau on January 30, 2025

(5) Amendment Report to the Extraordinary Report

The Amendment Report to the Extraordinary Report pertaining to the Extraordinary Report submitted on September 26, 2024, pursuant to Article 19, Paragraph 2, Item 3 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc."	Filed with Director of the Kanto Local Finance Bureau on December 18, 2024

(6)	Shelf Registration Statement (share certificates, debenture bonds, etc.) and documents attached	Filed with Director of the Kanto Local Finance Bureau on April 14, 2025 Filed with Director of the Kanto Local Finance Bureau on June 2, 2025
(7)	Supplements of Shelf Registration Statements (share certificates, debenture bonds, etc.) and documents attached	Filed with Director of the Kanto Local Finance Bureau on June 6, 2025 Filed with Director of the Kanto Local Finance Bureau on June 10, 2025
(8)	Share Repurchase Report	Filed with Director of the Kanto Local Finance Bureau on February 13, 2025 Filed with Director of the Kanto Local Finance Bureau on March 13, 2025 Filed with Director of the Kanto Local Finance Bureau on April 14, 2025 Filed with Director of the Kanto Local Finance Bureau on May 14, 2025 Filed with Director of the Kanto Local Finance Bureau on June 12, 2025

Part 2. Information on Guarantors for Takeda

Not applicable.

English translation of the auditor's report originally issued in Japanese.

Independent Auditor's Report

June 25, 2025

To Board of Directors of Takeda Pharmaceutical Company Limited:

KPMG AZSA LLC

Kotetsu Nonaka
Designated Limited Liability Partner Engagement Partner
Certified Public Accountant

Masahiko Chino
Designated Limited Liability Partner Engagement Partner
Certified Public Accountant

Hiroaki Namba
Designated Limited Liability Partner Engagement Partner
Certified Public Accountant

Consolidated Financial Statement Audit

Opinion

We have audited the accompanying consolidated financial statements of Takeda Pharmaceutical Company Limited and its consolidated subsidiaries (the "Company") provided in the Financial Information section in the Company's Annual Securities Report, which comprise the consolidated statement of profit or loss, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year ended March 31, 2025, and notes to the consolidated financial statements, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as prescribed in Article 312 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements of Japan (hereinafter referred to as "IFRS").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Reasonableness of evaluation of the provisions for U.S. Medicaid and U.S. commercial managed care rebates

The key audit matter and why it is determined to be a key audit matter
As discussed in Note 3 "Material Accounting Policies" and Note 23 "Provisions" to the consolidated financial statements, the Company records provisions for contractual and statutory rebates payable under Commercial healthcare provider contracts and U.S. State and Federal government health programs (collectively, U.S. rebates) as a reduction to gross sales to arrive at net sales. The programs subject to U.S. rebates include U.S. Medicaid and U.S. commercial managed care programs.

The provisions for U.S. rebates are recorded in the same period that the corresponding revenues are recognized; however, the U.S. rebates are not fully paid until subsequent periods. Provisions for U.S. rebates are JPY 241,704 million as of March 31, 2025.

The expected product specific assumptions used to estimate the provisions for the U.S. Medicaid and U.S. commercial managed care programs relate to estimating which of the Company's revenue transactions will ultimately be subject to the respective programs and required a high degree of subjective judgment.

As a result of the above, we identified the reasonableness of evaluation of the provisions for U.S. Medicaid and U.S. commercial managed care programs as one of the key audit matters because such evaluation was particularly significant in our audit of the consolidated financial statements for the current fiscal year.

How the matter was addressed

In order to evaluate the reasonableness of the estimation regarding the provisions for U.S. Medicaid and U.S. commercial managed care rebates, we instructed component auditors of relevant consolidated subsidiaries in U.S. to perform audit procedures and report the results of their procedures to confirm that sufficient and appropriate audit evidence have been obtained. The audit procedures performed by the component auditors of the consolidated subsidiaries includes the following:

(1) Test of internal controls

We tested the design and operating effectiveness of certain internal controls over the Company's U.S. Medicaid and U.S. commercial managed care programs provision process, including controls related to the determination of the expected product specific assumptions used to estimate the provisions for U.S. Medicaid and U.S. commercial managed care programs.

(2) Test on the reasonableness of estimation of U.S. rebate provisions

- We developed independent expectations of U.S. Medicaid and U.S. commercial managed care programs provisions based on the ratios of historical U.S. Medicaid and U.S. commercial managed care programs claims paid to historical gross sales and compared such independent estimates to management's estimates.
- We compared a selection of U.S. Medicaid and U.S. commercial managed care programs claims paid by the Company for consistency with the contractual terms of the Company's rebate agreements.
- We evaluated the Company's ability to accurately estimate the provisions for U.S. Medicaid and U.S. commercial managed care programs by comparing historically recorded provisions to the actual amounts that were ultimately paid by the Company.

2 Evaluation of goodwill

The key audit matter and why it is determined to be a key audit matter

As discussed in Note 3 "Material Accounting Policies" and Note 11 "Goodwill" to the consolidated financial statements, the Company recorded JPY 5,324,430 million of goodwill as of March 31, 2025.

Goodwill is tested for impairment at the single operating segment level (one CGU), which is the level at which goodwill is monitored for internal management purposes. The Company conducts impairment tests for goodwill annually and if there is any indication of impairment. Impairment loss for goodwill is recognized if the recoverable amount of goodwill is less than the carrying amount. The recoverable amount is the greater of fair value less costs of disposal, or value in use of the CGU. The fair value less costs of disposal is determined by discounting the estimated future cash flows based on a 10-year projection as well as deducting the estimated costs of disposal. The measurement of fair value uses a terminal growth rate and a discount rate. The projection includes the sales forecast related to certain products in the U.S. as the significant assumption. As a result of annual impairment test, the Company did not record any impairment loss on goodwill.

Assessing the fair value at the single operating segment level in the impairment testing of goodwill requires the evaluation of assumptions of the sales forecast related to certain products in the U.S., which is subject to a high degree of subjective judgment.

As a result of the above, we identified the evaluation of goodwill as one of the key audit matters because such evaluation was particularly significant in our audit of the consolidated financial statements for the current fiscal year.

How the matter was addressed

We performed audit procedures to verify the valuation of goodwill. We instructed the auditors of the relevant U.S. consolidated subsidiaries to perform audit procedures for the purpose of testing internal controls. The results of these procedures were reported to us, and we subsequently assessed the sufficiency and appropriateness of the audit evidence obtained. The audit procedures performed by the auditors of the U.S. consolidated subsidiaries included the following:

(1) Test of internal controls

We tested the design and operating effectiveness of internal controls over the development of sales forecast related to certain products in the U.S. in relation to the estimation of fair value for the annual impairment testing of goodwill.

(2) Test on the reasonableness of fair value estimation

We performed the following procedures to evaluate the appropriateness of sales forecast related to certain products in the U.S. which is a significant assumption used for the estimation of fair value:

- Developed independent sales forecast using the future sales growth rate estimated based on external information such as market projections by analysists and industry and market trends, and compared such independent estimates to recent actual sales.
- Compared actual sales to historical sales forecasts of certain products.

Other Information

The other information comprises any information other than the consolidated financial statements, financial statements, and associated audit reports included in the annual securities report. Management is responsible for the preparation and presentation of the other information. The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Company, which forms the basis for an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters required by the auditing standards, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence and communicate with them matters that could reasonably be considered to bear on our independence, and where applicable, measures taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Internal Control Audit

Opinion on Internal Control Over Financial Reporting

We have audited the Company's internal control over financial reporting as of March 31, 2025, in accordance with Article 193-2(2) of the Financial Instruments and Exchange Act of Japan, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to independently express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the auditing standards for internal control over financial reporting of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness to be disclosed exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Primary Differences from the Audit of Internal Control in Japan

We conducted our audit in accordance with the standards of the PCAOB. The primary differences from an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan are as follows;

1. The auditing standards in Japan require us to express an opinion on the internal control report prepared by management, while the PCAOB standards require us to express an opinion on the internal control over financial reporting.
2. The PCAOB standards require us to perform an audit only on the internal control over financial reporting related to the preparation of consolidated financial statements presented in the Financial Information section, and not on the internal control which relate only to the unconsolidated financial statements or which relate to disclosure and other information that could have a material effect on the reliability of financial statements.
3. The PCAOB standards does not require us to perform an audit on the internal control over financial reporting of associates accounted for using the equity method.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Fee-related information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in"(3) Status of Auditing"of"Corporate Governance"in"Information on the Company."

Interest

Our firm and its designated engagement partners have no interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of the Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting:

The Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting herein is the English translation of the Independent Auditor's Report on Financial Statements and Internal Control Over Financial Reporting as required by the Financial Instruments and Exchange Act of Japan.

English translation of the auditor's report originally issued in Japanese.

Independent Auditor's Report

June 25, 2025

To Board of Directors of Takeda Pharmaceutical Company Limited:

KPMG AZSA LLC

Kotetsu Nonaka
Designated Limited Liability Partner Engagement Partner
Certified Public Accountant

Masahiko Chino
Designated Limited Liability Partner Engagement Partner
Certified Public Accountant

Hiroaki Namba
Designated Limited Liability Partner Engagement Partner
Certified Public Accountant

Financial Statement Audit

Opinion

We have audited the accompanying financial statements of Takeda Pharmaceutical Company Limited (the "Company") provided in the Financial Information section in the Company's Annual Securities Report for the 148th fiscal year, which comprise the balance sheet as at March 31, 2025, and the statements of income, statements of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Takeda Pharmaceutical Company Limited as at March 31, 2025, and their financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Reasonableness of judgment on recoverability of deferred tax assets

The key audit matter and why it is determined to be a key audit matter

The Company recognized deferred tax assets of JPY 65,929 million on the balance sheet as of March 31, 2025. As discussed in the notes "Accounting Estimates and Assumptions" and "Accounting for Deferred Income Taxes", the amount of deferred tax assets before offsetting with the deferred tax liabilities is JPY 131,923 million, which is a net of gross deferred tax assets for deductible temporary differences and net operating loss carryforward of JPY 551,576 million with valuation allowances of JPY 419,652 million.

These deferred tax assets are recorded to the extent that it is probable that future taxable income (before adjusting for temporary differences) will be available against which the reversal of deductible temporary differences or utilization of the net operating losses carryforward will generate a tax benefit for the Company.

Recoverability of deferred tax assets are determined based on criteria such as the reversal schedule of taxable temporary differences, future taxable income according to the Company's profitability and the taxable income schedule including tax planning opportunities. Future taxable income according to profitability is estimated based on the Company's business plan for which there is uncertainty in forecasting the revenue. The judgment by management upon determining the revenue forecast related to certain products has a significant impact on the amount of the deferred tax assets to be recognized.

As a result of the above, we identified reasonableness of judgment on recoverability of deferred tax assets as a key audit matter because such judgment was a significant matter in our audit of the financial statements of the current fiscal year.

How the matter was addressed

In order to test the reasonableness of judgment on recoverability of deferred tax assets, we primarily performed following audit procedures.

(1) Test of internal controls

We tested the design and operating effectiveness of certain internal controls over the Company's assessment process on recoverability of deferred tax assets including those related to setting of assumptions used for the forecasted sales.

(2) Test on the reasonableness of estimation of future taxable income

We performed the following procedures to evaluate the reasonableness of estimated future taxable income based on profitability.

- We confirmed consistency of the taxable income schedule used to assess the recoverability of deferred tax assets with the business plan approved at the Board of Directors meeting.
- We evaluated the appropriateness of the major assumptions used for forecasting the sale of products included in the business plan by testing consistency with relevant documents and materials such as analyst reports, past market trend information, market research reports issued by external research organizations, and notices from regulatory authorities.

Other Information

The other information comprises any information other than the consolidated financial statements, financial statements, and associated audit reports included in the annual securities report. Management is responsible for the preparation and presentation of the other information. The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters required by the auditing standards, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence and communicate with them matters that could reasonably be considered to bear on our independence, and where applicable, measures taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the financial statements of the current fiscal year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee related information

Fee related information is described in the Independent Auditor's Report of the consolidated financial statements.

Interest

Our firm and engagement partners have no interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of the Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.

Cover

[Document title]	Internal Control Report
[Clause of stipulation]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 25, 2025
[Company name]	Takeda Yakuhin Kogyo Kabushiki Kaisha
[Company name in English]	Takeda Pharmaceutical Company Limited
[Title and name of representative]	Christophe Weber, Representative Director, President & Chief Executive Officer
[Title and name of chief financial officer]	Milano Furuta, Director & Chief Financial Officer
[Address of registered head office]	1-1, Doshomachi 4-chome, Chuo-ku, Osaka
[Place for public inspection]	Takeda Pharmaceutical Company Limited (Global Headquarters) (1-1, Nihonbashi Honcho 2-chome, Chuo-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya) Fukuoka Stock Exchange (14-2, Tenjin 2-chome, Chuo-ku, Fukuoka) Sapporo Security Exchange (14-1, Minamiichijonishi 5-chome, Chuo-ku, Sapporo)

1. Matters relating to the basic framework for internal control over financial reporting

Christophe Weber, Representative Director, President and Chief Executive Officer, and Milano Furuta, Director and Chief Financial Officer are responsible for maintaining and implementing internal control over financial reporting defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States. The Company's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

The Company has maintained and implemented effective internal control over financial reporting based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

2. Matters relating to the scope of assessment, the base date of assessment and the assessment procedures

The Company assessed the effectiveness of internal control over financial reporting as of March 31, 2025.

In making the assessment, the Company assessed controls which have a material effect on financial reporting on a consolidated basis (entity-level controls) and based on the result of the assessment, selected the business processes to be assessed. In the business processes assessments, the Company analyzed the selected business processes, identified key controls that have a material effect on the reliability of financial reporting and assessed the internal controls by assessing the design and operating effectiveness of these key controls.

The Company determined the required assessment scope of internal control over financial reporting for the Company and its subsidiaries from the perspective of the materiality of their effect on the reliability of financial reporting. The materiality of their effect on the reliability of financial reporting is determined by reasonably taking into account the quantitative and qualitative materiality.

3. Matters relating to the results of the assessment

As a result of performing the assessment procedures in accordance with the assessment standards above, the Company concluded that internal control over financial reporting of the Company was effective as of March 31, 2025. KPMG AZSA LLC, which is the Company's independent registered public accounting firm, has audited the effectiveness of internal control over financial reporting, as described in Report of Independent Registered Public Accounting Firm.

4. Additional note

The Company assesses and reports the effectiveness of internal control over financial reporting required under Section 404 of the Sarbanes-Oxley Act in accordance with Article 18 of Cabinet Office Order on the System for Ensuring the Adequacy of Documents on Financial Calculation and Other Information. The main differences from the assessment performed in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan are as follows:

1. The standards applied in performing the assessment of internal control over financial reporting is Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), instead of the basic framework for internal control established by the Business Accounting Council;
2. The assessment scope of internal control over financial reporting is the preparation of the consolidated financial statements included in the Financial Information section by the Company; and
3. The scope of companies subject to the assessment of internal control over financial reporting does not include associates accounted for using the equity method.

5. Special note

There is no applicable matter.

Cover

[Document title]	Confirmation Letter
[Clause of stipulation]	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 25, 2025
[Company name]	Takeda Yakuhin Kogyo Kabushiki Kaisha
[Company name in English]	Takeda Pharmaceutical Company Limited
[Title and name of representative]	Christophe Weber, Representative Director, President & Chief Executive Officer
[Title and name of chief financial officer]	Milano Furuta, Director & Chief Financial Officer
[Address of registered head office]	1-1, Doshomachi 4-chome, Chuo-ku, Osaka
[Place for public inspection]	Takeda Pharmaceutical Company Limited (Global Headquarters) (1-1, Nihonbashi Honcho 2-chome, Chuo-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya) Fukuoka Stock Exchange (14-2, Tenjin 2-chome, Chuo-ku, Fukuoka) Sapporo Security Exchange (14-1, Minamiichijonishi 5-chome, Chuo-ku, Sapporo)

1. Matters Related to Adequacy of Statements Contained in the Annual Securities Report

Takeda's Representative Director, President and Chief Executive Officer, Christophe Weber, and Director and Chief Financial Officer, Milano Furuta, have confirmed that the content of the Annual Securities Report of Takeda Pharmaceutical Company Limited for the 148th fiscal year (from April 1, 2024 to March 31, 2025) was described appropriately based on the laws and regulations concerning the Financial Instruments and Exchange Act and Related Regulations.

2. Special Notes

Not applicable.