Better Health, Brighter Future

142nd Ordinary General Meeting of Shareholders

Christophe Weber
President & CEO

June 28, 2018
Important Notice

Forward-Looking Statements

This presentation contains forward-looking statements regarding Takeda’s future business, financial position and results of operations, including estimates, forecasts, targets and plans. These forward-looking statements may be identified by the use of forward-looking words such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “forecast,” “initiative,” “intend,” “may,” “outlook,” “plan,” “potential,” “probability,” “pro-forma,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” or similar words, or expressions of the negative thereof, or by discussions of strategy, plans or intentions.

Any forward-looking statements in this document are based on the current assumptions and beliefs of Takeda in light of the information currently available to it. Such forward-looking statements do not represent any guarantee by Takeda or its management of future performance and involve known and unknown risks, uncertainties and other factors, including but not limited to: the economic circumstances surrounding Takeda’s business, including general economic conditions in Japan, the United States and worldwide; competitive pressures and developments; applicable laws and regulations; the success or failure of product development programs; decisions of regulatory authorities and the timing thereof; changes in exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; and post-merger integration with acquired companies, any of which may cause Takeda’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Neither Takeda nor its management gives any assurances that the expectations expressed in these forward-looking statements will turn out to be correct, and actual results, performance or achievements could materially differ from expectations.

Any forward looking statements herein speak only as of the date of this document, and Takeda and its management undertake no obligation to update or revise any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events or otherwise.

Medical Information

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

Profit Forecast for Takeda for the year ending March 31, 2019

Takeda is currently in an offer period (as defined in the City Code on Takeovers and Mergers (the “Code”)) with respect to Shire plc. Pursuant to Rule 28 of the Code, statements made regarding Takeda’s guidance for FY2018 (including statements regarding forecasts for FY2018 revenue, Core Earnings, Operating profit, Profit before income taxes, Net profit attributable to owners of the Company, Basic earnings per share, R&D expenses, Amortisation and impairment and other income/expense, Underlying Revenue, Underlying Core Earnings and Underlying Core EPS) constitute a profit forecast for the year ending March 31, 2019 (the “Takeda Profit Forecast”). For additional information regarding the Takeda Profit Forecast and the required statement by its Directors that such profit forecast is valid and has been properly compiled on the basis of the assumptions stated and that the basis of accounting used is consistent with Takeda’s accounting policies, please see page 21 of Takeda’s Financial Results (Tanshin) for the Fiscal Year Ended March 31, 2018, dated May 14, 2018.
Takeda’s Transformation Journey

Takeda was founded in 1781

Takeda is well-positioned to deliver innovative and transformative care to patients around the world

Values-Driven
- Takeda-ism: Integrity, Fairness, Honesty and Perseverance
- Patient > Trust > Reputation > Business
- Access to Medicine
- Active CSR

Global, Agile, Innovative
- A leading company in Japan
- Created global organization and capabilities
- Driving patient-centricity and local empowerment
- Revitalizing R&D to drive productivity

World-class Governance & Diverse Leadership
- Board with majority of independent external directors
- Diverse leadership team
- Prioritizing talent development

GROW PORTFOLIO
STRENGTHEN PIPELINE
BOOST PROFITABILITY
Takeda's Corporate Philosophy

VALUES

Integrity  Fairness  Honesty  Perseverance

We take action and make decisions by focusing on our four priorities, in order of:

1. Putting the patient at the center
2. Building trust with society
3. Reinforcing our reputation
4. Developing the business
Board of Directors for Best-in-Class Governance

INTERNAL DIRECTORS

Christophe Weber
Representative Director, President & CEO

Masato Iwasaki
Director, JPBU President

Andrew Plump
Director, Chief Medical & Scientific Officer

EXTERNAL DIRECTORS

Masahiro Sakane
Independent Director, Chair of the Board meeting, Chair of Nomination Committee

Michel Orsinger
Independent Director

Toshiyuki Shiga
Independent Director, Chair of Compensation Committee

Emiko Higashi
Independent Director

Yoshiaki Fujimori
Independent Director

DIRECTORS ON THE AUDIT & SUPERVISORY COMMITTEE (A&SC)

Yasuhiko Yamanaka
Director, A&SC member

Shiro Kuniya
Independent Director, Chair A&SC

Koji Hatsukawa
Independent Director, A&SC member

Jean-Luc Butel
Independent Director, A&SC member
**Significant Progress in FY2017 with 17 NME Stage-ups, Compared with 5 in the Same Period Last Year**

**ONCOLOGY**

| Phase 1 | Phase 2 | Phase 3/FILED | APPROVED*
|---------|----------|---------------|-----------
| TAK-573 | sapanisertib | pevonedistat | NINLARO® |
| XMT-1522 | mTORC 1/2 inhibitor | NAE inhibitor | ADCETRIS® |
| TAK-788 | Endometrial Cancer | MDM2/P53 inhibitor | ALUNBRIG® |
| anti-CD38 attenukine | NLR inhibitor | ALC1557 | (brigatinib) |
| Refractory MM | MM cell death | TAK-003 | AMITIZA® |
| TAK-079 | SYK inhibitor | VEGF/RTK inhibitor | TAK-831 |
| Anti-CD38 mAb | DLBCL | HCC, RCC (JP) | Theravance Biopharma |
| Refractory MM | TAK-931 | CA125 antigen | 5-HT4R agonist |
| | CDC7 inhibitor | Cancer Immunotherapy | Enteral Feeding |
| | Solid Tumors | | Intolerance |

**GASTRO-ENTEROLOGY (GI)**

<table>
<thead>
<tr>
<th>TIMP-Gliadin</th>
<th>TAK-653</th>
<th>TAK-906</th>
<th>ENTYVIO®</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Imm. Tol. Induction</td>
<td>AMPAR potentiator</td>
<td>D2/D3R Antigen</td>
<td>mAb</td>
</tr>
<tr>
<td>Celiac Disease</td>
<td>TRD</td>
<td>Gastroenteritis</td>
<td>UC/CD (EM), UC (JP), CD (JP), and entero (IIM)</td>
</tr>
</tbody>
</table>

**NEURO-SCIENCE**

<table>
<thead>
<tr>
<th>TAK-653</th>
<th>TAK-418</th>
<th>TAK-935</th>
<th>TRINTELLIX™</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMPAR potentiator</td>
<td>LSD1 inhibitor</td>
<td>Ovid Therapeutics</td>
<td>Limited</td>
</tr>
<tr>
<td>TRD</td>
<td>Kbuki Syndrome</td>
<td>CH24H antagonist</td>
<td>Multidomain anti-depressant</td>
</tr>
<tr>
<td>Parkinson’s Disease</td>
<td>GPR139 antagonist</td>
<td>CIAS neg. symptoms</td>
<td>Cognition data in label</td>
</tr>
<tr>
<td></td>
<td>Narcolepsy</td>
<td>Opioid Therapeutics</td>
<td>MDD (JP)</td>
</tr>
</tbody>
</table>

**VACCINES**

<table>
<thead>
<tr>
<th>TAK-021</th>
<th>TAK-195</th>
<th>TAK-003</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV71 Vaccine</td>
<td>Gates Foundation Vaccine</td>
<td>Dengue Vaccine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*with active development seeking new or supplemental indications

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**Stage-ups in FY2017**

(since April 1, 2017)

**Orphan Drug Designation**

Pipeline as of March 31, 2018. Not all regions are listed.
## Revitalizing R&D to Improve Productivity

### RESEARCH SITE LOCATION

- **JAPAN**
  - Neuroscience
  - Regenerative Medicine
  - Vaccine
- **U.S.**
  - OncoLOGY
  - GI
  - Vaccine

### EXTERNAL PARTNERSHIP

#### THERAPEUTIC AREAS

- **ONCOLOGY**
  - 7 new partnerships
  - Takeda, GAMMADELTA, Heidelberg PHARMA, mAbxience, TESARO, NOILE-IMMUNE BIOTECH, SHIATUCK LABS, NEKTAR
- **GI**
  - 12 new deals/partnerships
  - PRANA BIOTECHNOLOGIES, BEACON DISCOVERY, HEMOSHEAR THERAPEUTICS, TiGenix, Portal Instruments, HiFiSOL, Karolinska Institutet, NUBIYOTA
- **NEUROSCIENCE**
  - 5 new partnerships
  - Astrazeneca, JENALI, WAVE, minidrugs, mindstrong

#### CAPABILITIES

- **Value Creation Through Externalization**
  - 5 products externalized
- **Vaccine**
  - CARDURION, IZANA BIOSCIENCES, SAMSUNG BIOEPIS, Allkem, rhythm
- **Regenerative Medicine**
  - Alikomi, ChromaJean Co., Chordic Therapeutics, FIMECS, GEKay
- **Academic Alliances**
  - 2 new strategic alliances (Leland Stanford Jr. University, RECURRION Therapeutics)
- **TAKcelerator**
  - Rare disease initiatives
- **Takeda Ventures**
  - 1 new investment initiated

### Platforms

- FUJIFILM
- MTGEN
- ISOGENICA
- Numerate
- SELEXIS
- SCHRODINGER

Not all-inclusive. All trademarks and registered trademarks are the property of their respective owners.
## FY2017 Results

<table>
<thead>
<tr>
<th>Metric</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying Revenue</td>
<td>+ 5.5 %</td>
</tr>
<tr>
<td>Underlying Core Earnings</td>
<td>+ 40.2%</td>
</tr>
<tr>
<td>Underlying Core EPS</td>
<td>+ 44.8 %</td>
</tr>
</tbody>
</table>

*Note:*
- "Underlying growth" excludes the impact of foreign exchange and exceptional items.
- "Core Earnings" is calculated from operating profit by excluding the impact of exceptional items.
ROE Performance is Recovering

(ROE: %)

FY07 08 09 10 11 12 13 14 15 16 17

15.1 14.4 11.8 6.1 6.3 4.5 3.9 6.0 9.6

Actos settlement
### FY2018 GUIDANCE (GROWTH, %)

<table>
<thead>
<tr>
<th>Underlying Revenue</th>
<th>FY2018 Management Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low single digit growth (%)</td>
</tr>
<tr>
<td>Underlying Core Earnings</td>
<td>High single digit growth (%)</td>
</tr>
<tr>
<td>Underlying Core EPS</td>
<td>Low-teens growth (%)</td>
</tr>
</tbody>
</table>

**Annual Dividend per Share**: 180 yen for FY2018

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Revenue and Earnings Growth Momentum Maintained in FY2018 Despite Velcade Decline
Takeda to Acquire Shire:
Accelerating Takeda’s Transformation to Deliver More for Patients
## Pharmaceutical Market Growth Driven by US and EM

<table>
<thead>
<tr>
<th></th>
<th>1994 (% in WW)</th>
<th>2017 (% in WW)</th>
<th>2025 (% in WW)</th>
<th>CAGR '17-'25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Worldwide</strong></td>
<td>252</td>
<td>1,157</td>
<td>1,657</td>
<td>5%</td>
</tr>
<tr>
<td><strong>U.S.</strong></td>
<td>80 (32%)</td>
<td>465 (40%)</td>
<td>703 (42%)</td>
<td>5%</td>
</tr>
<tr>
<td><strong>EU5</strong></td>
<td>50 (20%)</td>
<td>167 (14%)</td>
<td>210 (13%)</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>53 (21%)</td>
<td>84 (7%)</td>
<td>77 (5%)</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>EM &amp; Others</strong></td>
<td>70 (28%)</td>
<td>441 (38%)</td>
<td>667 (40%)</td>
<td>5%</td>
</tr>
</tbody>
</table>

(USD, Billion)

*CAGR: Compound Annual Growth Rate
Source: Market Prognosis Global Long Term Forecast (as of May 22nd 2018)*

Takeda Pharmaceutical Company Limited
Commitment to putting patients first, building trust with society, reinforcing the reputation of Takeda, and delivering superior business performance.

Acquisition of Shire will Accelerate Takeda’s Transformation

- **STRATEGIC FIT**
- **COMPLEMENTARY PIPELINES**
- **ATTRACTIVE FOOTPRINT**
- **FINANCIAL STRENGTH**
Acquisition of Shire will Accelerate Takeda’s Transformation

Commitment to putting patients first, building trust with society, reinforcing the reputation of Takeda, and delivering superior business performance
- Strengthens 2 of Our 3 Core TAs - GI and Neuroscience.
- Provides Leading Positions in Rare Diseases and Plasma-Derived Therapies to Complement Strength in Oncology and Focused Efforts in Vaccines

<table>
<thead>
<tr>
<th>ONCOLOGY</th>
<th>GI</th>
<th>NEUROSCIENCE</th>
<th>RARE DISEASES</th>
<th>PLASMA DERIVED THERAPIES</th>
<th>OTHERS (example of key products)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oncology</td>
<td>25%</td>
<td>35%</td>
<td>40%</td>
<td>20%</td>
<td>Kenketu glovenin²I</td>
</tr>
<tr>
<td>Takeda Key Products</td>
<td>Nesina alcolin</td>
<td>Ultraic colvanatin Uf tablets</td>
<td>Colcryst colchicine USP tablets</td>
<td>Azilect edarbi</td>
<td>AZILVA®...etc.</td>
</tr>
<tr>
<td>Shire Key Products</td>
<td>Gattex</td>
<td>Vyvanse</td>
<td>elaprase</td>
<td>CINRYZE (Tremplin Enzyme)</td>
<td>FEIBA</td>
</tr>
<tr>
<td></td>
<td>Lorez</td>
<td></td>
<td></td>
<td>ADVATE (Antithrombotic Factor (Recombinant))</td>
<td>ADVANCE (Antithrombotic Factor (Recombinant))</td>
</tr>
<tr>
<td></td>
<td>Mydayis</td>
<td>REPLAGAL</td>
<td>kalbitor</td>
<td>venous diseases</td>
<td>Arixubis (Antithrombotic Factor (Recombinant))</td>
</tr>
<tr>
<td></td>
<td>liida</td>
<td></td>
<td></td>
<td>GLASSIA</td>
<td>AGRYLINE (Antithrombotic Factor (Recombinant), Porine Sesame</td>
</tr>
<tr>
<td></td>
<td>Liido</td>
<td></td>
<td></td>
<td>Obizur</td>
<td>(Antithrombotic Factor (Recombinant), Porine Sesame</td>
</tr>
</tbody>
</table>

~75% of Total Sales¹

Notes: Percentage calculated using (a) the amount for the 12 month period ending on March 31, 2017 and converted using the $/¥ of 111.43 as at that date (in the case of Takeda) and (b) the amount for the 12 month period ending on December 31 2017 and converted using the $/¥ of 112.65 as at that date (in the case of Shire). ¹Management Data. ²Hereditary Angioedema.
STRATEGIC FIT

COMPLEMENTARY PIPELINES

ATTRACTIVE FOOTPRINT

FINANCIAL STRENGTH
### A Robust, Modality-Diverse Pipeline

<table>
<thead>
<tr>
<th>Phase</th>
<th>Takeda</th>
<th>Shire</th>
<th>Orphan Drug Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ONCOLOGY</strong></td>
<td>TAK-573</td>
<td>Anti-CD38-attenuate Refractory MM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-079</td>
<td>Anti-CD38 mAb Refractory MM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-788</td>
<td>EGFR/KRAS Inh N mill</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-931</td>
<td>CD73 Inhibitor Solid Tumors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-905</td>
<td>DTX3L Inhibitor Gastroenteritis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-935</td>
<td>Oxyd Therapeutics Oral Inhaled Rare Pediatric Epilepsies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-836</td>
<td>DAMO Inhibitor SCZ, Ataxia</td>
<td></td>
</tr>
<tr>
<td><strong>NEURO-SCIENCE</strong></td>
<td>TAK-653</td>
<td>AMPAR Potentiator TRD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-418</td>
<td>LSAT1 Inhibitor Kabuki Syndrome</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-925</td>
<td>Dsx-28 against Naxocerebra</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-041</td>
<td>GPR119 against CNS-Related Symptoms</td>
<td></td>
</tr>
<tr>
<td><strong>RARE DISEASES</strong></td>
<td>SHP611</td>
<td>MLD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP631</td>
<td>Hunter CNS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP654</td>
<td>Gene Therapy Huntington</td>
<td></td>
</tr>
<tr>
<td><strong>PLASMA-DERIVED THERAPIES</strong></td>
<td>SHP671</td>
<td>THLD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP607</td>
<td>IGF-1/IGFBP3 Chronic Lung Disease</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lanadelumab</td>
<td>Anti-Kallikrein mAb HAE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP620</td>
<td>CMV Infection in Transplant Patients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP655</td>
<td>ERT/ADAMTS-13 CTP</td>
<td></td>
</tr>
<tr>
<td><strong>VACCINES</strong></td>
<td>TAK-021</td>
<td>EV71 Vaccine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-426</td>
<td>BARDA Zika Vaccine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-195</td>
<td>Gates Foundation Inactivated Poliovirus Vaccine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-214</td>
<td>Norovirus Vaccine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAK-003</td>
<td>Dengue Vaccine</td>
<td></td>
</tr>
<tr>
<td><strong>OPHTHALMOLOGY</strong></td>
<td>SHP639</td>
<td>Glaucoma</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP659</td>
<td>DEX</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHP640</td>
<td>Infectious Conjunctivitis</td>
<td></td>
</tr>
</tbody>
</table>

Note: SHP652 and Natpara classified as “other” and not shown here.
*With ongoing clinical development activities. Pipeline as of February 1, 2018.
STATEGIC FIT

COMPLEMENTARY PIPELINES

ATTRACTIVE FOOTPRINT

FINANCIAL STRENGTH
Attractive Footprint Aligned with Market Opportunity


Notes: Percentages calculated using (1) the revenue by geography for the 12 month period ending on December 31, 2017 (the final quarter of FY2016 and the first three quarters of FY2017) and converted using the $:¥ of 1:112.65 as at that date (in the case of Takeda) and (2) the revenue by geography for the 12 month period ending on December 31, 2017 (in the case of Shire). Percentages for the combined group are calculated by aggregating the revenue by geography for Takeda and Shire.
STRATEGIC FIT

COMPLEMENTARY PIPELINES

ATTRACTIVE FOOTPRINT

FINANCIAL STRENGTH
## Significant EBITDA Expansion (pre synergies)

<table>
<thead>
<tr>
<th></th>
<th>Takeda</th>
<th>Shire</th>
<th>COMBINED</th>
<th>Historical Pro-Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>¥1,732bn / $15.5bn</td>
<td>¥1,699bn / $15.1bn</td>
<td>¥3,431bn / $30.6bn</td>
<td>~2x</td>
</tr>
<tr>
<td><strong>EBITDA</strong> ( excl. Synergies)</td>
<td>¥302bn / $2.7bn</td>
<td>¥731bn / $6.5bn</td>
<td>¥1,033bn / $9.2bn</td>
<td>~3x</td>
</tr>
<tr>
<td><strong>R&amp;D Spend</strong> ( excl. Synergies)</td>
<td>¥312bn / $2.8bn</td>
<td>¥176bn / $1.6bn</td>
<td>¥489bn / $4.4bn</td>
<td>~1.5x</td>
</tr>
</tbody>
</table>

**Source:** Shire plc Annual Report 2017, Takeda Consolidated Financial statements for the Fiscal Year Ended March 31, 2017, Historical FX rates sourced from FactSet.

**Notes:** The historical revenue, EBITDA and R&D figures of the combined group represent the aggregate consolidated revenue, EBITDA and R&D of (a) the amount for the 12 month period ending on March 31, 2017 and converted using the $/¥ of 1:111.43 as at that date (in the case of Takeda) and (b) the amount for the 12 month period ending on 31 December 2017 and converted using the $/¥ of 1:112.65 as at that date (in the case of Shire). These results are historic and do not take into account any divestures or other events that may have occurred since these dates. The aggregate revenue figure comprises the aggregate of Takeda’s reported revenue and Shire’s Non GAAP revenue. The aggregate EBITDA figure comprises the aggregate of Takeda’s EBITDA (Operating Profit adjusted for other operating income and expenses, D&A and impairment losses; including deductions for impairments of PPE, goodwill, intangibles and investment property depreciation in other operating expenses) and Shire’s Non GAAP EBITDA. The aggregate R&D figure comprises the aggregate of Takeda’s reported R&D spend and Shire’s Non GAAP R&D spend.
Highly Accretive Transaction
Strong Ability to Deleverage

- The recurring pre-tax cost synergies for the combined group are expected to reach a run-rate of at least ¥153bn / $1.4bn per annum by the end of the third fiscal year following completion¹

- The number of issued Takeda shares will essentially double but EBITDA is approximately three times larger on a historical combined basis²

- Takeda’s well-established dividend policy remains as a key component of our shareholder return

- The acquisition will be significantly EPS accretive³

- The transaction’s Return on Invested Capital (ROIC) is expected to exceed Takeda’s weighted average cost of capital (WACC) within the first full fiscal year following completion

Notes:
¹ The Takeda Directors expect recurring pre-tax cost synergies for the Combined Group to reach a run-rate of at least $1.4 billion per annum by the end of the third fiscal year following completion of the Acquisition ($/¥ of 1:108.97 as at May 8, 2018]. Reported under Rule 28.1 of the Takeover Code; related reports can be found in the Rule 2.7 Announcement made by Takeda on May 8, 2018, as well as information regarding the method of calculation of the synergies and the costs to achieve such synergies. ² The historical pro-forma EBITDA figure comprises Takeda’s EBITDA (Operating Profit adjusted for other operating income and expenses, intangible amortization & impairment, software amortization, PP&E depreciation & impairment and other non-recurring items) for the Fiscal Year Ended March 31, 2018 based on the exchange rates of $:¥ of 1:108.97 as at May 4, 2018 and Shire’s EBITDA for the 12 month period ending on Mar 31, 2018 (the final three quarters of FY2017 and the first quarter of FY2018). ³ The statement that the Acquisition is underlying earnings accretive is not intended as a profit forecast and should not be construed as such, and is therefore not subject to the requirements of Rule 28 of the Takeover Code. The statement should not be interpreted to mean that the earnings per share in any future fiscal period will necessarily match or be greater than those for the relevant preceding financial period.
Deleveraging to Enhance Takeda Equity Value

**NET DEBT TO EBITDA RATIO EVOLUTION**

**Takeda standalone**
- Mar 2017\(^1\): 2.7x
- Mar 2018\(^2\): 1.8x
- Illustrative Pro Forma\(^3\): \(~5x\)

**Equivalent to deleveraging by 0.6-1.0x/year**

3-5 years

Notes: 1 Consolidated Financial statements for the Fiscal Year Ended March 31, 2017; 2 Consolidated Financial statements for the Fiscal Year Ended March 31, 2018; 3 Illustrative pro forma net debt / EBITDA of \(~5x\) calculated using the illustrative pro forma net debt of $52,610mm calculated by adding: i) Shire net debt of $18,203mm as per Q1 Report 2018; ii) Takeda net debt of $6,343mm as per Consolidated Financial statements for the Fiscal Year Ended March 31, 2018 based on the exchange rate of $:¥ of 1:108.97 as at May 8, 2018; and iii) the total cash consideration pursuant to the offer calculated as the cash consideration of $30.33 per Shire share multiplied by the 937,925,528 issued and to be issued Shire share capital as disclosed in the Rule 2.7 Announcement made by Takeda on May 8, 2018 (the "Rule 2.7 Announcement"). The illustrative pro forma EBITDA is calculated by adding: i) Takeda’s EBITDA (Operating Profit adjusted for other operating income and expenses, intangible amortisation & impairment, software amortisation, PP&E depreciation & impairment and other non-recurring items) of $3,466mm as per Consolidated Financial statements for the Fiscal Year Ended March 31, 2018 based on the exchange rates of $:¥ of 1:108.97 as at May 4, 2018; ii) Shire EBITDA of $6,523mm for the 12 month period ending on Mar 31, 2018 (the final three quarters of FY2017 and the first quarter of FY2018); and iii) the expected annual cost synergies of at least $1,400mm reported under Rule 28.1 of the Takeover Code; related reports can be found in the Rule 2.7 Announcement, as well as information regarding the method of calculation of the synergies and the costs to achieve such synergies.
Fully Confident in the Successful Integration of Shire

*Takeda-ism and Patient – Trust – Reputation – Business* will drive the culture of the combined company.

More competitive, R&D-Driven Biopharmaceutical Company Headquartered in Japan

Listed on TSE with ADS’s listed on NYSE

Acceleration of transformation leveraging Takeda and Shire employees’ knowledge and expertise
Our New Global Headquarters
Better Health, Brighter Future