144th Ordinary General Meeting of Shareholders

Christophe Weber
President & CEO

June 24th, 2020
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The companies in which Takeda directly and indirectly owns investments are separate entities. In this presentation, "Takeda" is sometimes used for convenience where references are made to Takeda and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Forward-Looking Statements

This presentation and any materials distributed in connection with this presentation may contain forward-looking statements, beliefs or opinions regarding Takeda’s future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as "targets", "plans", "believes", "hopes", "continues", "expects", "aims", "intends", "ensures", "will", "may", "should", "would", "could" "anticipates", "estimates", "projects" or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda’s global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations; the success of or failure of product development programs; decisions of regulatory authorities and the timing thereof; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic, on Takeda and its customers and suppliers, including foreign governments in countries in which Takeda operates; or on other facets of its business; the timing and impact of post-merger integration efforts with acquired companies; the ability to divest assets that are not core to Takeda’s operations and the timing of any such divestment(s); and other factors identified in Takeda’s most recent Annual Report on Form 20-F and Takeda’s other reports filed with the U.S. Securities and Exchange Commission, available on Takeda’s website at: https://www.takeda.com/investors/reports/sec-filings/ or at www.sec.gov. Takeda does not undertake to update any of the forward-looking statements contained in this presentation or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this presentation may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda’s future results.

Certain Non-IFRS Financial Measures

This presentation and materials distributed in connection with this presentation include certain IFRS financial measures not presented in accordance with International Financial Reporting Standards ("IFRS"), such as Underlying Revenue, Core Operating Profit, Underlying Core Earnings, Core Net Debt, EBITDA, Adjusted EBITDA and Free Cash Flow. Takeda’s management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this presentation. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. By including these non-IFRS measures, management intends to provide investors with additional information to further analyze Takeda’s performance, core results and underlying trends. Takeda’s non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as "reported" measures). Investors are encouraged to review the reconciliation of non-IFRS financial measures to their most directly comparable IFRS measures, which are on slides 16-22.

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 drugs including the ones under development.

Financial information

Takeda’s financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The revenue of Shire plc ("Shire"), which was historically presented by Shire in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), has been conformed to IFRS, without material difference.

The Shire acquisition closed on January 8, 2019, and our consolidated results for the fiscal year ended March 31, 2019 include Shire’s results from January 8, 2019 to March 31, 2019. References to "Legacy Takeda" businesses are to our businesses held prior to the acquisition of Shire. References to "Legacy Shire" businesses are to those businesses acquired through the Shire acquisition.

This presentation includes certain pro forma information giving effect to the Shire acquisition as if it had occurred on April 1, 2018. This pro forma information has not been prepared in accordance with Article 11 of Regulation S-X. This pro forma information is presented for illustrative purposes and is based on certain assumptions and judgments based on information available to us as of the date hereof, which may not necessarily have been applicable if the Shire acquisition had actually happened as of April 1, 2018. Moreover, this pro forma information gives effect to certain transactions and other events which are not directly attributable to the Shire acquisition and/or which happened subsequently to the Shire acquisition, such as divestitures and the effects of the purchase price allocation for the Shire acquisition, and therefore may not accurately reflect the effect on our financial condition and results of operations if the Shire acquisition had actually been completed on April 1, 2018. Therefore, undue reliance should not be placed on the pro forma information included herein.

IMPORTANT NOTICE
As a patient-centric, values-based biopharmaceutical company, Takeda is focused on three priorities during the COVID-19 outbreak:

1. **Safeguarding employees and their families, and reducing impact on the healthcare system**

2. **Maintaining business continuity**, especially the supply of Takeda medicines to patients

3. **Developing potential therapies** to treat or prevent COVID-19
We Are One Takeda

Today

VALUES BASED, R&D-DRIVEN GLOBAL BIOPHARMA COMPANY
GASTROENTEROLOGY, RARE DISEASES, PDT, ONCOLOGY, AND NEUROSCIENCE

<table>
<thead>
<tr>
<th>FY2019</th>
<th>REPORTED REVENUE</th>
<th>JPY 3,291bn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOP 10 GLOBALLY</strong></td>
<td>UNDERLYING CORE PROFIT(^1) MARGIN</td>
<td><strong>29%</strong></td>
</tr>
</tbody>
</table>

2014

GROWTH OPPORTUNITIES
WAVE 1 AND WAVE 2 PIPELINE GROWTH OPPORTUNITIES

GLOBALIZATION
R&D TRANSFORMATION

2014

TOP 20 GLOBALLY
REPORTED REVENUE
JPY 1,778bn

UNDERLYING CORE PROFIT\(^1\) MARGIN
17%

Accelerating Growth & Patient Impact

Next 5 Years

TRANSFORM SCIENCE INTO LIFE-CHANGING MEDICINES

GLOBAL PATIENT IMPACT
ACCELERATING GROWTH

MEDIUM TERM
UNDERLYING CORE PROFIT\(^1\) MARGIN
MID 30s

1. Underlying Core Operating Profit. Previously referred to as Underlying Core Earnings (no change in definition). Please refer to slide 16 for its definition and slides 18 and 22 for reconciliation.
Takeda FY2019 revenues by key region

- U.S.: 48%
- Europe & Canada: 20%
- Japan: 18%
- Growth & Emerging Markets: 14%

Global pharma industry est. 2020 sales

- U.S.: 49%
- ROW: 28%
- Japan: 9%
- EU: 14%

SOURCE: EvaluatePharma®, April 2020, Evaluate, Ltd
SOLID FY2019 RESULTS

- Reported revenue up 57% to JPY 3,291B in first full year following Shire integration
- Reported Op Profit exceeds initial guidance at JPY 100B, strong FY20 growth outlook
- Core Op Profit¹ up 110% to JPY 962B, Underlying Core OP margin of 28.9%² (+7pps)
- Strong free cash flow³ of JPY 968B (+156%) supports 180 yen dividend per share
- JPY 701B debt repayments improve net debt/adjusted EBITDA⁴ to 3.8x from 4.7x YoY

¹. Previously referred to as Core Earnings (no change in definition). Please refer to slide 16 for its definition and slide 18 for reconciliation.
². Please refer to slide 18 for reconciliation.
³. Please refer to slide 19 for reconciliation.
⁴. Please refer to slide 17 for definition, and slides 20-21 for reconciliation.
GROWTH MOMENTUM EXPECTED TO CONTINUE IN FY2020 WITH DIVIDEND OF 180 YEN / SHARE

<table>
<thead>
<tr>
<th>(BN YEN)</th>
<th>FY2019 RESULTS</th>
<th>FY2020 FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>3,291.2</td>
<td>3,250.0</td>
</tr>
<tr>
<td>CORE OPERATING PROFIT¹</td>
<td>962.2</td>
<td>984.0</td>
</tr>
<tr>
<td>CORE EPS² (YEN)</td>
<td>387</td>
<td>420</td>
</tr>
<tr>
<td>ANNUAL DIVIDEND PER SHARE (YEN)</td>
<td>180</td>
<td>180</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNDERLYING GROWTH³ (MANAGEMENT GUIDANCE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-single-digit</td>
</tr>
</tbody>
</table>

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High-single-digit</td>
</tr>
<tr>
<td>Low-teen</td>
</tr>
</tbody>
</table>

Note: FY2020 forecast, management guidance and assumptions are as of May 13, 2020

1. Previously referred to as Core Earnings (no change in definition). Please refer to slide 16 for its definition, slide 18 for historical reconciliation, and slide 22 for FY2020 forecast reconciliation.
2. Please refer to slide 18 for historical reconciliation.
3. Underlying growth adjusts for divestitures (assets divested in FY2019 and disclosed divestitures expected to close in FY2020) and applies a constant exchange rate (FY2019 full year average FX rate). Please refer to slide 16 for definition of underlying growth. Underlying measures are also the basis for calculating management KPIs. Please refer to slides 23-24 for more details.

To date, Takeda has not experienced a material effect on its financial results as a result of the global spread of the novel coronavirus infectious disease (COVID-19), despite the various effects on its operations as detailed elsewhere herein. Based on currently available information, Takeda believes that its financial results for FY2020 will not be materially affected by COVID-19 and, accordingly, Takeda’s FY2020 forecast reflects this belief. However, the situation surrounding COVID-19 remains highly fluid, and future COVID-19-related developments in FY2020, including new or additional COVID-19 outbreaks and additional or extended lockdowns, shelter-in-place orders or other government action in major markets, could result in further or more serious disruptions to Takeda’s business, such as slowdowns in demand for Takeda’s products, supply chain related issues or significant delays in its clinical trial programs. These events, if they occur, could result in an additional impact on Takeda’s business, results of operations or financial condition, as well as result in significant deviations from Takeda’s FY2020 forecast.

It is premature to speculate on the medium-term financial implications of the COVID-19 outbreak, which may arise from issues such as rising unemployment, changes in payer mix, and the possibility of government initiatives being introduced to reduce healthcare spending.

Other key assumptions in FY2020 guidance:
1. Takeda does not expect any additional 505(b)(2) competitor for subcutaneous VELCADE to launch in the U.S. within FY2020;
2. FY2020 guidance does not include the impact of any potential further divestitures beyond what has already been disclosed by Takeda.
14 GLOBAL BRANDS AND 12 WAVE 1 PIPELINE ASSETS TO DRIVE SUSTAINABLE GROWTH

**BUSINESS AREA FOCUS**

- **5 Key Business Areas** representing ~79% of FY2019 revenue, underlying growth +6%¹
- **14 Global Brands** underlying growth +22%¹

**R&D FOCUS**

- **12 Wave 1 NMEs**² with potential for >$10B aggregate peak sales
- **~30 Wave 2 NMEs**² in rich early clinical pipeline

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1. Underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.

2. NME: New Molecular Entity. Wave 1 programs are NMEs projected to launch through FY2024; Wave 2 programs are NMEs projected to launch after FY2024.
GROWTH MOMENTUM IS ACCELERATING WITH WAVE 1 NMEs POTENTIAL FOR $10B AGGREGATED PEAK SALES

The above chart represents conceptual changes in revenue through FY2024 and FY2029 demonstrating growth over time offsetting loss of exclusivities and achieving single digit growth as compared to FY2018 pro forma baseline. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences. Actual future net sales achieved by our commercialized products and pipelines will be different, perhaps materially so, as there is a range of possible outcomes from clinical development, driven by a number of variables, including safety, efficacy and product labelling. In addition, if a product is approved, the effect of commercial factors including the patient population, the competitive environment, pricing and reimbursement is also uncertain. Sales estimate for Wave 1 Pipeline is non-risk adjusted, but only considers revenue contribution from the lead indication.

Note: Chart is unchanged since first being presented at Takeda’s R&D Day, November 14th, 2019.
BETTER HEALTH FOR PEOPLE, BRIGHTER FUTURE FOR THE WORLD
TAKEDA EXECUTIVE TEAM DEDICATED TO DELIVER ON GROWTH MOMENTUM

JAPAN

CHRISTOPHE WEBER
President & CEO

COSTA SAROUKOS
Chief Financial Officer

MASATO IWASAKI
President, Japan Pharma Business Unit

TAKAKO OHYABU
Chief Global Corporate Affairs Officer

YOSHIHIRO NAKAGAWA
Global General Counsel

PADMA THIRUVENGADAM
Chief Human Resources Officer

MILANO FURUTA
Corporate Strategy Officer & Chief of Staff

US

ANDY PLUMP
President, Research & Development

RAMONA SEQUEIRA
President, USBU & Global Portfolio Commercialization

TERESA BITETTI
President, Global Oncology Business Unit

RAJEEV VENKAYYA
President, Global Vaccine Business Unit

GERARD (JERRY) GRECO
Global Quality Officer

MARCELLO AGOSTI
Global Business Development Officer

SWITZERLAND

GILES PLATFORD
President, Europe & Canada Business Unit

JULIE KIM
President, Plasma-Derived Therapies Business Unit

THOMAS WOZNIEWSKI
Global Manufacturing & Supply Officer

MWANA LUGOGO
Chief Ethics & Compliance Officer

SINGAPORE

RICARDO MAREK
President, Growth & Emerging Markets Business Unit
A STRONG INDEPENDENT BOARD LEADS A ROBUST GOVERNANCE

**INTERNAL DIRECTORS**

- Christophe Weber
  Representative Director, President & CEO
- Masato Iwasaki
  Director, President, Japan Pharma Business Unit
- Andrew Plump
  Director, President, Research & Development
- Costa Saroukos
  Director, Chief Financial Officer
- Yasuhiko Yamanaka
  Director, A&SC member
- Masato Iwasaki
  Director, President, Japan Pharma Business Unit

**INDEPENDENT DIRECTORS**

- Christophe Weber
  Representative Director, President & CEO
- Masahiro Sakane
  Independent Director, Chair of the Board meeting, Chair of Nomination Committee
- Olivier Bohuon
  Independent Director
- Jean-Luc Butel
  Independent Director
- Ian Clark
  Independent Director
- Steven Gillis
  Independent Director
- Shiro Kuniya
  Independent Director
- Toshiyuki Shiga
  Independent Director
- Koji Hatsukawa
  Independent Director, Chair of A&SC
- Emiko Higashi
  Independent Director, Chair of Compensation Committee
- Michel Orsinger
  Independent Director, A&SC Member

**AUDIT & SUPERVISORY COMMITTEE (A&SC)**

- Yasuhiko Yamanaka
  Director, A&SC member
- Koji Hatsukawa
  Independent Director, Chair of A&SC
- Emiko Higashi
  Independent Director, A&SC member, Chair of Compensation Committee
- Michel Orsinger
  Independent Director, A&SC Member

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1. As defined by Tokyo Stock Exchange listing rules
2. Christophe Weber participates in the Nomination Committee as an observer
**CONFIDENCE AND GROWTH MOMENTUM FOR 2020 AND BEYOND**

<table>
<thead>
<tr>
<th>LIFE-CHANGING IMPACT</th>
<th>GROWTH AND MARGIN POTENTIAL</th>
<th>SHAREHOLDER VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve important R&amp;D Wave 1 pipeline milestones for life-changing medicines</td>
<td>Grow 5 key business areas and prepare new launches</td>
<td>Growth momentum with strong cash generation</td>
</tr>
<tr>
<td>Develop plasma-derived therapy for COVID-19</td>
<td>Accelerate cost synergies</td>
<td>Deliver on deleveraging and divestiture targets</td>
</tr>
<tr>
<td></td>
<td>Drive sustainable revenue and profit growth</td>
<td>Maintain 180 yen dividend</td>
</tr>
</tbody>
</table>
Takeda uses the concept of Underlying Growth for internal planning and performance evaluation purposes.

Underlying Growth compares two periods (fiscal quarters or years) of financial results under a common basis and is used by management to assess the business. These financial results are calculated on a constant currency basis and exclude the impacts of divestitures and other amounts that are unusual, non-recurring items or unrelated to our ongoing operations. Although these are not measures defined by IFRS, Takeda believes Underlying Growth is useful to investors as it provides a consistent measure of our performance.

Takeda uses "Underlying Revenue Growth", "Underlying Core Operating Profit Growth", and "Underlying Core EPS Growth" as key financial metrics.

Underlying Revenue represents revenue on a constant currency basis and excluding non-recurring items and the impact of divestitures that occurred during the reporting periods presented.

Underlying Core Operating Profit represents Core Operating Profit* on a constant currency basis and further adjusted to exclude the impacts of divestitures that occurred during the reporting periods presented.

Core Operating Profit* represents net profit adjusted to exclude income tax expenses, the share of profit or loss of investments accounted for using the equity method, finance expenses and income, other operating expenses and income, amortization and impairment losses on acquired intangible assets and other items unrelated to Takeda’s core operations, such as purchase accounting effects and transaction related costs.

* From FY2019 Q1, Takeda renamed "Core Earnings" to "Core Operating Profit". Its definition has not changed as described above.

Underlying Core EPS represents net profit based on a constant currency basis, adjusted to exclude the impact of divestitures, 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 Takeda’s ongoing operations and the tax effect of each of the adjustments, divided by the outstanding shares (excluding treasury shares) as of the end of the comparative period.
DEFINITION OF EBITDA/ADJUSTED EBITDA

We present EBITDA and Adjusted EBITDA because we believe 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. We further believe 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.

EBITDA and Adjusted EBITDA should not be considered in isolation or construed as alternatives to operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. These non-IFRS measures may not be comparable to similarly-titled measures presented by other companies.

The usefulness of EBITDA and Adjusted EBITDA to investors has 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 exclude financial information and events, such as the effects of an acquisition or amortization of intangible assets, that some may consider important in evaluating our 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 exclude all items which investors may consider to be unrelated to our long-term operations, such as the results of businesses divested during a period. These non-IFRS measures are not, and should not be viewed as, substitutes for IFRS reported net income (loss). We encourage investors to review our historical financial statements in their entirety and caution investors to use IFRS measures as the primary means of evaluating our performance, value and prospects for the future, and EBITDA and Adjusted EBITDA as supplemental measures.

EBITDA and Adjusted EBITDA

We define EBITDA as net profit before income tax expenses, depreciation and amortization and net interest expense. We define Adjusted EBITDA as EBITDA further adjusted to exclude impairment losses, other operating expenses and income (excluding depreciation and amortization), finance expenses and income (excluding net interest expense), our share of loss from investments accounted for under the equity method and other items that management believes are unrelated to our core operations such as purchase accounting effects and transaction related costs.

The most closely comparable measure presented in accordance with IFRS is net profit for the year. Please refer to slide 21 for a reconciliation to the respective most closely comparable measures presented in accordance with IFRS.
# RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE FY2019 FULL YEAR

<table>
<thead>
<tr>
<th>[BN YEN]</th>
<th>REPORTED TO CORE ADJUSTMENTS</th>
<th>CORE TO UNDERLYING CORE ADJ.</th>
<th>UNDERLYING CORE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Reported to core adjustments</td>
<td>Core to underlying core adj.</td>
</tr>
<tr>
<td></td>
<td>Amortization &amp; impairment of intangible assets</td>
<td>Other operating income/expense</td>
<td>Shire acquisition related costs</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,291.2</td>
<td></td>
<td>3,291.2</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-1,089.8</td>
<td></td>
<td>199.5</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>2,201.4</td>
<td></td>
<td>2,400.9</td>
</tr>
<tr>
<td>SG&amp;A expenses</td>
<td>-964.7</td>
<td></td>
<td>5.5</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>-492.4</td>
<td></td>
<td>10.4</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>-412.1</td>
<td>87.0</td>
<td>325.1</td>
</tr>
<tr>
<td>Impairment losses on intangible assets</td>
<td>-43.3</td>
<td>43.3</td>
<td>-</td>
</tr>
<tr>
<td>Other operating income</td>
<td>60.2</td>
<td>-46.0</td>
<td>-14.2</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-248.7</td>
<td>113.3</td>
<td>135.4</td>
</tr>
<tr>
<td>Operating profit</td>
<td>100.4</td>
<td>130.3</td>
<td>67.3</td>
</tr>
<tr>
<td>Margin</td>
<td>3.1%</td>
<td></td>
<td>28.2%</td>
</tr>
<tr>
<td>Financial income/expenses</td>
<td>-137.2</td>
<td>7.1</td>
<td>14.4</td>
</tr>
<tr>
<td>Equity income/loss</td>
<td>-24.0</td>
<td></td>
<td>32.2</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>-60.8</td>
<td></td>
<td>130.3</td>
</tr>
<tr>
<td>Tax expense</td>
<td>105.0</td>
<td></td>
<td>-31.7</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>44.2</td>
<td></td>
<td>98.7</td>
</tr>
<tr>
<td>EPS (yen)</td>
<td>28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares (millions)</td>
<td>1,557</td>
<td></td>
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</tr>
</tbody>
</table>
## FREE CASH FLOW

<table>
<thead>
<tr>
<th>(BN YEN)</th>
<th>FY2018</th>
<th>FY2019</th>
<th>vs. PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>135.1</td>
<td>44.3</td>
<td>-90.8</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment loss</td>
<td>257.8</td>
<td>685.5</td>
<td>+427.7</td>
</tr>
<tr>
<td>Decrease (increase) in trade working capital</td>
<td>20.9</td>
<td>72.7</td>
<td>+51.8</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-44.9</td>
<td>-226.8</td>
<td>-181.9</td>
</tr>
<tr>
<td>Other</td>
<td>-40.4</td>
<td>94.0</td>
<td>+134.4</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>328.5</td>
<td>669.8</td>
<td>+341.3</td>
</tr>
<tr>
<td>Acquisition of PP&amp;E</td>
<td>-77.7</td>
<td>-127.1</td>
<td>-49.4</td>
</tr>
<tr>
<td>Proceeds from sales of PP&amp;E</td>
<td>50.7</td>
<td>12.6</td>
<td>-38.1</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>-56.4</td>
<td>-90.6</td>
<td>-34.2</td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>-17.1</td>
<td>-7.6</td>
<td>+9.5</td>
</tr>
<tr>
<td>Proceeds from sales and redemption of investments</td>
<td>65.0</td>
<td>49.4</td>
<td>-15.6</td>
</tr>
<tr>
<td>Proceeds from sales of business, net of cash and cash equivalents divested</td>
<td>85.1</td>
<td>461.5</td>
<td>+376.4</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>378.1</td>
<td>968.0</td>
<td>+589.9</td>
</tr>
</tbody>
</table>
# NET DEBT/ADJUSTED EBITDA

## NET DEBT/ADJUSTED EBITDA RATIO

<table>
<thead>
<tr>
<th>(BN YEN)</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents *1</td>
<td>637.6</td>
</tr>
<tr>
<td>Book value debt on the balance sheet</td>
<td>-5,093.3</td>
</tr>
<tr>
<td>Hybrid bond 50% equity credit</td>
<td>250.0</td>
</tr>
<tr>
<td>FX adjustment *2</td>
<td>-28.3</td>
</tr>
<tr>
<td>Gross debt *3</td>
<td>-4,871.6</td>
</tr>
<tr>
<td><strong>Net cash (debt)</strong></td>
<td><strong>-4,234.0</strong></td>
</tr>
<tr>
<td><strong>Net debt/Adjusted EBITDA ratio</strong></td>
<td><strong>3.8 x</strong></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>1,125.9</strong></td>
</tr>
</tbody>
</table>

1. Includes short-term investments which mature or become due within one year from the reporting date.
2. FX adjustment refers to change from month-end rate to average rate used for non-JPY debt calculation, to match with adjusted EBITDA calculation.
3. Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes cash and non cash adjustments to debt book-value. Non-cash adjustments include changes dues to debt amortization and FX impact.

## NET INCREASE (DECREASE) IN CASH

<table>
<thead>
<tr>
<th>(BN YEN)</th>
<th>FY2018</th>
<th>FY2019</th>
<th>vs. PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>328.5</td>
<td>669.8</td>
<td>+341.3</td>
</tr>
<tr>
<td>Acquisition of PP&amp;E</td>
<td>-77.7</td>
<td>-127.1</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of PP&amp;E</td>
<td>50.7</td>
<td>12.6</td>
<td></td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>-56.4</td>
<td>-90.6</td>
<td></td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>-17.1</td>
<td>-7.6</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and redemption of investments</td>
<td>65.0</td>
<td>49.4</td>
<td></td>
</tr>
<tr>
<td>Acquisition of business, net of cash and cash equivalents acquired</td>
<td>-2,958.7</td>
<td>-4.9</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of business, net of cash and cash equivalents divested</td>
<td>85.1</td>
<td>461.5</td>
<td></td>
</tr>
<tr>
<td>Proceeds from withdrawal of restricted deposit</td>
<td>71.8</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net increase (decrease) in short-term loans</td>
<td>367.3</td>
<td>-351.2</td>
<td></td>
</tr>
<tr>
<td>Proceeds from long-term loans</td>
<td>1,215.5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Repayment of long-term loans</td>
<td>-</td>
<td>-137.4</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of bonds</td>
<td>1,580.4</td>
<td>496.2</td>
<td></td>
</tr>
<tr>
<td>Repayment of bonds</td>
<td>-</td>
<td>-563.6</td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>-34.9</td>
<td>-127.2</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-143.0</td>
<td>-282.6</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-37.7</td>
<td>-40.6</td>
<td></td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash</strong></td>
<td><strong>439.0</strong></td>
<td><strong>-43.3</strong></td>
<td><strong>-482.4</strong></td>
</tr>
<tr>
<td>(BN JPY)</td>
<td>FY2018</td>
<td>FY2019</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>135.1</td>
<td>44.3</td>
<td></td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>-7.5</td>
<td>-105.0</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>247.7</td>
<td>583.6</td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>41.6</td>
<td>137.8</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>416.9</td>
<td>660.7</td>
<td></td>
</tr>
<tr>
<td>Impairment losses</td>
<td>10.1</td>
<td>101.9</td>
<td></td>
</tr>
<tr>
<td>Other operating expense (income), net, excluding depreciation and amortization</td>
<td>-58.6</td>
<td>124.1</td>
<td></td>
</tr>
<tr>
<td>Finance expense (income), net, excluding interest income and expense, net</td>
<td>24.9</td>
<td>-0.6</td>
<td></td>
</tr>
<tr>
<td>Share of loss on investments accounted for under the equity method</td>
<td>43.6</td>
<td>24.0</td>
<td></td>
</tr>
</tbody>
</table>

Other adjustments:
- Impact on profit related to fair value step up of inventory in Shire acquisition | 74.2 | 191.0 |
- Acquisition costs related to Shire | 23.8 | 5.3 |
- Other costs*1 | 1.6 | 19.5 |

Adjusted EBITDA | 536.4 | 1,125.9 |

Legacy Shire's Non-GAAP EBITDA*2 | 541.3 | N/A |

Pro-forma Adjusted EBITDA*3 | 1,077.7 | N/A |

1. FY2019 includes adjustments for non-cash equity based compensation expense and EBITDA of divested products.

Note: Takeda’s Adjusted EBITDA and Legacy Shire’s Non-GAAP EBITDA are not directly comparable, because (1) Takeda’s results are based on IFRS and Legacy Shire’s results are based on U.S. GAAP and (2) Takeda’s Adjusted EBITDA and Legacy Shire’s Non-GAAP EBITDA are defined differently.
## RECONCILIATION FROM REPORTED OPERATING PROFIT TO CORE OPERATING PROFIT – FY2020 FORECAST

<table>
<thead>
<tr>
<th>(BN YEN)</th>
<th>REPORTED</th>
<th>REPORTED TO CORE ADJUSTMENTS</th>
<th>CORE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amortization of intangible assets (Takeda)</td>
<td>Impairment of intangible assets</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,250.0</td>
<td></td>
<td>3,250.0</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>Unwind of inventories step-up</td>
<td>85.7</td>
<td></td>
</tr>
<tr>
<td>Depreciation of PPE step-up</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td></td>
<td>87.7</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A and R&amp;D expenses</td>
<td></td>
<td>-0.7</td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>-407.0</td>
<td>83.0</td>
<td>324.0</td>
</tr>
<tr>
<td>Impairment losses on intangible assets</td>
<td>-50.0</td>
<td>50.0</td>
<td>-50.0</td>
</tr>
<tr>
<td>Other operating income</td>
<td>58.0</td>
<td>-58.0</td>
<td>-</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-143.0</td>
<td>53.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Operating profit</td>
<td>355.0</td>
<td>83.0</td>
<td>50.0</td>
</tr>
</tbody>
</table>
TAKEDA CLAWBACK POLICY

- Consistent with Takeda's ongoing efforts to further strengthen its commitment to best-in-class corporate governance and alignment with shareholders, the Compensation Committee recommended and the Board of Directors of Takeda adopted a compensation recoupment policy (clawback policy) on March 31, 2020.

- The clawback policy provides that in the event of a significant restatement of financial results or significant misconduct, the independent external members of Takeda’s Board of Directors may require Takeda to recoup incentive compensation. This would include all or a portion of the compensation received by any member of the Takeda Executive Team, any Internal Director on the Takeda’s Board of Directors, and any other individual designated by the independent external members of Takeda’s Board of Directors within the fiscal year, and the three (3) prior fiscal years, that the need for a significant restatement of financial results or significant misconduct was discovered.

- The policy took effect on April 1, 2020 and applies to short-term incentive compensation beginning with the Fiscal Year 2020 performance year and long-term incentive granted in Fiscal Year 2020 and continues to apply for all subsequent periods.

DETERMINING KEY PERFORMANCE INDICATORS FOR FY2020

- Each year, the Compensation Committee and the Board of Directors review and establish the annual Key Performance Indicators (“KPI”) used for the Short-Term Incentive Plan (annual cash bonus) (“STI”) and the Long-Term Incentive Plan Performance Share Units (“PSU”).

- The KPIs included in the STI and PSU plans were carefully considered by the Compensation Committee before being recommended to and approved by the Board of Directors. Takeda believes these KPIs enable the organization to focus on growth, profitability, pipeline performance, expense management and shareholder value creation.

- The KPIs correlate to Takeda’s operating plan and external guidance. Underlying KPIs reflect the understanding that divestitures and significant events will impact the evaluation of the respective KPI over the performance period and enables required adjustments.

- Both the STI and the PSU Plans are designed in a way that allows participants to be rewarded for delivering strong results for shareholders if Takeda exceeds the plan targets. Conversely, if Takeda does not achieve its targets, participants will receive a below target payout. If performance is below threshold participants would receive a 0% payout for that KPI. The maximum payout participants can receive under the plan is 200% of target.
## FY2020 MANAGEMENT KPIs

### FY2020 Short-Term Incentive (Metrics, Weight, and Performance Range Consistent with FY2019)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Rationale</th>
<th>Weight</th>
<th>Measurement</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
</table>
| Underlying Revenue | • Key indicator of growth, including pipeline delivery  
• Important measure of success within the industry | 30% | Performance Goal as a % of Target | 97% | 100% | 105% |
|  |  |  | STI Payout as a % of Target | 40% | 100% | 200% |
| Underlying Core Operating Profit | • Measure of margin achievement while ensuring expense discipline  
• Reflects synergy capture  
• Communicated to shareholders as a key measure of Takeda success post Shire acquisition | 40% | Performance Goal as a % of Target | 95% | 100% | 115% |
|  |  |  | STI Payout as a % of Target | 50% | 100% | 200% |
| Underlying Core EPS | • Aligns participants with shareholders  
• Communicated to shareholders as a key measure of Takeda success post Shire acquisition | 30% | Performance Goal as a % of Target | 95% | 100% | 115% |
|  |  |  | STI Payout as a % of Target | 50% | 100% | 200% |

### FY2020 Long-Term Incentive (Performance Share Units) (Metrics, Weight, and Performance Range Consistent with FY2019)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Rationale</th>
<th>Weight</th>
<th>Measurement</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
</table>
| 3-year Accumulated Underlying Revenue | • Aligns with investor expectations  
• Focuses participants on continued growth and pipeline delivery  
• Important measure of success within the industry | 25% | Performance Goal as a % of Target | 96% | 100% | 105% |
|  |  |  | PSU Payout as a % of Target | 50% | 100% | 200% |
| Point in time Core Operating Profit Margin (at end of performance period) | • Measures quality of the earnings over the performance period  
• High shareholder expectation for strong earnings growth | 25% | Performance Goal as a % of Target | 93% | 100% | 107% |
|  |  |  | PSU Payout as a % of Target | 50% | 100% | 200% |
| 3-year Accumulated Free Cash Flow | • Focuses participants on cash generation and paying down debt following the Shire acquisition | 25% | Performance Goal as a % of Target | 90% | 100% | 115% |
|  |  |  | PSU Payout as a % of Target | 50% | 100% | 200% |
| Pivotal Study Start | • Reflects future strength of Takeda’s overall performance through delivery of innovative research and development programs  
• Underscores our commitment to patients | 25% | PSU Payout as a % of Target | 0% | 100% | 200% |
| 3-year Relative TSR | • Aligns payout from our performance share plan with the shareholder experience  
• Only applies if absolute TSR is positive | Modifier | +/-20% |

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1. After measuring performance under the financial and non-financial metrics outlined above, Takeda will assess the Total Shareholder Return ("TSR") performance relative to our Fiscal Year 2020 Takeda Peer Group (excluding Celgene after the which was acquired). Relative TSR can modify the final LTI payout (up or down) by 20 percentage points. If absolute TSR performance is negative but Takeda outperforms our peers, a positive adjustment would not be made to the performance share payout factor. The TSR peer group for the Fiscal 2019-2021 performance cycle is as follows: AbbVie, Amgen, Astellas, AstraZeneca, Bristol-Myers Squibb, Eli Lilly, Gilead Sciences, GlaxoSmithKline, Johnson & Johnson, Merck & Co, Merck Group, Novartis, Pfizer, Roche, Sanofi.
GLOSSARY OF ABBREVIATIONS

Regional Abbreviations:
CN: China; EU: Europe; JP: Japan; US: United States of America

AD Alzheimer’s disease
ADC antibody drug conjugate
ADHD attention deficit hyperactivity disorder
ALK anaplastic lymphoma kinase
ALS amyotrophic lateral sclerosis
AML acute myeloid leukemia
ASCT autologous stem cell transplant
ARD acid related diseases
BTK Bruton’s tyrosine kinase
BBB blood brain barrier
BOS budesonide oral suspension
CAR-T Chimeric antigen receptor-T
CD Crohn’s disease
CHAWI congenital hemophilia A with inhibitors
CIS cognitive impairment associated with schizophrenia
CIDP chronic inflammatory demyelinating polyradiculoneuropathy
CML chronic myeloid leukemia
CMML chronic myelomonocytic leukemia
CMV Cytomegalovirus
CSF cerebrospinal fluid
CNS central nervous system
CRL complete response letter
CRPS complex regional pain syndrome
CTCL cutaneous T-cell lymphoma
cTTP congenital thrombotic thrombocytopenic purpura
DAAD D-amino acid oxidase
DEE developmental and epileptic encephalopathies
DLBCL diffuse large B-cell lymphoma
DU duodenal ulcer
Dx diagnosis
EEH erosive esophagitis healing
EE M erosive esophagitis maintenance
EFI enteral feeding intolerance
EGFR epidermal growth factor receptor
EoE eosinophilic esophagitis
ESCC esophageal squamous-cell carcinoma
FL front line
FSI first subject in
GCC guanylyl cyclase C
GERD gastroesophageal reflux disease
GI gastrointestinal
GnRh gonadotropin-releasing hormone
GU gastric ulcer
GvHD graft versus host disease
HAE hereditary angioedema
H2H head to head
HCC hepatocellular carcinoma
HemA hemophilia A
HER2 human epidermal growth factor receptor 2
HL Hodgkin’s lymphoma
HRMDS high-risk myelodysplastic syndromes
IBD inflammatory bowel disease
IND investigational new drug
I/O immuno-oncology
ITTP immune thrombotic thrombocytopenic purpura
IV intravenous
IPSC induced pluripotent stem cells
L-ASA low dose aspirin
LBD Lewy body dementia
LBAML low-blast acute myeloid leukemia
LSD1 Lysine specific demethylase 1
LCM lifestyle management
mAb monoclonal antibody
MAOB monoamine oxidase B
MG myasthenia gravis
MLD metachromatic leukodystrophy
MM multiple myeloma
NAE NEDD8 activating enzyme
ND newly diagnosed
NDA new drug application
Neg negative
NERD non-erosive reflux disease
NK natural killer
NME new molecular entity
NSCC non-small cell lung cancer
NSCT non stem cell transplant
NS negative symptoms
ORR overall response rate
PARP poly (ADP-ribose) polymerase
PBS phosphate buffered saline
PCAB potassium competitive acid blocker
Ph+ ALL Philadelphia chromosome-positive acute lymphoblastic leukemia
PID primary immunodeficiency
PK pharmacokinetics
POC proof of concept
POGD post-operative gastrointestinal dysfunction
POI post-operative ileus
PTCL peripheral T-cell lymphoma
PTH parathyroid hormone
R/R relapsed/refractory
RCC renal cell cancer
RTK receptor tyrosine kinase
sALCL systemic anaplastic large cell lymphoma
SCC short bowel syndrome
SC subcutaneous formulation
SCD sickle cell disease
SCCT stem cell transplant
SCZ schizophrenia
SLE systemic lupus erythematosus
sq squamous
STING stimulator of interferon genes
SUMO small ubiquitin-related modifier
TESD treatment emergent sexual dysfunction
TRI tyrosine kinase inhibitor
TRD treatment resistant depression
UC ulcerative colitis
vWD von Willebrand disease