Better Health, Brighter Future

Takeda to Acquire Shire:
Accelerating Takeda's Transformation to Deliver More for Patients

May 8, 2018

Takeda Pharmaceutical Company Limited

Important Notice

NOT FOR RELEASE, PRESENTATION, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

This presentation has been prepared by Takeda Pharmaceutical Company Limited ("**Takeda**") solely for information and for use in connection with the possible recommended offer for Shire plc ("**Shire**") by Takeda (the "**Offer**") and does not purport to contain all the information that may be necessary or desirable to fully and accurately evaluate Takeda, Shire or the business prospects of the Offer. For the purposes of this notice, "presentation" means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Takeda during the presentation. This presentation (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No shares are being offered to the public by means of this presentation. This presentation is being given (together with any further information which may be provided to the recipient) on the condition that it is for use by the recipient for information purposes only (and not for the evaluation of any investment, acquisition, disposal or any other transaction). Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

None of Takeda, its shareholders, subsidiaries, affiliates, or its or their respective directors, officers, partners, employees, representatives and advisers (the "**Relevant Parties**") makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation, or otherwise made available, nor as to the reasonableness of any assumption contained herein or therein, and any liability therefor (including in respect of direct, indirect, consequential loss or damage) is expressly disclaimed. Nothing contained herein or therein is, or shall be relied upon as, a promise or representation, whether as to the past or the future and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness and correctness of the information contained herein or therein. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice. None of the Relevant Parties undertakes any obligation to provide the recipient with access to any additional information or to update or correct any inaccuracies in or omissions from this presentation.

Unless specified otherwise, no statement in this presentation (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that earnings or earnings per share for Takeda or Shire for the current or future financial years would necessarily match or exceed the historical published earnings per share for Takeda or Shire.

Statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the City Code on Takeovers and Mergers, quantified financial benefits statements contained in this presentation are the responsibility of Takeda and the Takeda directors. Neither these statements nor any other statement in this presentation should be construed as a profit forecast or interpreted to mean that the combined group's earnings in the first full year following implementation of the Offer, or in any subsequent period, would necessarily match or be greater than or be less than those of Takeda or Shire for the relevant preceding financial period or any other period. The bases of belief, principal assumptions and sources of information in respect of any quantified financial benefits statement are set out in the announcement published on May 8 2018 in connection with the Offer.

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. Similar references are made to "Shire" with similar logical application.

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 and, following completion of the Offer, if made, the combined group ("**Combined Group**"). Without limitation, forward looking statements often include the words such as "targets", "plans", "believes", "hopes", "continues", "expects", "aims", "intends", "will", "may", "should", "would", "could" "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof. 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 of or failure of product development programs; decisions of regulatory authorities and the timing there of; changes in exchange rates; claims or concerns regarding the safety or efficacy of marketed products or products 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. Persons receiving this presentation should not place undue reliance on forward looking statements. Takeda undertakes no obligation to update any of the forward-looking statements contained in this presentation or any other forward-looking statements it may make. Past performance is not an indicator of future results and the results of Takeda in this presentation may not be indicative of, and are not an estimate, forecast or projection of Takeda's, Shire's, or the Combined Group's future results.

Medical information

This presentation contains information about products that may not be available and 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.

Recommended Offer for Shire

- Agreement to acquire Shire for equivalent value of £46bn[1]
- Shire shareholders entitled to receive, per Shire share
  - $30.33 cash; and either
  - 0.839 in new Takeda shares; or
  - 1.678 Takeda ADSs
- Compelling strategic rationale
  - Strong strategic fit
  - Complementary pipelines
  - Attractive footprint
  - Significant financial benefits

Notes: [1] Based on the closing price of ¥ 4,923 per Takeda Share and converted using the £:¥ exchange rate of 1:151.51 and £:$ of 1:1.3945 on April 23, 2018 (being the day prior to the extension of the Offer Period).

Creating a Global, Values-Based, R&D-Driven Biopharmaceutical Leader

- Creates a **global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan** with an **attractive geographic footprint** and provides the scale to drive future development
- Fosters an environment that inspires and enables **people** to collaborate and move the organization forward, guided by **Takeda's values** and unwavering **patient focus**
- Strengthens two of our three core therapeutic areas **in GI and neuroscience**. Generates **leading positions in rare diseases and plasma derived therapies** to complement strength in **oncology** and focused efforts in **vaccines**
- Creates a highly **complementary, robust, modality-diverse pipeline** and a strengthened R&D engine focused on breakthrough innovation
- Will be **significantly accretive to underlying EPS** from first full fiscal year following completion[1], with pre-tax cost synergies of at least $1.4 billion annually and will produce strong combined cash flows[2]
- **ROIC expected to exceed Takeda's cost of capital** within first full fiscal year following completion
- **Maintain well-established dividend policy** and **investment grade credit rating,** with a target **net debt to EBITDA ratio of 2.0x or less** in the medium term

Notes: [1]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. [2]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. 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

Takeda's Transformation Journey

Takeda founded: 1781

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

Values-Driven	Global, Agile, Innovative	World-class Governance & Diverse Leadership
• **Takeda-ism**: Integrity, Fairness, Honesty and Perseverance • **Patient > Trust > Reputation > Business** • **Access** to Medicine • Active **CSR**	• A leading company in **Japan** • Created **global** organization and capabilities • Driving **patient-centricity** and **local empowerment** • **Revitalizing R&D** to drive productivity	• **Board** with majority of external directors • **Diverse leadership** team • Prioritizing **talent development**

GROW PORTFOLIO

STRENGTHEN PIPELINE

BOOST PROFITABILITY

Takeda: Agile, Global, R&D-driven, Headquartered in Japan

Agile & R&D-Driven Transformation
- Delivering on an ambitious **company-wide and R&D-focused transformation**
- Growth through **organic transformation and acquisitions**
- Led by a **highly experienced and diverse executive team** with a proven track record
- Diverse board with majority of external directors

Global Footprint
- **Presence in 70+ markets**
- Approximately **30,000 employees** worldwide
- Incorporated and headquartered in **Japan**
- Successful global launches (e.g. **launch of ENTYVIO, NINLARO and ALUNBRIG)**

R&D Engine
- Pipeline progression is accelerating (17 stage-ups in FY17) toward late stage
- **180 active partnerships** in R&D across GI, oncology, neuroscience, plus vaccines
- Focus on highly innovative medicine: **36 ongoing clinical R&D** programs, of which **more than one third have orphan drug designation indications**

Strategy Driving Financial Performance
- Growing through GI, oncology and neuroscience growth drivers
- 390 bps CE margin improvement YTD Q3[1]
- Strong underlying business positioned for **sustainable growth**

Shareholder Returns
- Delivered strong shareholder returns over the past four years, with **45.3% EPS growth** in the nine months to December 2017[2]
- **Well-established dividend policy** as a key component of shareholder returns

Notes: [1] Underlying Core Earnings growth reported in the Takeda Consolidated Financial Statements for the Nine Month Period Ended December 31, 2017 [2] Diluted earnings per share growth calculated by reference to Takeda's reported diluted earnings per share of ¥306.51 for the nine month period ending on December 31, 2017 vs. the reported diluted earnings per share of ¥211.01 for the nine month period ended December 31, 2016

Shire: A Global Leader in Rare Diseases

Rare Diseases Leader	• Innovative, **rare diseases-focused leader** committed to differentiated and high patient-impact medicines • **Biotech profile** – majority of 2017 sales from rare diseases
Strong Portfolio	• 5 franchises deliver $1bn+ annual revenues[1] • Multiple leading brands in **neuroscience and rare diseases**
Late-Stage Pipeline	• Rich, modality-diverse, clinical development pipeline • One third of programs in **late phases of development**
Geographic Footprint	• 65% of revenue in U.S.[2] and commercial presence in more than **60 countries** • Global company headquartered in Ireland with R&D hub in **Boston** and International hub in **Switzerland** • 23,000 employees worldwide
Financial Strength	• 8% pro forma product sales growth[3]; **16% Non GAAP EPS growth** in FY2017[4] • **>40% EBITDA margins[5]**

Source: Shire plc Annual Report 2017, Shire plc First Quarter 2018 Results
Notes: [1]Each of the Immunology, Hematology, Neuroscience, Internal Medicine and Genetic Disease franchises reported revenues in excess of $1 billion in the 2017 financial year; [2] Shire 1Q 2018; [3]FY2017 reported increase in HAE therapies 9%, Neuroscience 7% ; [4]Shire's FY17 Non GAAP diluted EPS of $15.15 as compared to Shire's FY16 Non GAAP diluted EPS of $13.10; [5]Non GAAP EBITDA margin was 43% in 2017, 41% in 2016

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

STRATEGIC FIT	Strengthens two of our three core therapeutic areas in gastroenterology (GI) and neuroscience. Provides leading positions in rare diseases and plasma-derived therapies to complement strength in oncology and focused efforts in vaccines
COMPLEMENTARY PIPELINES	Creates a complementary early and late-stage pipeline focused on highly innovative medicines • A modality-diverse pipeline • Leverages Boston area R&D hub
ATTRACTIVE FOOTPRINT	Creates a global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan, with an attractive geographic footprint and provides the scale to drive future development
FINANCIAL BENEFITS	• Will be significantly accretive to underlying EPS from first full fiscal year following completion and will produce strong combined cash flows[1] • ROIC expected to exceed Takeda's cost of capital within first full fiscal year following completion • Intention to maintain investment grade credit rating and well-established dividend policy as a key component of shareholder return • Expected recurring pre-tax cost synergies to reach run-rate of at least $1.4 billion annually by the end of the third fiscal year following completion[2]

Notes: [1]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 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. [2] 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.

~75% of Total Sales Concentrated in Five Areas[1]

Source: Shire plc Annual Report 2017, Shire Plc First Quarter 2018 Results, Management Data
Notes: [1]Pro forma percentage estimated using Shire product sales (excluding royalties) for the 12 month period ending on March 31, 2018 converted at an exchange rate of $:Oku¥ of 1:1.1 and Takeda management estimates for FY2017.
[2]Hereditary Angioedema

A Robust, Modality-Diverse Pipeline

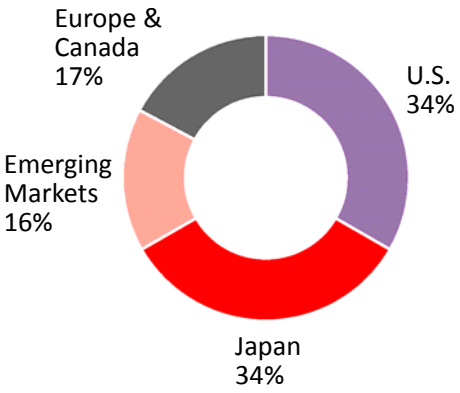
Takeda
Shire
Orphan drug designation

	Phase 1	Phase 2	Phase 3/Filed	Approved[1]
Oncology	TAK-573 Teva Anti-CD38-attenukine Refractory MM XMT-1522 Mersana Therapeutics HER2 dolaflexin ADC HER2 + solid tumors TAK-079 Anti-CD38 mAb Refractory MM TAK-788 EGFR/HER2 inh NSCLC	sapanisertib mTORC 1/2 inhibitor Breast cancer TAK-659 SYK inhibitor DLBCL TAK-931 CDC7 inhibitor Solid Tumors	relugolix Myovant GNRH antagonist Prostate Cancer (JP) pevonedistat NAE inhibitor HR MDS	NINLARO® Proteasome inhibitor MM R/R (EM), R/R Amyloidosis, Front Line MM, R/R Myeloma doublet regimen, Maintenance MM post-SCT, Maintenance MM w/o SCT ADCETRIS® Seattle Genetics CD30 ADC FL HL, FL MTCL, CTCL ICLUSIG® BCR ABL inhibitor Imatinib resistant Chronic Phase CML Second-Line Chronic Phase CML, Ph+ ALL ALUNBRIG® (brigatinib) ALK inhibitor ALK+NSCLC (EU), FL ALK+ NSCLC cabozantinib Exelixis VEGFR/RTK inhibitor Solid tumors (JP) Niraparib Tesaro PARP 1/2 inhibitor Multiple cancer (JP)
GI	TIMP-Gliadin Cour Imm Tol Indcution Celiac Disease	TAK-906 D2/D3R Antagonist Gastroparesis TAK-954 Theravance Biopharma 5-HT4R ag Enteral Feeding Intolerance SHP625 ASBTi PFIC, Alagille's SHP626 ASBTi NASH	SHP621 BOS EoE SHP647 MAdCAM-1 mAb IBD	ENTYVIO® vedolizumab UC/CD (EM), UC (JP), CD (JP), adalimumab HZH Sub-Q UC, Sub-Q CD, GvHD Prophylaxis, GvHD SR, IO Colitis Vonoprazan PCAB ARD (Asia) , NERD (JP) PPI Partial Responder AMITIZA® Sucampo Chloride channel activator Pediatric constipation , New formulation ALOFISEL Tigenix mesenchymal stem cells Perianal Fistulas in CD GATTEX GLP-2 SBS RESOLOR prucalopride CIC
Neuro-science	TAK-653 AMPAR potentiator TRD TAK-418 LSD1 inhibitor Kabuki Syndrome MEDI-1341 Astra Zeneca Alpha-syn mAb Parkinson's Disease TAK-925 Orexin 2R agonist Narcolepsy SHP680 Neurologic Conditions TAK-041 GPR139 agonist CIAS neg. symptoms	TAK-935 Ovid Therapeutics CH24H inhibitor Rare Pediatric Epilepsies TAK-831 DAAO inhibitor SCZ, Ataxia		TRINTELLIX™ Lundbeck Multimodal anti-depressant Cognition data in label (CRL received) MDD (JP) BUCCOLAM seizures VYVANSE ADHD MYDAYIS ADHD
Rare Diseases	SHP611 ERT MLD SHP631 ERT Hunter CNS SHP654 Gene therapy HemA	SHP607 IGF-1/ IGFBP3 Chronic Lung Disease	Lanadelumab Anit-kallikrein mAb HAE SHP620 CMV infection in transplant patients SHP609 Hunter (IT) SHP655 ERT/ ADAMTS-13 cTTP	FIRAZYR HAE VONVENDI vWD CINRYZE HAE, AMR OBIZUR CHAWI Surgery
Plasma-derived therapies				HYQVIA Pediatric PID, CIDP
Vaccines	TAK-021 EV71 Vaccine TAK-426 BARDA Zika Vaccine	TAK-195 Gates Foundation Inactivated Polio Vaccine TAK-214 Norovirus Vaccine	TAK-003 Dengue Vaccine	
Ophthal-mology	SHP639 Glaucoma	SHP659 DED	SHP640 Infectious conjunctivitis	XIIDRA DED

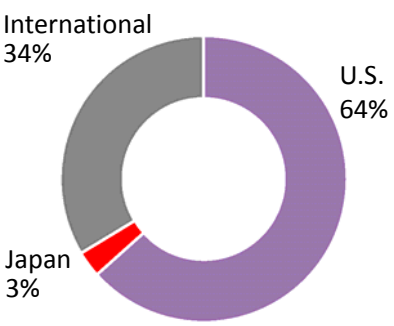
Note: SHP652 and Natpara classified as "other" and not shown here [1]With ongoing clinical development activities Pipeline as of February 1, 2018. Refer to slide 21 for glossary of abbreviations

Attractive Footprint Aligned with Market Opportunity

Takeda[1]

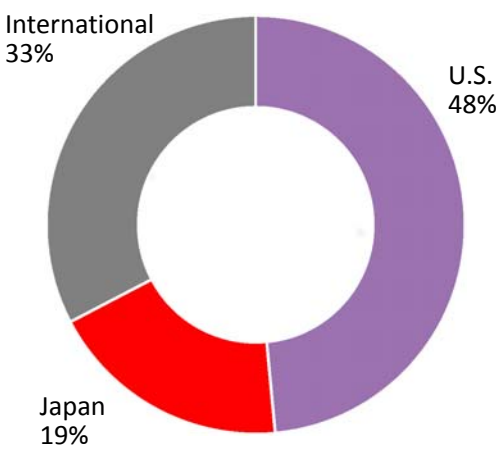


Shire[2]



Combined

Historical Pro-Forma Revenues



Source: Shire plc Annual Report 2017 and management information, Takeda Consolidated Financial statements for the Fiscal Year Ended March 31, 2017, Takeda Consolidated Financial statements for the Nine Month Period Ended December 31, 2017, Historical FX rates sourced from FactSet.
Notes: Percentages calculated using (a) 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 F2017) and converted using the $:¥ of 1:112.65 as at that date (in the case of Takeda) and (b) 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.

Transaction Overview

Consideration

- Shire shareholders entitled to receive, per Shire share:
  - $30.33 cash; and either
  - 0.839 in new Takeda shares; or
  - Equivalent 1.678 Takeda ADSs
- An equivalent value of approximately £49 per Shire share and approximately £46bn in total as at April 23, 2018[1]
- Premium of 64.4% to Shire's share price prior to rumors of a possible transaction[2]

Financing

- Cash portion funded through new fully underwritten bank facility
- Expected to de-lever quickly after closing, with the target net debt to EBITDA ratio of 2.0x or less in the medium term

Value Creation

- Expected to be significantly accretive to underlying earnings per Takeda Share from the first full fiscal year following completion[3]
- Expected recurring pre-tax cost synergies to reach run-rate of at least $1.4 billion annually by the end of the third fiscal year following completion, with potential for additional revenue synergies[4]
- ROIC expected to exceed Takeda's cost of capital within the first full fiscal year following completion

Transaction Execution

- Transaction recommended by the boards of both companies
- To be implemented by a scheme of arrangement
- Subject to Shire and Takeda shareholder approval and certain customary closing conditions, including regulatory approvals
- Expected to close in first half of calendar year 2019
- Takeda to trade on TSE and NYSE

Notes: [1]Based on the closing price of ¥ 4,923 per Takeda Share and converted using the £:¥ exchange rate of 1:151.51 and £:$ of 1:1.3945 on April 23, 2018 (being the day prior to the extension of the Offer Period). [2] Based on an equivalent offer value of approximately £49 per Shire share, calculated pursuant to footnote 1 above, and the closing price of £29.81 per Shire Share on March 23, 2018, being the last business day prior to rumors of Takeda's possible interest in an offer for Shire. [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 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.
[4]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. 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

Preserving Balance Sheet Strength

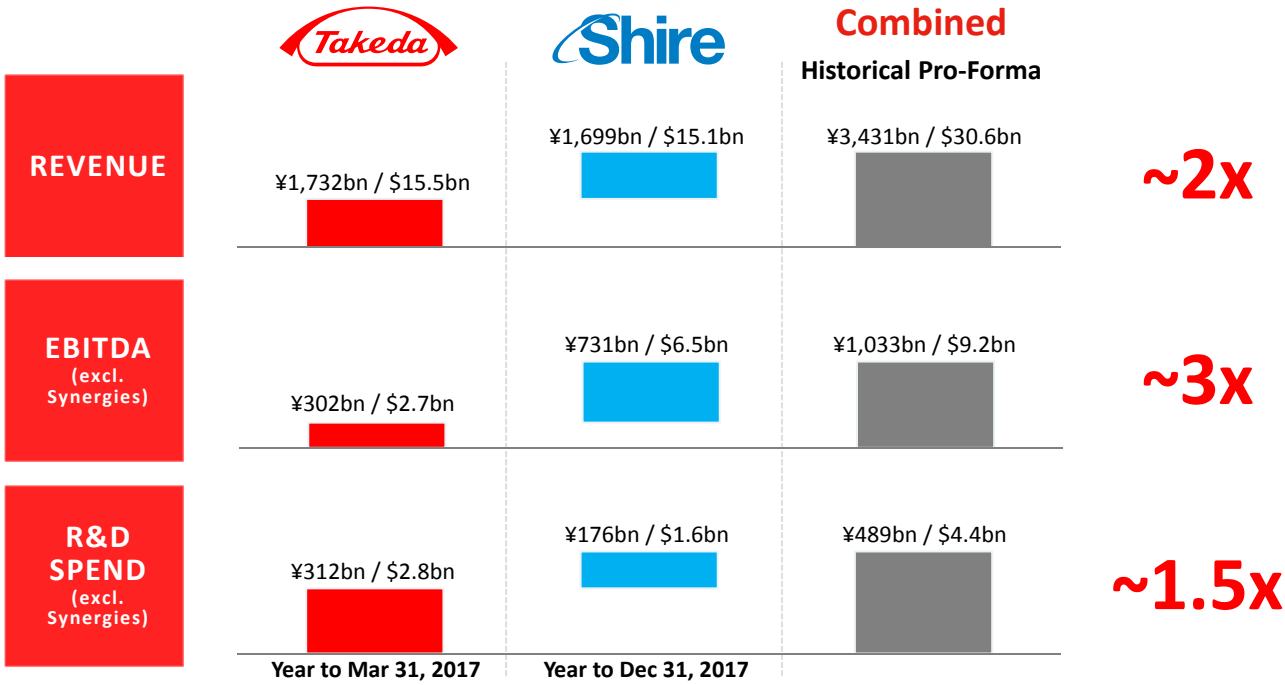
Transaction Financing

- **$30.85Bn** fully underwritten bridge facility
- Arranged by **J.P.Morgan Chase Bank N.A., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.**
- Commitment to maintain **investment grade** credit rating

Medium-Term

- **De-lever quickly** following completion
- Medium-term target of net debt / EBITDA **2.0x or less**

Significant EBITDA Expansion (pre synergies)



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.

Compelling Financial Benefits

Estimated **$1.4 bn** p.a. in cost synergies[1], with c. $2.4 bn one-off cost of realization

Realized by end of **3rd fiscal year** post completion

Expected potential for additional revenue synergies from combined infrastructure, market presence and development capabilities

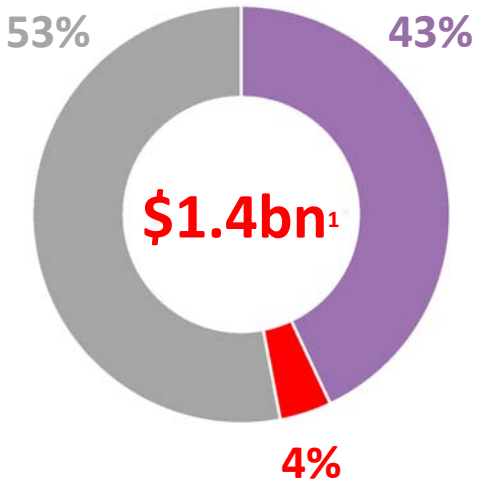
- Expected to be **significantly accretive to underlying earnings** in first full fiscal year after completion[2]
- **Substantial expected cash flows**
- Building on Takeda's **ongoing Global OPEX Initiative**

SHAREHOLDER RETURNS

- **Intention to maintain well established dividend policy** as a key component of shareholder returns
- **ROIC** expected to exceed Takeda's cost of capital within the first full fiscal year after 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. 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 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.

Clear Plan to Generate Value



COST SYNERGIES

SG&A

- Sales and marketing efficiencies
- Consolidation of overlapping office locations
- Elimination of duplicate IT systems
- Reduction of duplicate costs across central support functions

R&D

- Rationalizing ongoing research and early stage pipeline programs
- Reducing overlapping resources

Manufacturing & Supply

- In-sourcing Oral Solid Dose manufacturing through Takeda excess capacity
- Operational procurement spend efficiencies
- Reduced overheads

REVENUE SYNERGY UPSIDE

- Leverage market presence (e.g., Japan)
- Enhanced position in key therapeutic areas

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. 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

Next Steps

Deal Execution

- Regulatory approvals (including EU, U.S., China, Japan and Brazil)
- Takeda and Shire shareholder approvals
- Closing expected in first half of calendar year 2019
- Takeda to trade on TSE and NYSE

Effective Integration

- Integration consistent with Takeda core values
- Leverage both companies' employee knowledge and expertise
- Compatible geographic locations
- Management experience
- Complementary capabilities

Creating a Global, Values-Based, R&D-Driven Biopharmaceutical Leader

- **Global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan**
- **Attractive geographic footprint and scale**
- Inspires and enables **people** to collaborate and move Takeda forward, guided by **Takeda's values** and unwavering **patient focus**
- Strengthens **GI and neuroscience**. Provides **leading positions in rare diseases and plasma derived therapies** to complement strength in **oncology** and focused efforts in **vaccines**
- Highly **complementary, robust, modality-diverse pipeline** and a **strengthened R&D engine**
- **Significantly accretive to underlying EPS with strong combined cash flows**[1]
- At least **$1.4bn annual pre-tax cost synergies**[2]
- **ROIC expected to exceed Takeda's cost of capital** within first full fiscal year following completion
- **Well-established dividend policy** and **investment grade credit rating**

Notes: [1]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. [2]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. 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

Appendix

New Abbreviations

- AMR= antibody mediated rejection
- HAE=hereditary angioedema
- DED=dry eye disease
- BOS=budesonide oral solution
- EoE=eosinophilic esophagitis
- SBS=short bowel syndrome
- CHAWI=congenital hemophilia A with inhibitors
- HemA=hemophilia A
- MLD=metachromatic leukodystrophy
- ADHD=attention deficit hyperactivity disorder
- PFIC=progressive familial intrahepatic cholestasis
- NASH=non-alcoholic steatohepatitis
- PID=primary immunodeficiency
- CIDP=chronic inflammatory demyelinating polyneuropathy
- cTTP=congenital thrombotic thrombocytopenic purpura
- CIC=chronic idiopathic constipation