

June, 2017

Dear Shareholders,

Christophe Weber  
President and Representative Director  
Takeda Pharmaceutical Company Limited

Explanation about a matter relating to the 141st Ordinary General Meeting of Shareholders

As you are aware, Mr. Yasuchika Hasegawa, current Chairman of the Board of our Company ("Takeda"), will retire from our Board of Directors at the close of our 141st Ordinary General Meeting of Shareholders, and will assume the position of Corporate Counselor of Takeda for the next two years. In regard to this, we understand there are some shareholders and investors who have concern that Mr. Hasegawa may continue to influence the Takeda's business judgment and decision-making even after his retirement from our Board. We also understand that there is a general argument on the possibility of Corporate Counselors and Advisors having influence on the business judgment of a given company.

Under such situation, for the purpose of eliminating or diminishing the concern you might have, I would like to explain and clarify Mr. Hasegawa's role as our Corporate Counselor, and so on, as follows:

First, you are asked to understand that Mr. Hasegawa, since April 2015 and as Chairman of the Board, has been dedicated to the role of chairman (or 'Gicho' in Japanese) at the BOD meetings. He is now not attending our Takeda Executive Team meetings, Business Review Committee meetings or other meetings which correspond to so-called management committee meetings and is therefore not anymore involved in the company business decision. In fact, I would like to point out that the leadership transition at Takeda since I joined the company in April 2014 has been exceptional, as Mr. Hasegawa had the wisdom to delegate fully the company transformation and business operations to myself and the Takeda Executive Team.

Also, as I believe you can understand from the fact that the majority of our BOD consists of independent external members, that Takeda is now a company with the Audit and Supervisory Committee, and that the majority as well as chair of our two advisory committees (i.e., the Nomination Committee and the Compensation Committee) are independent external members, under the present corporate governance of Takeda, any important decision making of Takeda cannot essentially be made or controlled by one person at his/her discretion.

We are intending to appoint Mr. Hasegawa as our Corporate Counselor based on such corporate governance mechanism of Takeda and his roles as our Corporate Counselor will be the following two:

1. Only in the case(s) and to the extent requested by the then current management team, he will provide advice based on his experiences and insights at Takeda and we will continue to benefit from his extensive external network.
2. Among the current positions at outside organizations (e.g., Japan Association of Corporate Executives) which he has been filling by representing Takeda, he will continue to fill the positions of the organizations which are considered to be more public and/or important, up until the end of his tenure.

With regard to "1" above, we are expecting there will not be many cases we need to request for his advice and rather, such cases, if any, will be quite few. Therefore, we can say that the majority of his roles will be "2" above.

Lastly, with regard to his treatment as our Corporate Counselor, he will receive monthly salary but will not receive any bonuses or long-term incentives, which are naturally different from his current treatment as the Chairman of the Board and the salary will be within a reasonable range considering his new position (His annual compensation will approximately be 12% of his present compensation). Also, he will not be eligible for using a company car and not be assigned a secretary exclusively responsible for him.

Your kind understanding of the situation should be very much appreciated.