



News Release

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Takeda Announces Execution of Senior Short Term Loan Facility Agreement and Subordinated Syndicated Loan Agreement and Second Amendment to Bridge Credit Agreement in Connection with Proposed Acquisition of Shire plc

- *Significant Milestone in Proposed Acquisition of Shire*
- *Reduces Commitments under Takeda’s Bridge Credit Agreement*
- *Supports Takeda’s Commitment to Maintain Investment Grade Credit Rating Post-Closing*

Osaka, Japan, October 26, 2018 --- Takeda Pharmaceutical Company Limited ([TSE:4502](#)) (the “**Company**” or “**Takeda**”) announces that it has today entered into a Senior Short Term Loan Facility Agreement (the “**SSTL**”) for an aggregate principal amount of up to 500 billion Japanese Yen. The SSTL will finance a portion of the funds necessary for the acquisition of Shire plc (“**Shire**”) (the “**Acquisition**”) and reduce commitments under the 364-Day Bridge Credit Agreement entered into in connection with the Acquisition on May 8, 2018 (as amended on 8 June 2018) (the “**Bridge Credit Agreement**”). Takeda has also entered into a Subordinated Syndicated Loan Agreement (the “**Subordinated Loan**”) for an aggregate principal amount of up to 500 billion Japanese Yen which will be used to refinance the debt to be borrowed pursuant to the SSTL.

“We are pleased to have secured the senior short term loan facility and subordinated loan, which enables us to successfully de-risk a substantial portion of our bridge facility as we continue to make progress toward completing our proposed acquisition of Shire,” said Costa Saroukos, Chief Financial Officer of Takeda. “These agreements, along with our previously announced term loan agreement, support our intention to maintain our well-established dividend policy and investment grade credit rating following closing of the transaction.”

In connection with entering into the SSTL, certain technical amendments have been made to the Bridge Credit Agreement by way of the “Amendment No.2 to the Bridge Credit Agreement”. In accordance with Rule 26 of the City Code on Takeovers and Mergers, copies of the SSTL, the Subordinated Loan and the Amendment No.2 to the Bridge Credit Agreement will be published on Takeda's website and will be

available to view at www.takeda.com/investors/offer-for-shire by no later than 12 noon (London time) on October 29, 2018. Please note that the Acquisition remains subject to certain conditions, including approval by the shareholders of both companies.

1. Details of the SSTL

(a) Borrower	Takeda Pharmaceutical Company Limited
(b) Lead Arranger and Bookrunner	Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd
(c) Arranger and Bookrunner	Mizuho Bank, Ltd.
(d) Arranger	The Norinchukin Bank and Sumitomo Mitsui Trust Bank, Limited
(e) Administrative Agent	Sumitomo Mitsui Banking Corporation
(f) Execution date of agreement	October 26, 2018
(g) Total borrowing limit	500 billion Japanese Yen
(h) Interest rate	Adjusted Japanese Yen TIBOR rate plus an applicable margin
(i) Use of proceeds	Payment of a portion of the Acquisition cash consideration and related fees, costs and expenses incurred by Takeda
(j) Maturity Date	The day that is one month, two months, three months or six months after the date such advance by a lender is made
(k) Pledge	None
(l) Security	None

2. Details of the Subordinated Loan

(a) Borrower	Takeda Pharmaceutical Company Limited
(b) Lead Arranger and Bookrunner	Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd
(c) Arranger and Bookrunner	Mizuho Bank, Ltd.
(d) Arranger	The Norinchukin Bank and Sumitomo Mitsui Trust Bank, Limited
(e) Administrative Agent	Sumitomo Mitsui Banking Corporation
(g) Execution date of agreement	October 26, 2018
(h) Total borrowing limit	500 billion Japanese Yen
(i) Interest rate	Japanese Yen TIBOR rate plus an applicable margin
(j) Use of proceeds	Refinancing of the debt to be borrowed pursuant to the SSTL
(k) Maturity Date	The sixtieth anniversary of the drawdown date. The Company may, however, make an early repayment of all or part of the principal on any interest payment date on or after the sixth anniversary of the drawdown date
(l) Interest payment	The Company may, at its discretion, defer all or some of the payment of interest on the Subordinated Loan, subject to mandatory payment clauses
(m) Subordination	The Subordinated Loan is subordinated in liquidation proceedings,

	bankruptcy proceedings, reorganization proceedings, rehabilitation proceedings and similar proceedings in accordance with laws other than the laws of Japan
(n) Prohibition of changes to the disadvantage of senior creditors	Any amendment to any of the provisions of the Subordinated Loan to the disadvantage of the creditors of the Company other than the creditors of the subordinated claims (the claims under the Subordinated Loan and the claims which are subject to subordination clauses equivalent to those under the Subordinated Loan) is prohibited by any means, and any agreement on such amendment takes no effect by any means and with respect to any person
(o) Equity credit attributes of the Subordinated Loan evaluated by Ratings Institutions (expected)	50% (Rating and Investment Information, Inc. and S&P Global Ratings Japan Inc.) The Company plans to apply to Moody's Japan KK for the equity credit attributes of the Subordinated Loan (50%) after the drawdown occurs
(p) Pledge	None
(q) Security	None

Note: The Subordinated Loan is a committed term loan, and the timing and value of the drawdown will be decided after the closing of the Acquisition. The drawdown of all or a part of the Subordinated Loan may not be implemented if the Company obtains alternative financing.

3. Impact on the financial results for the fiscal year ending March 2019

Upon the execution of the SSTL, the commitments under the Bridge Credit Agreement will be reduced by 4.5 billion U.S. dollars. We will announce the impact of the SSTL and the Subordinated Loan on our business performance promptly after we estimate it.

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About Takeda Pharmaceutical Company

Takeda Pharmaceutical Company Limited ([TSE: 4502](#)) is a global, research and development-driven pharmaceutical company committed to bringing better health and a brighter future to patients by translating science into life-changing medicines. Takeda focuses its R&D efforts on oncology, gastroenterology and neuroscience therapeutic areas plus vaccines. Takeda conducts R&D both internally and with partners to stay at the leading edge of innovation. Innovative products, especially in oncology and gastroenterology, as well as Takeda's presence in emerging markets, are currently fueling the growth of Takeda. Approximately 30,000 Takeda employees are committed to improving quality of life for patients, working with Takeda's partners in health care in more than 70 countries. For more information, visit <https://www.takeda.com/newsroom/>.

Important Notice

This announcement is not intended to, and does not, constitute, represent or form part of any offer, invitation or solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The distribution of this announcement in jurisdictions outside the United Kingdom or Japan may be restricted by law or regulation and therefore any person who comes into possession of this announcement should inform themselves about, and comply with, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws or regulations of any such relevant jurisdiction.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) on Takeda's website at www.takeda.com/investors/offer-for-shire by no later than 12 noon (London time) on October 29, 2018. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure

must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

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