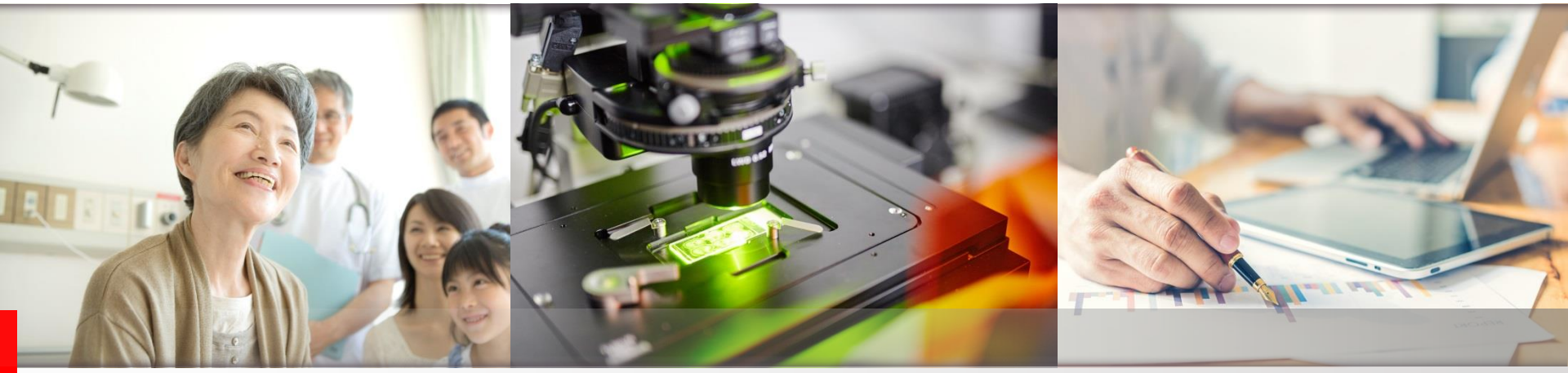
Better Health, Brighter Future



Debt Investor Presentation

November 2018

Updated as of Nov 15

Takeda Pharmaceutical Company Limited

Important Notice

This document has been prepared solely for the purpose of presenting relevant information regarding Takeda Pharmaceutical Company Limited ("Takeda"), including its proposed acquisition (the "Shire Acquisition") of Shire plc ("Shire"). This document does not constitute an offer to sell or the solicitation of an offer to buy any security in the United States, Japan or any other jurisdiction. The securities of Takeda referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

You agree to refer to the preliminary offering circular dated November 8, 2018 (the "Preliminary Offering Circular") and any amendments or supplements hereto for further and more complete information about the offering. The information contained herein is qualified by the contents of the Preliminary Offering Circular, and you should read the Preliminary Offering Circular before making an investment decision.

This presentation contains statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 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 ability of Takeda to complete the Shire Acquisition, the economic circumstances surrounding Takeda or Shire's respective 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.

Except as otherwise indicated, the views, statements and outlook indicated herein are those of Takeda. The information related to or prepared by companies or parties other than Takeda, including Shire, is based on publicly available and other information as cited, and Takeda has not independently verified the accuracy and appropriateness of, nor makes any warranties regarding, such information.

Takeda presents its results in accordance with International Financial Reporting Standards ("IFRS"), while Shire presents its results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). IFRS and U.S. GAAP differ in significant respects, and the results of Takeda and Shire are therefore not directly comparable.

These materials contain non-IFRS financial measures of Takeda, including Adjusted EBITDA and certain non-U.S. GAAP measures of Shire, including non-GAAP EBITDA. These non-IFRS and non-U.S. GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures presented in accordance with IFRS or U.S. GAAP, respectively. Furthermore, Takeda and Shire use, define and calculate their respective non-IFRS and non-GAAP measures differently, and the definition and calculation of these measures differ significantly from, and therefore may not be directly comparable to, similarly-titled measures of other companies. Please refer to reconciliation tables for details.

Takeda's results are presented in Japanese yen, while Shire's results are presented in U.S. dollars. Unless otherwise noted, where results of Takeda are presented in U.S. dollars, or where results of Shire are presented in Japanese yen, an exchange rate of $1.00=¥112.359, the average rate for the 12 months ended December 31, 2017, has been used.

Neither this presentation nor any of its contents may be disclosed to or used by any other party for any purpose without the prior written consent of Takeda.

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.

Offering summary

Indicative terms and conditions	
Issuer	Takeda Pharmaceutical Company Limited
Security type	Senior Unsecured Notes
Offering Size	EUR Benchmark
Format	144A/Regulation S for life
Expected ratings	Moody's A2 / S&P A- (Both Neg Watch)
Tenors	2-year FXD/FRN, 4-year FXD/FRN, 8-year FXD, 12-year FXD
Denomination	€100,000 x €1,000
Special Mandatory Redemption	101%, if (i) the Shire Acquisition has not been consummated on or prior to the Long Stop Date[1] or (ii) the Company otherwise publicly announces that the Shire Acquisition will not be consummated
Optional Redemption	Optional tax redemption; Make-whole call only on fixed rate notes; 1 month par call on 4-year, 3 month par call on 8-year and 12-year notes
Use of Proceeds	To fund a portion of the cash consideration to be paid in connection with the Shire Acquisition
Listing	Singapore Exchange Securities Trading Limited; Application to be made for Notes sold under Regulation S also to be admitted to trading on Frankfurt Stock Exchange[2] (Frankfurter Wertpapierbörse)
Governing Law	State of New York
Active Bookrunners	J.P. Morgan, SMBC Nikko, Morgan Stanley, Barclays, BNP Paribas, HSBC

Notes: [1] The "Long Stop Date" means May 8, 2019, or such later date as may be agreed upon in accordance with the Co-Operation Agreement, dated May 8, 2018, between Takeda Pharmaceutical Company Limited and Shire plc.; provided, however, that any such later date shall not extend beyond May 8, 2020. [2] unregulated open-market segment (Freiverkehr)

Acquisition of Shire – Key transaction terms and take-out financing

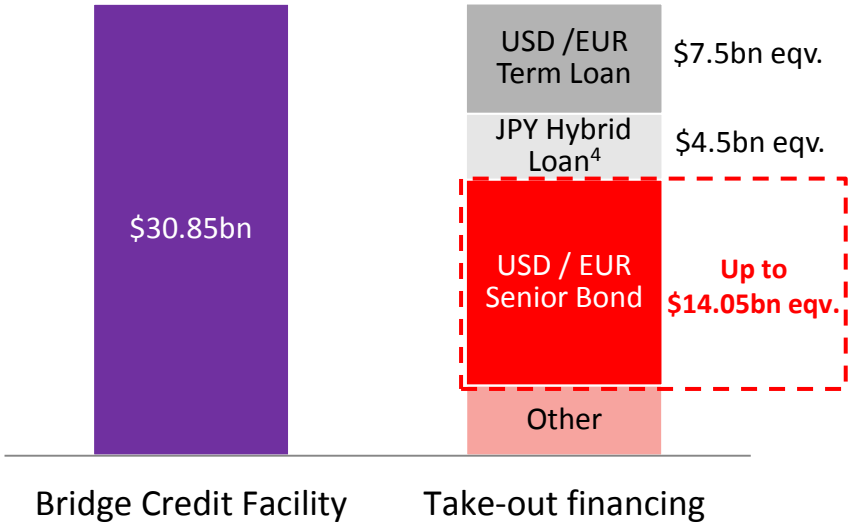
Key transaction terms[1]

- Agreement to acquire Shire for an implied value of £46bn[2] ($62bn)
- Shire shareholders entitled to receive, per Shire share:
  - $30.33 cash; and
  - Either 0.839 new Takeda shares or 1.678 Takeda ADSs

Key transaction process/timeline

- The transaction is subject to 1) Shire and Takeda shareholder approval and 2) certain customary closing conditions, incl. regulatory approvals
  - Shire and Takeda shareholder meetings to approve the transaction will be held on December 5, 2018
  - Anti-trust approvals[3]
    - Obtained: US, Brazil, China, and Japan, etc.
    - Pending: EU, etc.
- Expected to close on January 8, 2019 or as soon as practicable thereafter following approval from the EC to proceed to completion and sanction of the scheme of arrangement by the court

Take-out financing (as of Nov. 8, 2018)



- Takeda already completed financing arrangements for a USD/EUR term loan ($7.5bn eqv.) and JPY hybrid loan ($4.5bn eqv.)
- Up to $14.05 bn equivalent to be raised through issuances of new EUR and USD senior bonds

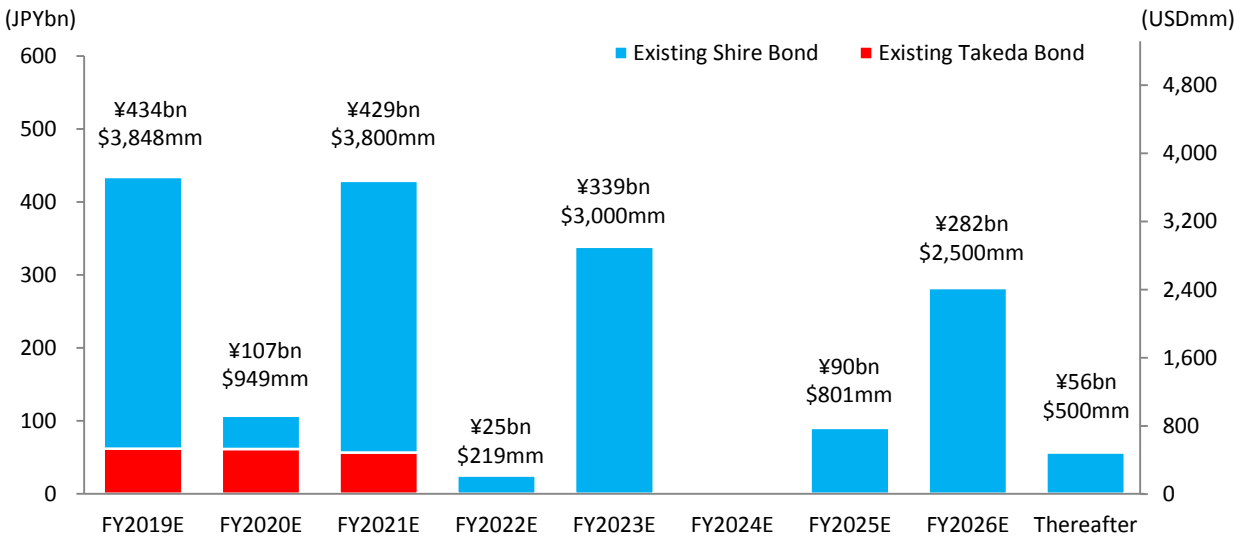
Notes: [1] The transaction is structured as a Jersey law Scheme of Arrangement. [2] Based on the closing price of ¥ 4,923 per Takeda Share and converted using the £:¥ exchange rate of 1:151.51 and £:$ exchange rate of 1:1.3945 on April 23, 2018 (the day prior to the extension of the Offer Period). [3] The countries shown are listed in 2.7 announcement on May 8 [4] Announced the execution of Senior Short Term Loan Facility Agreement ("SSTL") and Subordinated Syndicated Loan Agreement ("JPY Hybrid Loan") on October 26, 2018. The SSTL will finance a portion of the funds necessary for the Shire acquisition and reduce commitments of the bridge facility, and JPY Hybrid Loan will be used to refinance the debt to be borrowed pursuant to the SSTL.

Pro-forma capitalization and maturity ladder

Pro-forma capitalization[1]

	As of March 31, 2018	
	JPYbn	USDmm
Cash and cash eqv.[2]	476.9	4,225
Existing bonds	2,103.9	18,640
Takeda	172.9	1,532
Shire	1,931.0	17,108
Existing loan	1,054.7	9,344
Takeda	812.8	7,201
Shire	241.9	2,143
Pro-forma adjustment to bonds and loan[3]	3,303.4	29,267
USD/EUR Senior Bond[3]	1,576.6	13,968
Others[3, 4]	1,726.8	15,299
Total debt	**6,462.0**	**57,251**
Net debt[5]	**5,985.0**	**53,026**
Total equity	5,320.6	47,138
Total Capitalization	**11,305.6**	**100,164**

Pro-forma maturity ladder of existing bonds[6]



- Takeda plans to repay bonds and loans using the ample cashflow of the combined company post Shire acquisition
  - Takeda will accelerate reduction of prepayable loans using excess cash
- Takeda will consider accelerating the deleveraging process by selling selected non-core assets

Notes: [1] Based off of pro forma balance sheet that combines Takeda as of March 31, 2018 and Shire as of December 31, 2017, converted using the $/¥ of 1:112.871, the exchange rate as of March 31, 2018. Pro forma balance sheet does not reflect Shire's sale of its oncology business to Servier for $2.4 bn in August 2018 and $2.3bn cash tender offer to repurchase certain of its outstanding senior notes in September 2018. [2] Includes pro forma adjustment to cash and cash equivalents [3] USD portion of the pro-forma adjustment to bonds and loan is converted using the $/¥ of 1:112.214, the exchange rate as of October 12, 2018 to prepare pro-forma financials in JPY in the Preliminary Offering Circular. Pro-forma capitalization table in USD above is simply converted from pro-forma capitalization in JPY, using the $/¥ of 1:112.871, the exchange rate as of March 31, 2018. [4] Consists of Term loan, SSTL (JPY Hybrid Loan will be used to refinance the debt to be borrowed pursuant to the SSTL), Remaining bridge financing, less estimated debt issuance costs [5] Net debt = total debt – cash & cash equivalent [6] Financials converted using the $/¥ of 1:112.871, the exchange rate as of March 31, 2018.

Preserving balance sheet strength and financial flexibility

- Commitment to maintaining investment grade credit ratings
- Significant combined cash flows to de-lever quickly
- Capital enhancement by hybrid finance to improve credit profile
- Target net debt to adjusted EBITDA ratio of 2.0x within three to five years
- Takeda will consider accelerating the deleveraging process by selling non-core assets

S&P Global [1]

(Nov. 8, 2018)

*"**Downgrade To 'BBB+' Is Likely On Shire Deal** .... We intend to resolve the CreditWatch placements when Takeda's acquisition of Shire closes. **We will likely lower our ratings on Takeda only one notch** if we determine that large asset sales will be sufficient to ease its financial burden…. **We believe Takeda is likely to go through with these asset sales** because it has sufficient noncore assets to reduce debt significantly and it has a record of making selective asset sales and repaying debt."*

S&P Global [1]

(Nov. 8, 2018)

*"Even after the company closes and finances the acquisition, **we currently do not expect a substantial rise in subordination risk in existing long-term senior debt** we rate or new debt issuance, **because we do not expect its priority debt** (secured debt and debt at subsidiaries, including debt at Shire) **to rise much beyond about 30%**. Therefore, **we equalize the issue rating with our long-term issuer credit rating on Takeda**."*

Moody's [1]

(Nov. 2, 2018)

*"Though still at an early stage without any definitive agreements, **the divestment plan is credit positive because the proceeds will accelerate the repayment of acquisition debt** following the ¥7 trillion ($64 billion) Shire plc (Baa3 review for upgrade)deal. The company's progress toward closing this deal so far continues to support our expectation that **the ratings review will ultimately result in ratings in the mid to high Baa range**"*

Notes: [1] Source: S&P report (Nov. 8, 2018) "Takeda Still On Watch Negative, Downgrade To 'BBB+' Is Likely On Shire Deal; Proposed Euro Notes 'A-', On Watch Negative"; Moody's report (Nov. 2, 2018) "Takeda's potential divestment of non-core businesses is credit positive";
Current Takeda ratings: A2 review for downgrade (Moody's); A- Credit Watch Negative (S&P)
Moody's downgraded Takeda in May 2018 and that S&P put Takeda on watch for a downgrade in May 2018.

Takeda / Shire at a glance

No.1 Japanese pharmaceutical player

Takeda is a R&D driven global pharmaceutical company with the highest global Rx sales among Japanese pharmaceutical companies[1]

More than **27,000** employees	Operating in more than **70** countries
Senior management team includes **11** nationalities	
Oncology, GI, Neuroscience, plus Vaccines are core therapeutic areas	
3 candidates in Phase 3/Filed	**3** blockbuster[2] drugs
JPY 1,771bn / USD 15.8bn in Revenues	**JPY 378bn / USD 3.4bn** in Adjusted EBITDA

Leading biopharma in rare diseases

Shire is a rare diseases-focused leader committed to differentiated and high patient-impact medicines

More than **23,000** employees	Operating in more than **60** countries
Immunology, Hematology, Neuroscience, Internal Medicine, Genetic Diseases, and Ophthalmics are key therapeutic areas	
6 candidates in Phase 3/Filed	**3** blockbuster[2] drugs
JPY 1,703bn / USD 15.2bn in Revenues	**JPY 729bn / USD 6.5bn** In Non-GAAP EBITDA

Notes: All data as of March 31, 2018 for Takeda and December 31, 2017 for Shire except the pipeline candidate information, which is as of October 31, 2018 for Takeda and as of September 30, 2018 for Shire; EBITDA of each of the companies are not comparable because EBITDA calculation and accounting standards differ among the companies; Adj. EBITDA and Non-GAAP EBITDA adjust for items not core to their ongoing operations such as the effect of taxes, certain cash and non-cash items. For the full definition and reconciliation of Takeda's Adj. EBITDA, please see Pg 44, 45, for the detailed definition and reconciliation of Shire's Non-GAAP EBITDA , please see Pg 46. [1] 2017 global prescription drug sales data from EvaluatePharma® November 2018, Evaluate Ltd, www.evaluate.com; data as of Nov. 1 [2] Drugs that generate annual sales of at least JPY 100 billion; Takeda – Velcade, Entyvio, Leuprorelin, Shire – Vyvanse, Gammagard Liquid, combined sales of Advate and Adynovate

Key post-closing combined company highlights

Our foundation	A global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan
Focus	Robust presence in core therapeutic areas
Diversification	Attractive geographic footprint aligned with market opportunities
Growth	Recently launched innovative drugs drive cash generation and growth
Value-creation	Strengthened pipeline and expanded R&D capacity leveraging Boston and Shonan R&D hubs
	Significant margin expansion opportunities through continuing cost-saving initiatives and further cost savings from integration
Discipline	Diligent financial management policy with a focus on maintaining investment grade credit rating

A global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan

The combined company:
A global, values-based, R&D-driven biopharmaceutical leader

	Takeda	Shire	Cost Synergy (by year 3)[2]
Revenue[1]	¥1,771bn $15.8bn	¥1,703bn $15.2bn	
Adj. EBITDA (Takeda) / Non-GAAP EBITDA (Shire)[3]	¥378bn $3.4bn	¥730bn $6.5bn	¥157bn $1.4bn
R&D Spend (excl. Synergies)	¥325bn $2.9bn	¥198bn $1.8bn	

Key Growth Products

Takeda
- Ninlaro
- Entyvio
- Alunbrig
- Trintellix
- Adcetris
- Takecab

Shire
- Vyvanse
- Immunoglobulin therapies
- Takhzyro

Expected further growth areas
- Key growth products
- Additional revenue /cost synergies
- Cost control initiatives

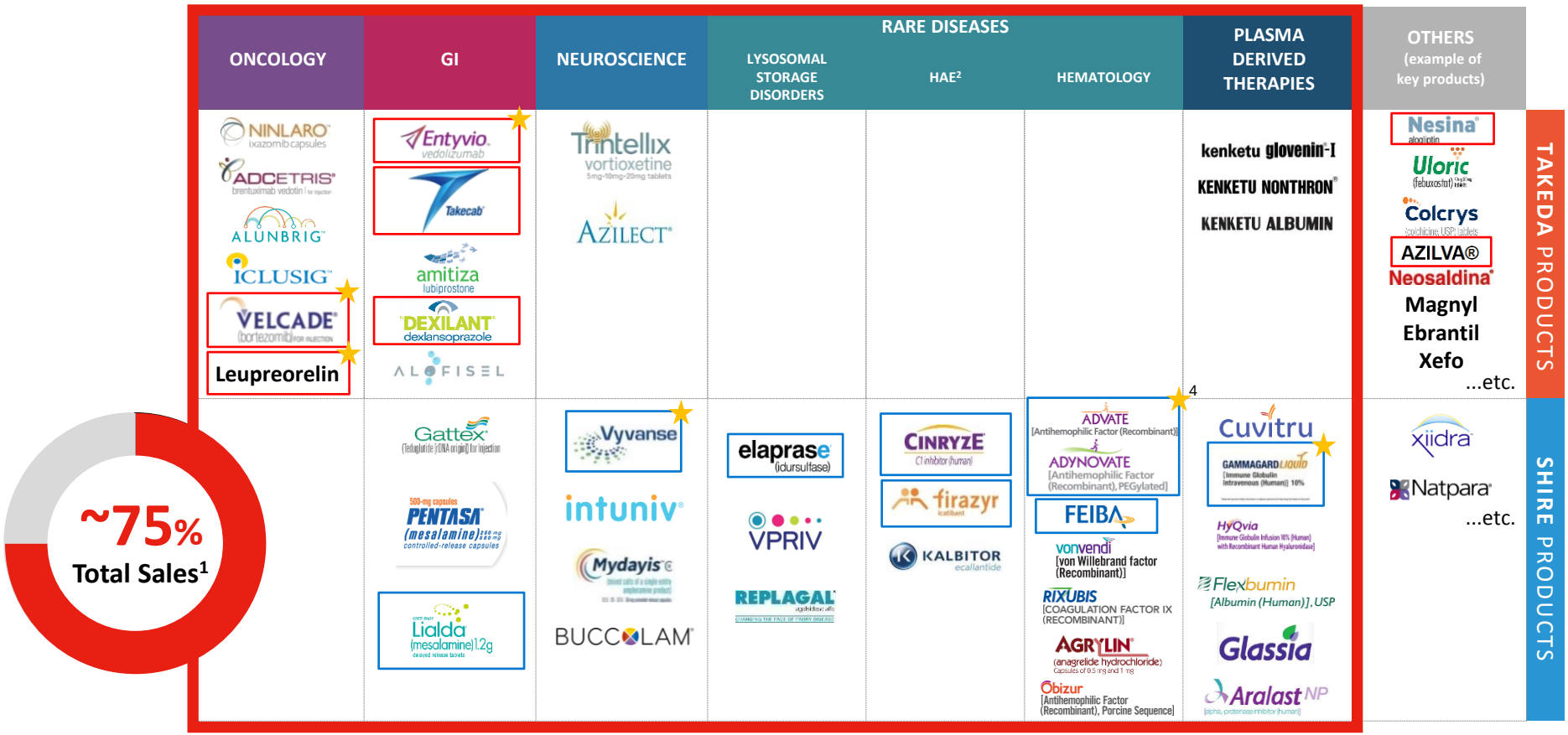
Certain rationalization

Notes: [1] the historical revenue figures represent (a) the amount for the 12 months ended on March 31, 2018 for Takeda and December 31, 2017 for Shire, converted using the $/¥ of 1:112.359, the average rate for the 12 months ended December 31, 2017. These results are historical and do not take into account any divestures or other events that may have occurred since these dates. [2] the historical EBITDA figures represent Adjusted / Non-GAAP EBITDA (a) for the 12 month period ended on March 31, 2018 for Takeda and December 31, 2017 for Shire, converted using the $/¥ of 1:112.359, the average rate for the 12 months ended December 31, 2017; Synergies are expected to be realized by the end of the third year after closing of the Shire Acquisition and have been reported on 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. [3] EBITDA of each of the companies are not comparable because EBITDA calculation and accounting standards differ among the companies; Adj. EBITDA and Non-GAAP EBITDA adjust for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the full definition and reconciliation of Takeda's Adj. EBITDA, please see Pg 44, 45, for the detailed definition and reconciliation of Shire's Non-GAAP EBITDA , please see Pg 46.

Robust presence in core therapeutic areas

Approx. 75% of total sales concentrated in five areas post acquisition[1]

Products with over JPY 50bn+ in sales: Takeda Shire
Blockbuster drugs[3]: ★

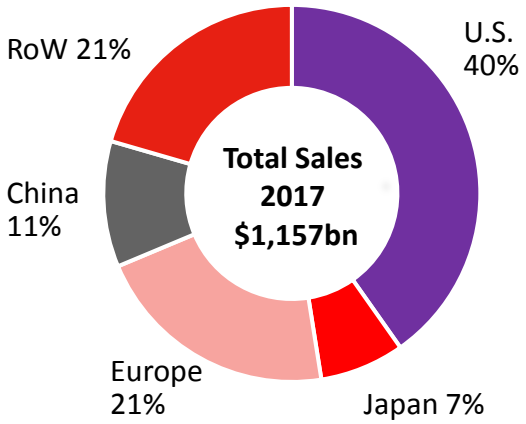


Source: Shire plc Annual Report 2017, Takeda Consolidated Financial statements for the Fiscal Year Ended March 31, 2018
Notes: Percentage calculated using the amount for the 12 month period ended on March 31, 2018 and (b) the amount for the 12 month period ended on December 31 2017 and converted using the $/¥ 1:112.359, the average rate for the 12 months ended December 31, 2017 [1]Management Data. [2] Hereditary Angioedema [3] Drugs that generate annual sales of at least JPY 100 billion [4] Based on the combined sales of Advate and Adynovate

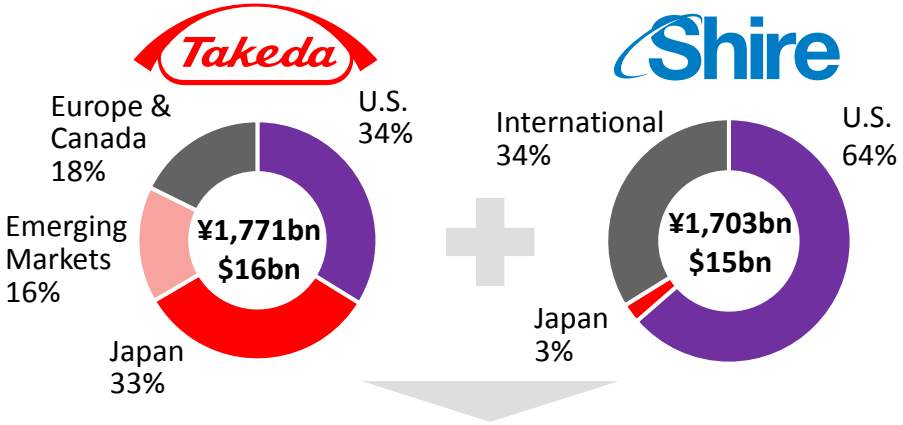
Attractive geographic footprint aligned with market opportunities

Attractive geographic footprint aligned with market opportunities

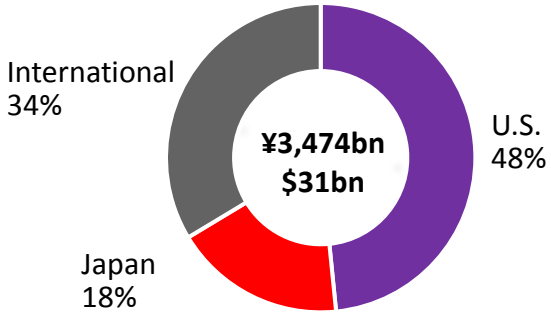
Global prescription drug market by region (2017)[1]



Geographic breakdown of Takeda + Shire (2017)[2]



Combined Historical Pro Forma Revenue



Expected market growth by region (CAGR:2017-27)[1]

US	China	Europe	Japan	World wide
5.2%	5.1%	3.1%	(0.8%)	4.5%

Source: Shire Annual Report 2017 and management information, Takeda consolidated financial statements for the fiscal year ended March 31, 2017; OC; IQVIA (market data)
Notes: Percentages for the combined group are calculated by aggregating the respective revenues of Takeda and Shire by each geographic area [1]Sales data from IQVIA based on calendar year [2] Revenue amounts are (a) Takeda's revenue for the 12 months ended on March 31, 2018 and (b) Shire's revenue for the 12 months ended on December 31, 2017 converted using the $/¥ of 1:112.359, the average rate for the twelve months ended December 31, 2017. Percentages shown for Takeda and Shire do not add up to 100% due to rounding.

Recently launched innovative drugs drive cash generation and growth

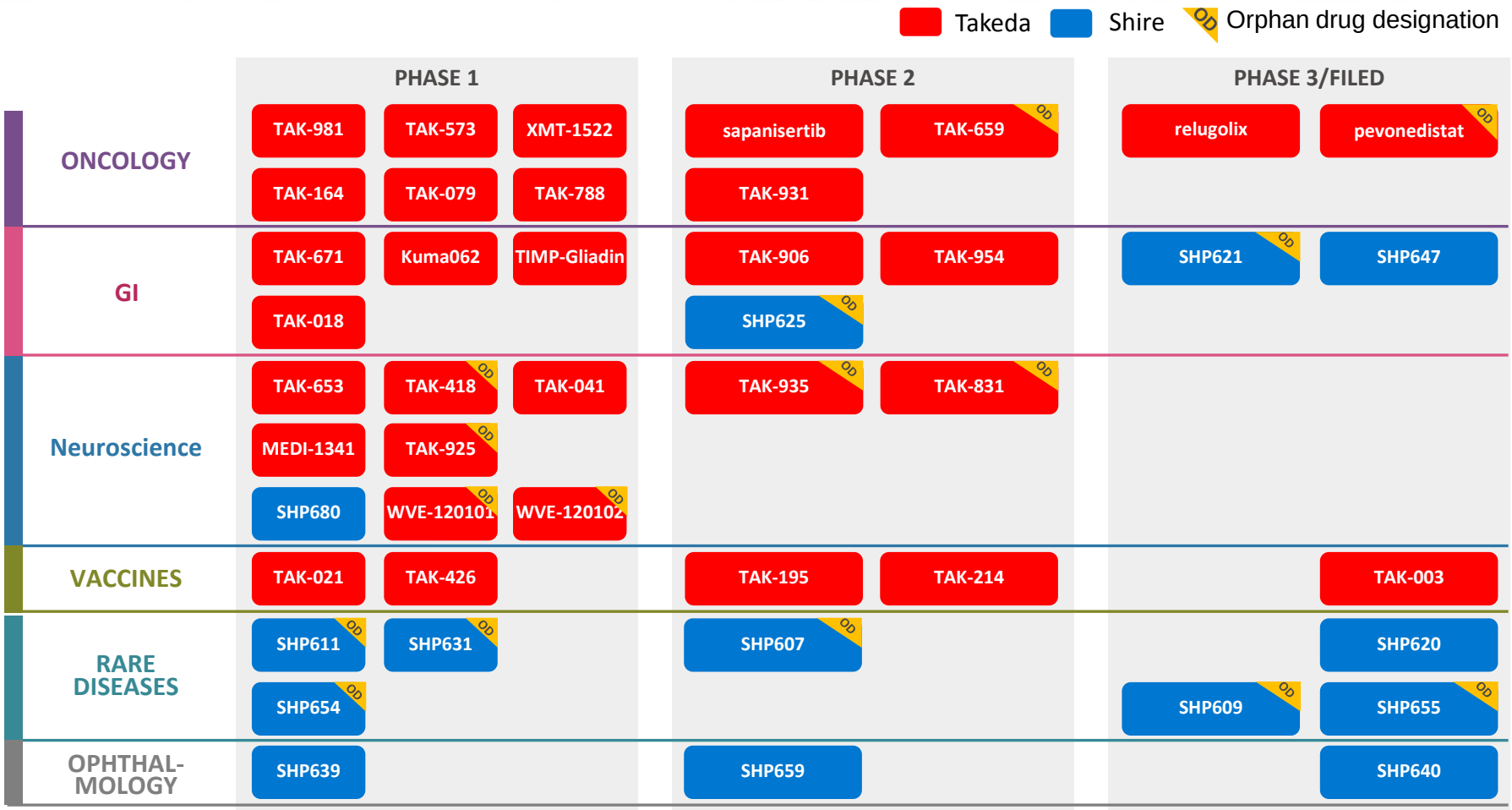
Key growth products drive cash generation

	Therapeutic Area	Product	Key indications	First launch in key region US	JPN	EU	Product sales FY2016[1]	FY2017[1]	YoY
Takeda	Oncology	NINLARO ixazomib capsules	Multiple Myeloma	2015	2017	2016	¥29.4bn /$262mm	¥46.4bn / $413mm	58.1%
		ALUNBRIG	Non-small cell lung cancer	2017	-	Not yet launched	-	¥2.8bn / $25mm	N/A
		ADCETRIS brentuximab vedotin	Hodgkin's lymphoma	-	2014	2012	¥30.1bn / $268mm	¥38.5bn / $343mm	27.8%
	GI	Entyvio vedolizumab	Ulcerative colitis, Crohn's disease	2014	Not yet launched	2014	¥143.2bn / $1,274mm	¥201.4bn / $1,792mm	40.6%
		Takecab	Acid-related diseases	-	2015	-	¥34.1bn / $303mm	¥55.1bn[2] / $490mm[2]	61.7%
	Neuroscience	Trintellix vortioxetine	Major depressive disorder	2014	Not yet launched	-	¥31.9bn / $284mm	¥48.4bn / $431mm	51.6%
Shire		Vyvanse	ADHD	2007	-	2013	¥226.3bn / $2,014mm	¥242.8bn / $2,161mm	7.3%
	HAE	TAKHZYRO (lanadelumab-flyo) injection	Hereditary angioedema	2018	-	2018	N/A	N/A	N/A
	Plasma derived therapies	Immunoglobulin[3]	-	-	-	-	¥212.3bn[4] / $1,890mm[4]	¥251.3bn / $2,237mm	18.4%
						Total	**¥707.3bn / $6,295mm**	**¥886.7bn / $7,892mm**	**25.4%**

Notes: [1] Takeda: fiscal year ended March 31, 2018; Shire: fiscal year ended December 31, 2017 [2] Effective from the fiscal year ending March 31, 2019, sales of certain products in Japan are disclosed on a net basis, deducting items such as discounts and rebates, in alignment with the global managerial approach applied to individual product sales. Sales of individual product for the fiscal year ended March 31, 2018 and for the six months ended September 30, 2017 have been revised retroactively on a net basis to enable year-on-year comparisons. This reclassification has no impact on Takeda's financial statements and does not represent a correction of figures from the prior fiscal years. Figures for the fiscal years ended March 31, 2016 and 2017 have not been reclassified retroactively. [3] Includes various immunoglobulin products including Gammagard Liquid. [4] 2016 Immunoglobulin therapies revenue represents Baxalta pro forma product sales. Exchange rate: $/¥ of 1:112.359, the average rate for the 12 months ended December 31, 2017.

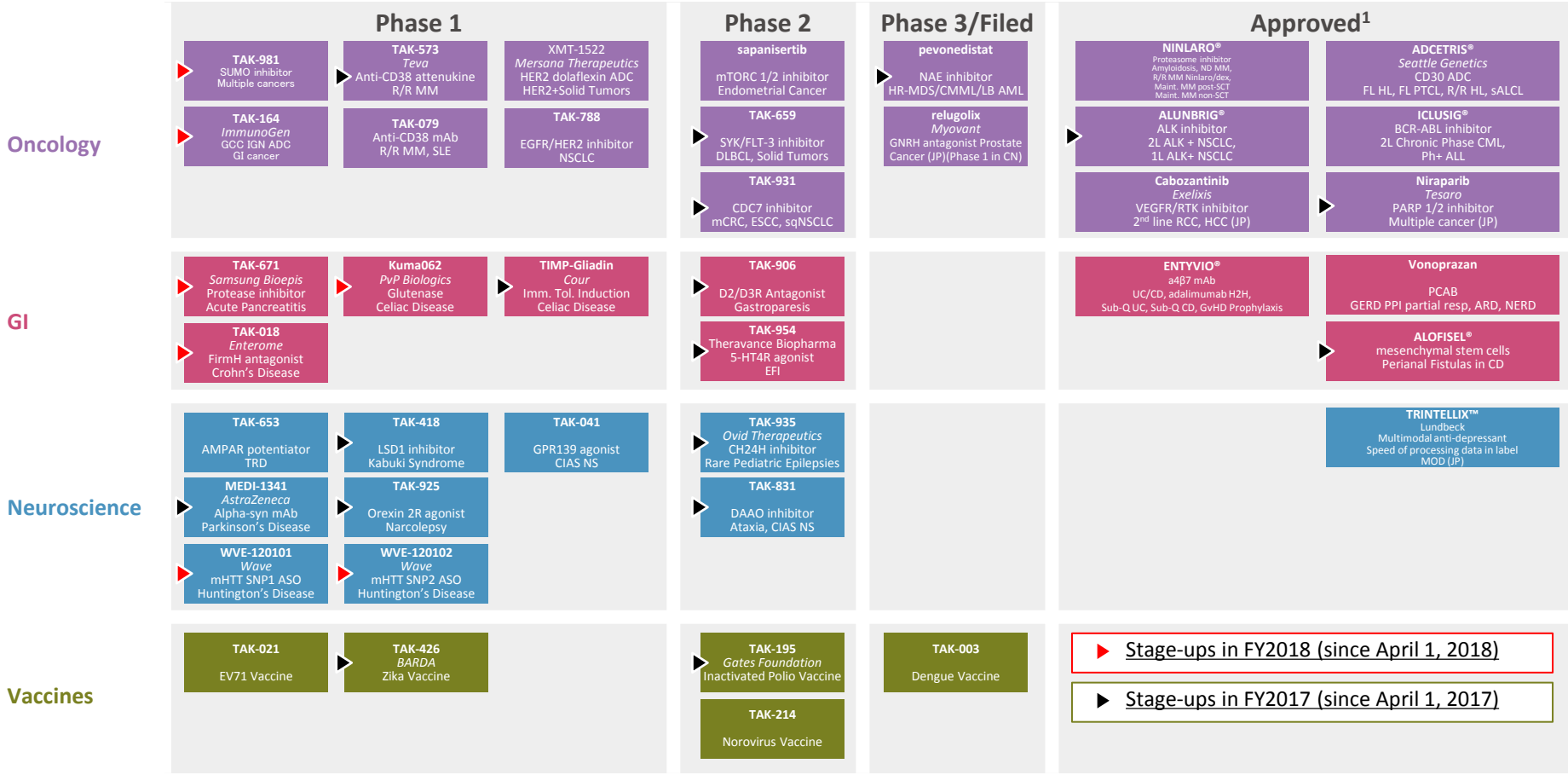
Strengthened pipeline and expanded R&D capacity leveraging Boston and Shonan R&D hubs

Takeda + Shire provides a complementary, robust and modality-diverse pipeline with an expected combined annual R&D spend of $4bn+[1]



Notes: Pipeline as of October 31, 2018 for Takeda and September 30, 2018 for Shire; SHP652 is classified as "other" and not shown here. [1] The greater than 400bn JPY annual R&D budget is a reference to the combined historic R&D spend for the period ending March 31, 2017 for Takeda and December 31, 2017 for Shire, less the expected R&D cost synergies.

Takeda achieved significant progress since FY2017 with 24 New Molecular Entity (NME) stage-ups



Note: Pipeline as of October 31, 2018; region abbreviations: GL = global (USA, Europe, Japan, China) [1] With active development seeking new or supplemental indications, or approvals in new territories.
For glossary of disease abbreviations please refer to appendix on Pg 49.

Takeda accelerates development of innovative R&D projects utilizing collaborations and its strong R&D hubs in Boston and Shonan

c.180 active collaborations with external partners[1]

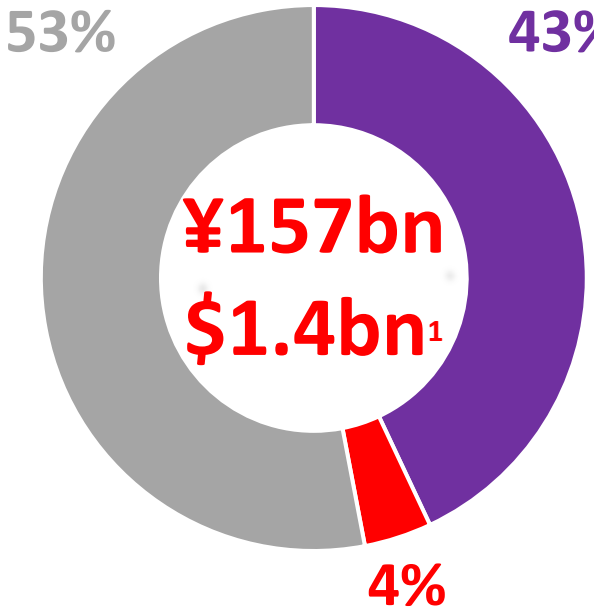
	STRATEGIC FOCUS AREA	DISCOVERY/ PRECLINICAL	PHASE 1	PH2, PH3, FILED, LCM
ONCOLOGY	Hematology	4tem, Adimab, HiFiBiO Therapeutics, Heidelberg Pharma	NEKTAR	SeattleGenetics
	Lung Cancer	Crescendo Biologics, Shattuck Labs		
	Next-gen IO / Cell Therapy	Memorial Sloan Kettering Cancer Center: Discovery and development of next generation CAR-T assets; GammaDelta Therapeutics, Shattuck Labs, NOILE-IMMUNE BIOTECH, Maverick Therapeutics, Ciml, Crescendo Biologics	teva: Anti CD38 Attenukine asset currently in MM trial. Multiple active discovery stage programs	
	Solid Tumor	NBE therapeutics, Mersana	Mersana, immunogen	Exelixis, TESARO
GASTRO-ENTEROLOGY	IBD	Beacon Discovery, Finch Therapeutics, ENGENE, emulate, Karolinska Institutet	NUBIYOTA	Portal Instruments
	Motility	Beacon Discovery, enterome, HiFiBiO Therapeutics		Theravance Biopharma
	Celiac		PVP Biologics: Development agreement for KumaMax glutenase and option to acquire company; COUR	
	Liver	Ambys Medicines: Liver regeneration using cell therapy, gene therapy, small molecules for advanced liver disease/cirrhosis, acute liver failure, genetic disease; Arcturus Therapeutics, HEMOSHEAR THERAPEUTICS		
NEURO-SCIENCE	Depression[2]			
	Parkinson's		AstraZeneca	
	Alzheimer's	Denali Therapeutics: Enhancing antibody penetration across BBB for unmet needs in Neurology (Alzheimer, Other)		
	Rare Disease	WAVE Life Sciences	WAVE Life Sciences: Innovative anti-sense oligonucleotide platform for unmet needs in Neurology (Huntington's, ALS, Spinocerebellar Ataxia 3)	

[1] Not inclusive of all partnerships; [2] Depression – Focus on MDD (major depressive disorder) and TRD (treatment-resistant depression)

Significant margin expansion opportunities through continuing cost-saving initiatives and further cost savings from integration

Takeda has a clear plan to generate values by realizing synergies from Shire acquisition

Takeda plans to achieve at least $1.4bn / ¥157bn p.a. in recurring cost synergies[1] by the end of the third fiscal year following completion of the Shire acquisition



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
- Rationalization of ongoing research and early stage pipeline programs
- Reduction of overlapping resources

Manufacturing & Supply
- In-sourcing Oral Solid Dose manufacturing through Takeda excess capacity
- Operational procurement spending efficiencies
- Reduction of overhead

Other synergy opportunities

Revenue synergy upside
- Leverage market presence (e.g. Japan)
- Enhance position in key therapeutic areas

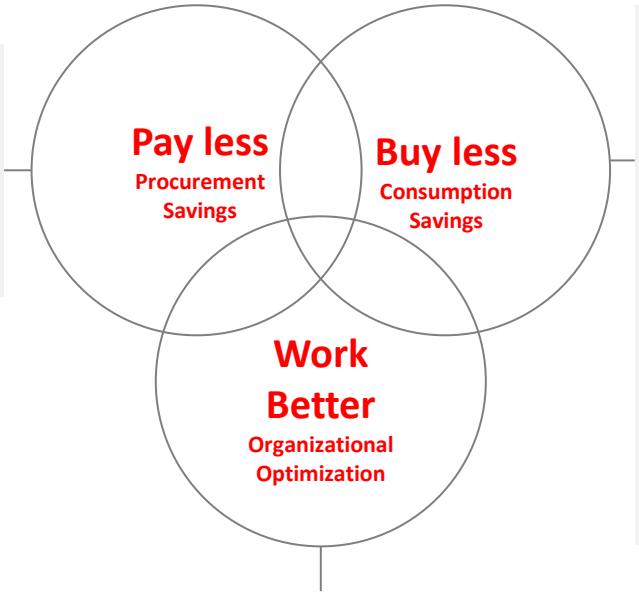
Further pursuit of cost-reductions to realize lean operation
- Implement Takeda's ongoing Global Opex Initiative on the combined company

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 Shire acquisition, converted using rate: $/¥ of 1:112.359. 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

Our Global Opex Initiative has achieved material margin expansion

Activities under Our Global Opex Initiative

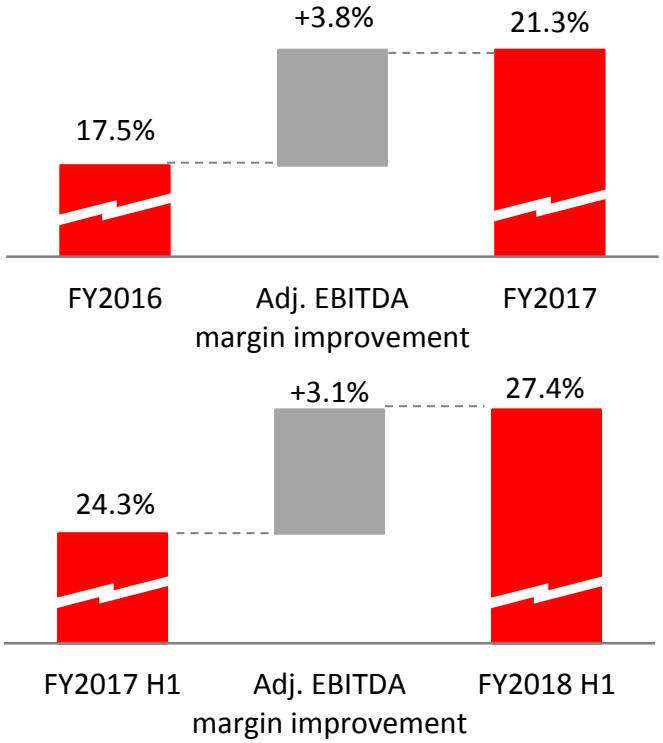
- Price management initiatives for all cost packages in place



- Policy and guideline rollout complete
- Significant consumption behavior changes in major spending areas
- Completed cost package budgeting process (zero-based)

- Opportunities for optimization identified; functional transformations initiated
- Takeda Business Services formed with HR, Finance and Procurement in scope

Adj. EBITDA margin expansion



Notes: Adj. EBITDA adjusts for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the full definition and reconciliation of Takeda's Adj. EBITDA, please see Pg 44, 45

Diligent financial management policy with a focus on maintaining investment grade credit rating

Diligent financial management policy with a focus on maintaining investment grade credit rating

Generate & unlock cash

- Sustainable profit growth
- Reduce working capital
- Disposal of selected non-core assets
  - Considering potential sizable divestitures
  - Divested Multilab (July 2018) and Guangdong Techpool Bio-Pharma (August 2018)
  - Divested real estate
    - Tokyo Takeda building and adjacent property (approx. JPY 50bn / USD 0.5bn) (majority of cash to be received in the 2H of FY2018)
  - Divested marketable securities (approx. JPY38.2bn /USD338mm[1] in the 1H of FY2018)

Financial and capital allocation policies

- Internal investment in R&D and product launches
- Committed to an investment grade credit rating
  - Target net debt to adjusted EBITDA[2] ratio of 2.0x within three to five years
- 2018 dividends consistent with last 9 years
- Disciplined M&A / BD activities

Notes: [1] Converted using the $/¥ of 1:112.871, the spot rate at December 31. 2017 [2] Adj. EBITDA adjusts for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the full definition and reconciliation of Takeda's Adj. EBITDA, please see Pg 44, 45

Our Commitment

1 Maintain investment grade credit rating

2 Realize early deleveraging

3 Deliver synergies from the Shire acquisition

4 Generate strong cash flow

Appendix

Transformation momentum is backed by Takeda's values and culture

Value Driven: Takeda-ism

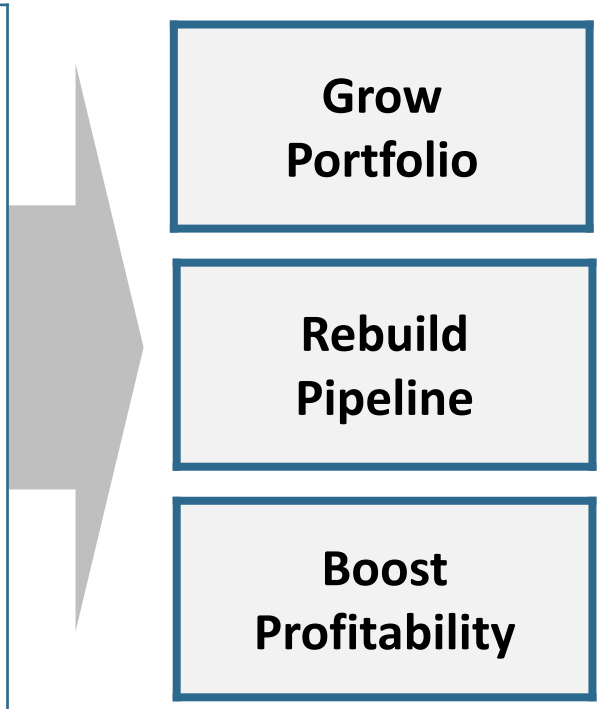
- Patient → Trust → Reputation → Business

Global, Agile and Committed to Innovation

- Created global organization and capabilities
- Driving patient-centricity and local empowerment
- Therapeutic area focus: Oncology, GI, neuroscience, plus Vaccines

World-class Governance & Diverse Leadership

- Majority of BOD external, with Audit & Supervisory committee
- Diverse & experienced Takeda Executive Team
- Comprehensive talent development programs

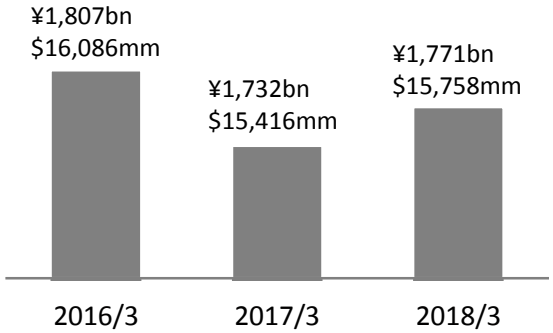


Takeda: Agile, Global, R&D-driven, Headquartered in Japan

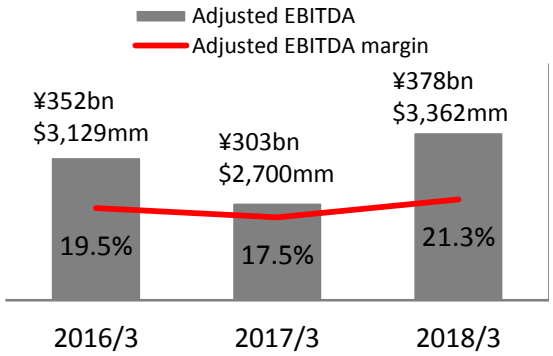
Key summary

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** • More than **27,000 employees** worldwide • Incorporated and headquartered in **Japan** • Successful global launches of key products (e.g. **launch of ENTYVIO, NINLARO and ALUNBRIG)**
R&D Engine	• Pipeline progression is accelerating (24 stage-ups since April 2017) toward late stage • **180 active partnerships** in R&D across Oncology, GI, neuroscience, plus vaccines • Focus on highly innovative medicine: 41 clinical stage assets with active development programs, of which **more than one third have orphan drug designation indications**
Strategy Driving Financial Performance	• Growing through Oncology, GI, and neuroscience growth drivers • 311bps adjusted EBITDA margin improvement[1] in FY2018 Q2 • Strong underlying business positioned for **sustainable growth**

Revenue[2]



Adjusted EBITDA[2]



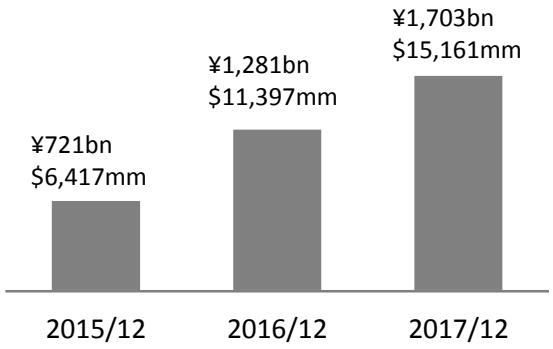
Notes: [1] Change from 2Q 2017 to 2Q 2018; Adj. EBITDA growth reported in the Takeda Consolidated Financial Statements for the Three Month Period Ended June 30, 2017 and 2018. Adj. EBITDA adjusts for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the full definition and reconciliation of Takeda's Adj. EBITDA, please see Pg 44, 45 [2] Financials converted using the $/¥ of 1:112.359, the average rate for calendar year 2017

Shire: Leading biopharma in Rare Diseases

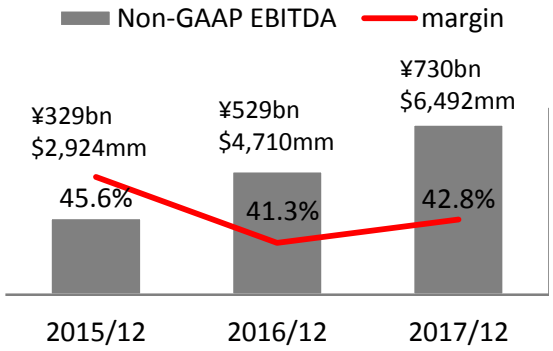
Key summary

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 (immunology, hematology, neuroscience, internal medicine, genetic diseases) deliver $1bn+ annual revenues[1] for each • 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	• 66% 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** • More than 23,000 employees worldwide

Revenue



Non-GAAP EBITDA[3]



Source: Shire plc Annual Report 2017, Shire plc Third 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] For the nine months ended September 30, 2018; [3]Non-GAAP EBITDA adjusts for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the detailed definition and reconciliation of Shire's Non-GAAP EBITDA , please see Pg 46
Financials converted using the $/¥ of 1:112.359, the average rate for calendar year 2017

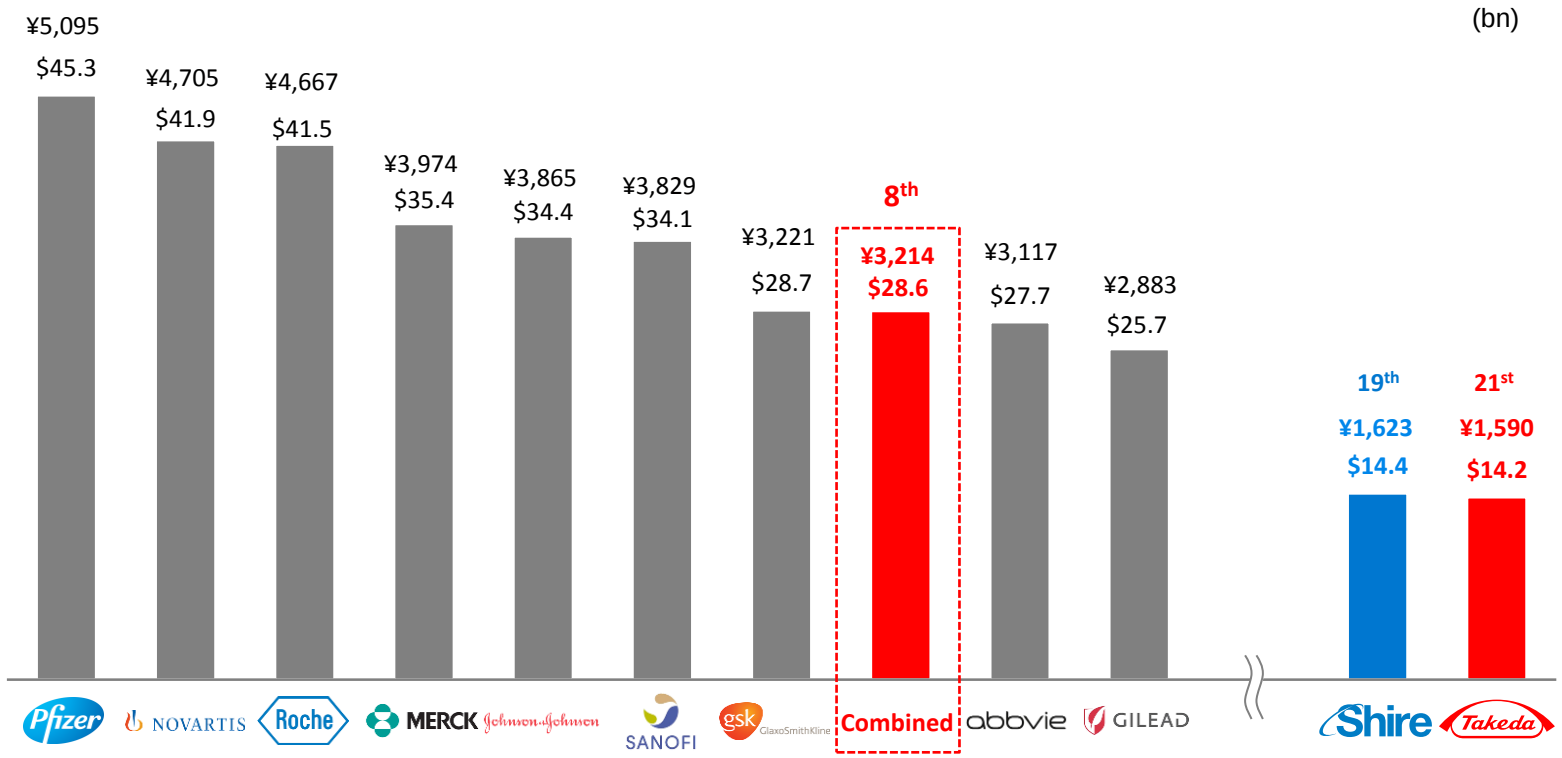
Shire is the Right Transaction for Takeda

- **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**
- At least **$1.4bn expected annual pre-tax cost synergies**[1]
- **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 Takeda's Board of 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.

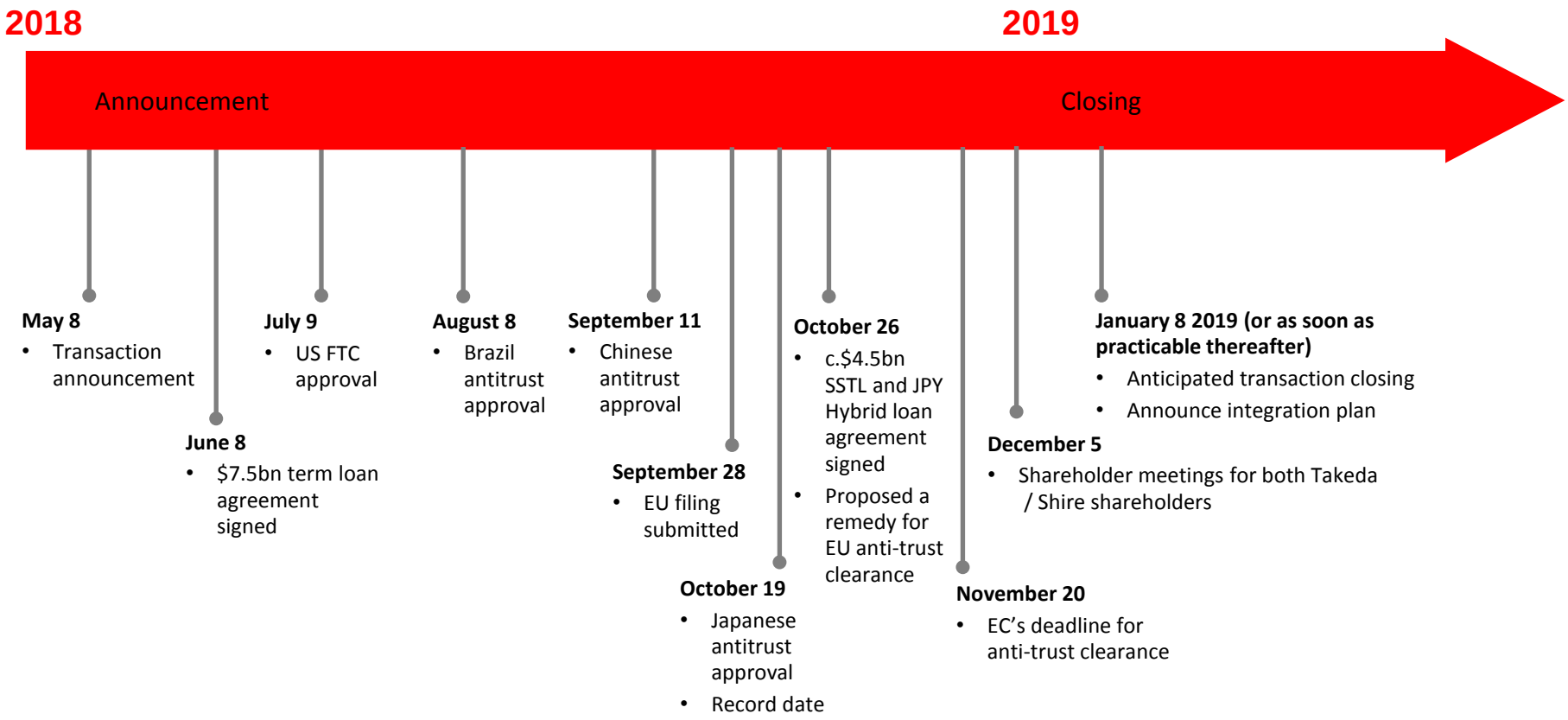
Combined company in global pharmaceutical market

Global Rx sales Ranking (2017)[1]



Notes: [1] Source: EvaluatePharma® November 2018, Evaluate Ltd, www.evaluate.com; data as of Nov. 1, converted using rate: $/¥ of 1:112.359, RX sales for fiscal year 2017, the average rate for the 12 months ended December 31, 2017. Excludes non-prescription drug sales in each case

Progress since deal announcement



Experienced Board of Directors with a majority of external directors

Compensation committee
C Compensation Committee Chair
Nomination committee
C Nomination Committee Chair

Internal directors

Christophe Weber
Representative Director
President & CEO

Masato Iwasaki
Director,
JPBU President

Andrew Plump
Director, Chief Medical
& Scientific Officer

External directors

Masahiro Sakane
External Director
Chairman of the Board

Michel Orsinger
External Director

Toshiyuki Shiga
External Director

Emiko Higashi
External Director

Yoshiaki Fujimori
External Director

Directors on the Audit & Supervisory Committee (A&SC)

Yasuhiko Yamanaka
Director,
A&SC member

Shiro Kuniya
External Director,
Chair A&SC

Koji Hatsukawa
External Director,
A&SC member

Jean-Luc Butel
External Director,
A&SC member

Notes: Takeda's current Board of Directors structure

A global, diverse and experienced future leadership team

CHRISTOPHE WEBER
President & CEO

COSTA SAROUKOS
Global Finance

HARUHIKO HIRATE
Corporate Communication & Public Affairs

YOSHIHIRO NAKAGAWA
Global Legal

PADMA THIRUVENGADAM
Global Human Resources

MILANO FURUTA
Corporate Strategy

MWANA LUGOGO
Global Ethics & Compliance

RAMONA SEQUEIRA
U.S. BU

MASATO IWASAKI
Japan Pharma BU

GILES PLATFORD
Europe & Canada BU

RICARDO MAREK
Emerging Markets BU

CHRISTOPHE BIANCHI
Global Oncology BU

RAJEEV VENKAYYA
Global Vaccine BU

JULIE KIM[1]
Global Plasma-Derived Therapy BU

ANDY PLUMP
R&D

THOMAS WOZNIEWSKI
Global Manufacturing and Supply

GERARD (JERRY) GRECO
Global Quality

CAMILLA SOENDERBY[1]
Global Patient Value & Product Strategy

MARCELLO AGOSTI
Global Business Development

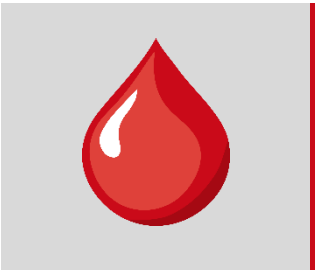
HELEN GIZA
Integration

[1] New executive members from Shire plc

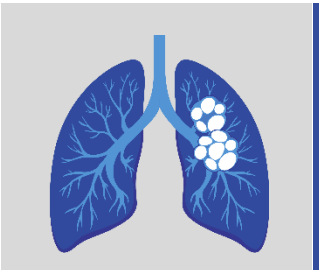
Takeda's Oncology business goals

OUR MISSION

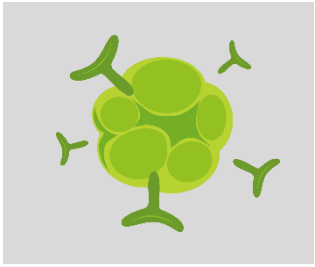
We endeavor to deliver novel medicines to patients with cancer worldwide through our commitment to science, breakthrough innovation and passion for improving the lives of patients.



HEMATOLOGIC MALIGNANCIES



LUNG CANCER



IMMUNO-ONCOLOGY (I/O)

An innovative pipeline* enhanced with external partnerships in oncology

	Discovery/ preclinical	Phase 1	Phase 2	Phase 3	Approved
Hematologic Malignancies	Mtem TAK-169 CD38 SLTA	TAK-079 RR MM, SLE CD38 *mAB*	TAK-659 Lymphoma SYK, FLT-3 *Small Molecule* Alisertib AML AURORA A *Small Molecule*	Pevonedistat HR-MDS/AML NEDD 8 *Small Molecule*	NINLARO Amyloidosis, ND MM, R/R MM dara combo, R/R MM Ninlaro/dex,, Maint. MM post-SCT PROTEASOME *Small Molecule* Incyte Otsuka ICLUSIG 2nd-Line Chronic Phase CML, Ph+ ALL BCR-ABL *Small Molecule* SeattleGenetics ADCETRIS FL HL, FL PTCL, CTCL (JP) R/R HL (CN), sALCL (CN) CD30 *mAB ADC*
Lung Cancer		TAK-788 NSCLC exon 20 EGFR/HER2 *Small Molecule*	Sapanisertib Endometrial Cancer Lung Cancer mTORC1/2 *Small Molecule*		ALUNBRIG ALK+NSCLC (EU, JP, CN), FL ALK+ NSCLC ALK *Small Molecule*
Immuno-Oncology	SHATTUCK LABS TAK-252 PD-1/ OX40L TAK-676 STING	teva TAK-573 RR MM CD38 Attenukine *mAB Fusion Protein* TAK-981 SUMOYLATION *Small Molecule*			
Solid Tumors		Mersana THERAPEUTICS TAK-522 Solid Tumors HER2 *mAB ADC* TAK-164 Solid Tumors GCC *mAB ADC*	TAK-931 Solid Tumors CDC7 *Small Molecule*	MYOVANT SCIENCES relugolix Prostate Cancer (JP) GnRH antagonist *Small Molecule*	TESARO niraparib** Ovarian Cancer. *PARP 1/2* *Small Molecule* EXELIXIS cabozantinib** 1L/2L RCC, 2L HCC *Multi-RTK* *Small Molecule*

External collaboration

** Assets shown in Discovery/preclinical and Phases 1-3 explicitly refer to new molecular entities*

*** Pivotal trial for Japan*

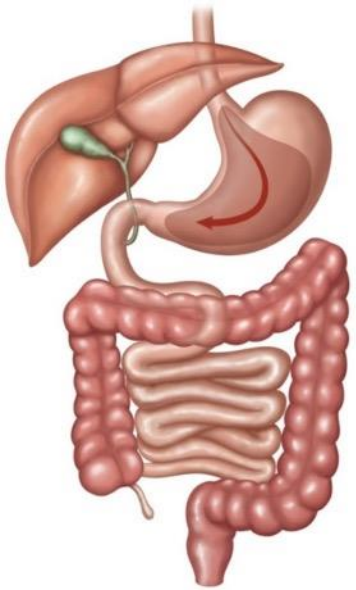
Takeda's strategy expands the portfolio across core disease areas supported by platform technologies

IBD

- Build upon success of Entyvio with new formulations
- Expand treatment options with Alofisel

Celiac disease

- Advance approaches for the prevention of immune responses to gluten



Motility disorders

- Focus on select high unmet medical need areas including gastroparesis and enteral feeding intolerance

Liver diseases

- Target early-stage investments in liver fibrosis

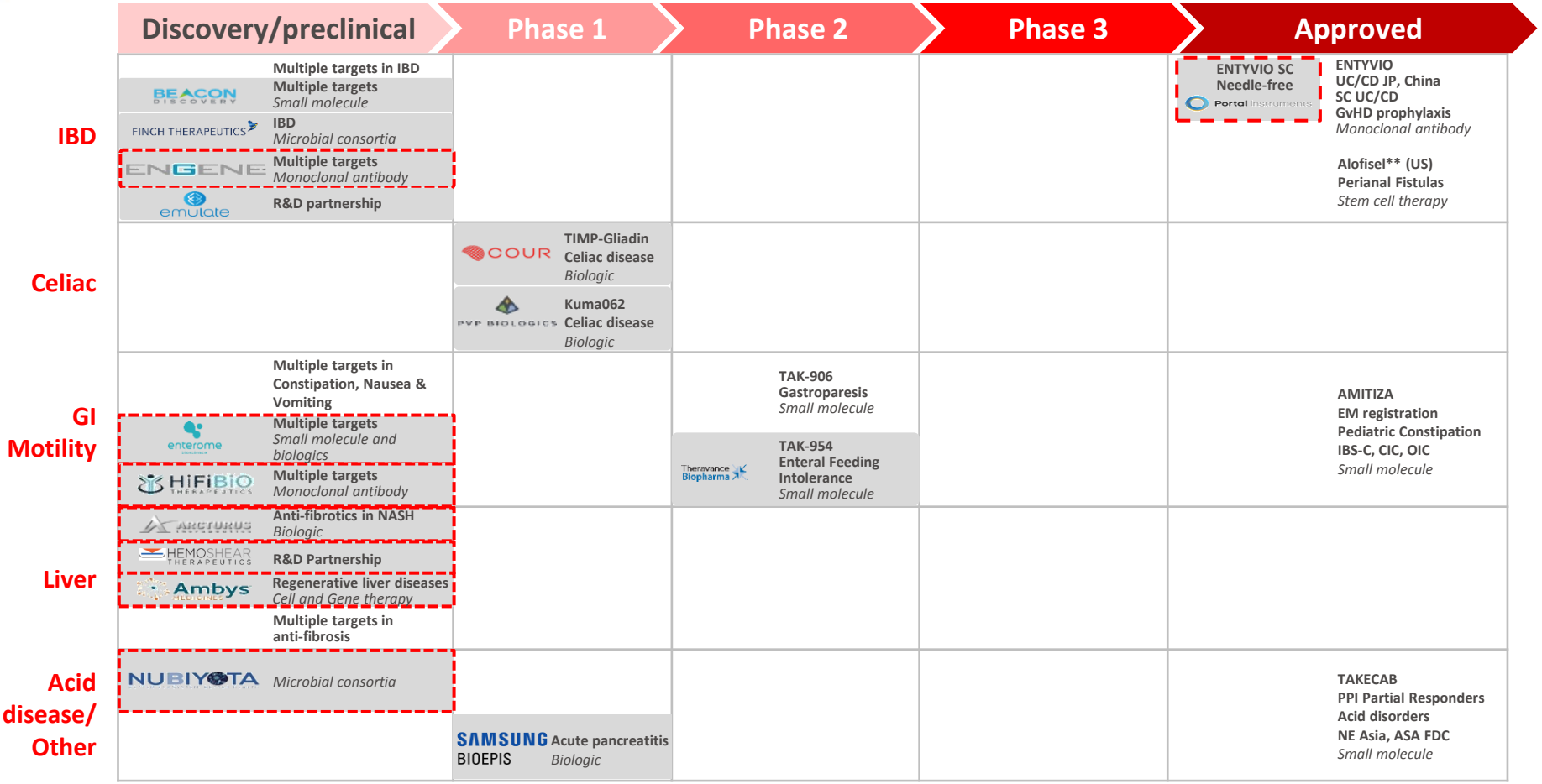
Luminal platforms

- Accelerate microbiome investments
- Invest in selective drug delivery technologies

Acid related diseases franchise will continued to be supported, but new pipeline investment will be deprioritized relative to above disease areas

Abbreviations: IBD, Inflammatory Bowel Disease e.g., Ulcerative Colitis, Crohn's disease

Takeda is executing on its strategy through a rich, diversified pipeline* fueled by strong external partnerships in GI



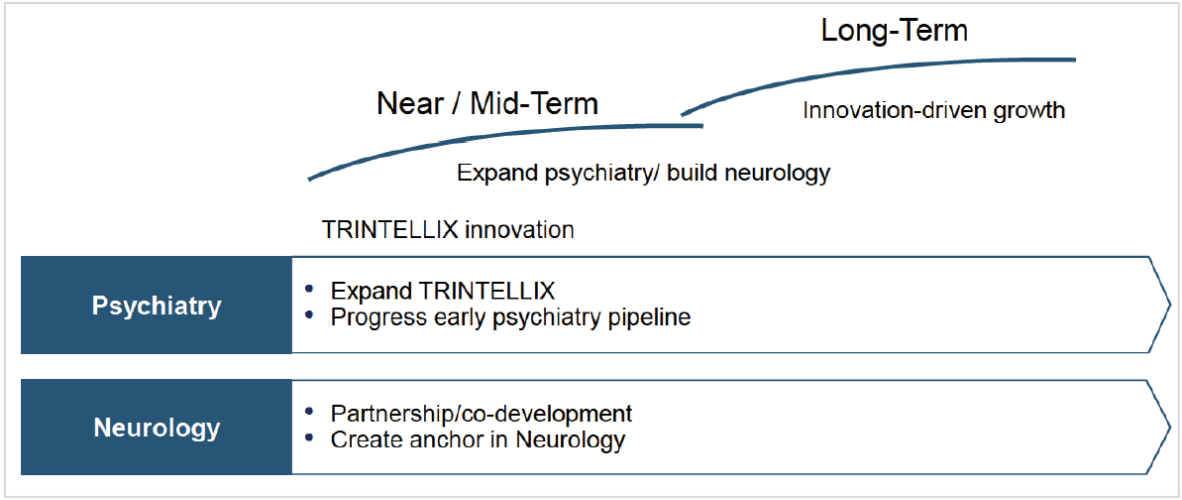
External collaboration *Platform* + 24 academic partnerships

** Assets shown in Discovery/preclinical and Phases 1-3 explicitly refer to new molecular entities*
*** Pivotal trial for Japan*

Abbreviations: IBD, Inflammatory Bowel Disease e.g., Ulcerative Colitis (UC), Crohn's disease (CD); SC, Subcutaneous; PPI, Proton pump inhibitor

Takeda has executed on the roadmap presented in 2016 for neuroscience

2016 Roadmap



KEY COMPONENTS OF ROADMAP

- Differentiate TRINTELLIX
- Advance early pipeline towards POC[1]
- Expand in neurology and CNS rare diseases through partnerships

[1] POC: Proof of Concept

Building an innovative pipeline* enhanced with external partnerships in neuroscience

Progress since June 2016

	Discovery/ Preclinical[1]	Phase 1	Phase 2	Phase 3	Approved
Depression		**TAK-653** **AMPA PAM** **Treatment Resistant Depression** *Small Molecule*			Lundbeck **TRINTELLIX** **TESD sNDA (US) Submitted** ***MDD (JP) Submitted*** ***Processing Speed sNDA Approved 2018***
Schizophrenia		**TAK-041** **GPR139 Agonist, 2xFT** *Small Molecule*	**TAK-831** **DAAO Inhibitor, 2xFT** *Small Molecule*		
Parkinson's Disease		AstraZeneca **MEDI1341** **α-synuclein mAb** *Monoclonal Antibody*			teva **Azilect** **PD (JP) Launched 2018**
Alzheimer's Disease	DENALI THERAPEUTICS **BACE1/TAU, TREM2, Undisclosed** *Antibody Transport Vehicle* *Monoclonal Antibody*				
Rare Disease		**TAK-925, Narcolepsy, OD** **OX2R Agonist** *Small Molecule* **TAK-418, Kabuki Syndrome, OD** **LSD1 Inhibitor** *Small Molecule*	OVID THERAPEUTICS INC **TAK-935** **Epileptic Encephalopathy, OD** **CH24H Inhibitor** *Small Molecule*		
	WAVE LIFE SCIENCES **C9orf72, ATXN3, Multiple targets** *Stereopure Antisense Oligonucleotide*	WAVE LIFE SCIENCES **WVE-120101; WVE-120102** **Huntington's Disease, OD** *Stereopure Antisense Oligonucleotide*	**TAK-831** **Friedreich's Ataxia, OD, FT** **DAAO Inhibitor** *Small Molecule*		

External collaboration FT = Fast Track OD = Orphan Designation *New partnerships since June 2016*

[1] Only external collaborations shown, does not include internal programs

** Assets shown in Discovery/preclinical and Phases 1-3 explicitly refer to new molecular entities*

Summary of historical Takeda balance sheet

IFRS
As of March 31

(Bn yen)

Assets	2017	2018
Current assets	**1,260.4**	**1,078.8**
Cash and cash equivalents	319.5	294.5
Trade notes and other receivables	423.4	420.2
Inventories	226.0	212.9
Other	291.5	151.1
Non-current assets	**3,086.4**	**3,027.7**
Property, plant and equipment	527.3	536.8
Goodwill	1,019.6	1,029.2
Intangible assets	1,063.0	1,014.3
Investment accounted for using the equity method	126.4	107.9
Other financial assets	176.6	196.4
Other	173.4	143.0
Total assets	**4,346.8**	**4,106.5**

Liabilities and Net Assets	2017	2018
Current liabilities	**1,366.3**	**737.5**
Bonds and loans	545.0	0.0
Trade and other payables	240.6	240.3
Other	580.7	497.2
Non-current liabilities	**1,031.5**	**1,351.5**
Bonds and Loans	599.9	985.6
Deferred tax liabilities	153.4	90.7
Other	278.2	275.2
Equity	**1,949.0**	**2,017.4**
Equity attributable to owners of the Company	1,894.3	1,997.4
Minority interest	54.7	20.0
Total liabilities and net assets	**4,346.8**	**4,106.5**

Summary of historical Takeda results of operations

(Bn yen)	IFRS Full year ended March 31 2016	2017	2018
Revenue	**1,807.4**	**1,732.1**	**1,770.5**
% growth	**1.7%**	**(4.2%)**	**2.2%**
Research and development expenses	(335.8)	(312.3)	(325.4)
Operating Profit	**130.8**	**155.9**	**241.8**
% margin	**7.2%**	**9.0%**	**13.7%**
Adjusted EBITDA[1]	351.6	303.4	377.7
% margin	**19.5%**	**17.5%**	**21.3%**
Net profit for the year	83.5	115.5	186.7
% margin	**4.6%**	**6.7%**	**10.5%**

[1] Adj. EBITDA growth reported in the Takeda Consolidated Financial Statements for the Three Month Period Ended June 30, 2017 and 2018. Adj. EBITDA adjusts for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the full definition and reconciliation of Takeda's Adj. EBITDA, please see Pg 44, 45

Definition of Takeda's 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 periods. 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.

Reconciliation from net profit to EBITDA / Adjusted EBITDA of Takeda

	Full year ended Mar 31			6 months ended Sep 30	
(Bn yen)	**2016**	**2017**	**2018**	**2017**	**2018**
Net profit for the year	**83.5**	**115.5**	**186.7**	**172.7**	**126.5**
Income tax expenses	37.1	27.8	30.5	60.3	126.5
Depreciation and amortization	182.2	171.4	182.1	93.4	78.0
Interest expense, net	3.0	5.5	6.8	3.3	3.4
EBITDA	**305.8**	**320.2**	**406.1**	**329.7**	**242.2**
Impairment losses	15.2	51.4	13.5	(9.2)	0.7
Other operating expense (income), net, excluding depreciation and amortization	17.0	(78.3)	(61.1)	(105.5)	(17.5)
Finance expense (income), net, excluding interest income and expense, net	7.3	5.4	(14.4)	(1.4)	11.8
Share of loss on investments accounted for under the equity method	0.0	1.5	32.2	(0.5)	(4.0)
Other adjustments:					
Loss on deconsolidation	6.3	–	–	–	–
Transaction costs related to the acquisition of ARIAD	–	3.2	–	–	–
Impact on profit related to fair value step up of inventory in ARIAD acquisition	–	–	1.4	0.8	–
Acquisition costs related to Shire	–	–	–	–	7.9
Adjusted EBITDA[1]	**351.6**	**303.4**	**377.7**	**213.8**	**241.0**

[1] Adj. EBITDA growth reported in the Takeda Consolidated Financial Statements for the Three Month Period Ended June 30, 2017 and 2018. Adj. EBITDA adjusts for items not core to their ongoing operations such as the effect of taxes, profit / loss attributable to equity method affiliates, impairment losses, certain restructuring and transaction costs, financing income and loss and certain other cash and non-cash items. For the full definition of Takeda's Adj. EBITDA, please see Pg 44

Reconciliation from U.S. GAAP Net income to Non GAAP EBITDA of Shire

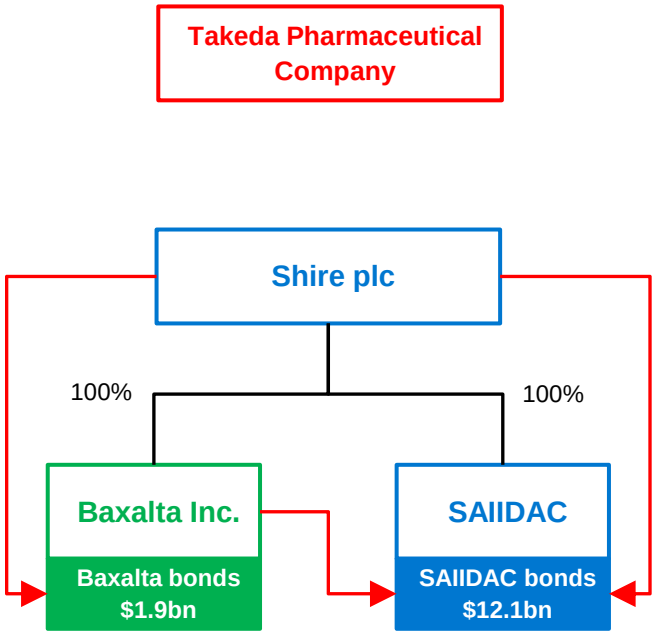
This presentation contains the Non GAAP EBITDA of Shire, which is a financial measure not prepared in accordance with U.S. GAAP. Non GAAP measures exclude the effect of certain cash and non-cash items, which Shire's management believes are not related to the core performance of Shire's business. Shire's Remuneration Committee uses these Non GAAP measures when assessing the performance and compensation of employees, including Shire's Executive Directors. The most directly comparable measure under U.S. GAAP for Non GAAP EBITDA is U.S. GAAP Net income.

	Full year ended Dec 31			9 months ended Sep 30	
(USDmm)	**2015**	**2016**	**2017**	**2017**	**2018**
U.S. GAAP Net income	1,303.4	327.4	4,271.5	1,166.1	1,703.3
(Deduct) / add back:					
Loss / (gain) from discontinued operations net of tax	34.1	276.1	(18.0)	(18.6)	—
Equity in losses / (earnings) of equity method investees, net of taxes	2.2	8.7	(2.5)	(0.1)	(11.2)
Income taxes	46.1	(126.1)	(2,357.6)	44.6	371.0
Other expense/(income), net	33.7	476.8	561.8	412.9	417.2
U.S. GAAP Operating income from continuing operations	1,419.5	962.9	2,455.2	1,604.9	2,480.3
Revenue from upfront license fee	—	—	(74.6)	—	—
Expense related to the unwind of inventory fair value adjustments	31.1	1,118.0	747.8	688.7	40.9
Inventory write down related to the closure of a facility	—	18.9	—	—	—
One-time employee related costs	—	20.0	(4.0)	—	—
Impairment of acquired intangible assets	643.7	8.9	20.0	20.0	10.0
Costs relating to license arrangements	—	110.0	131.2	123.7	10.0
Legal and litigation costs	9.5	16.3	10.6	8.6	—
Amortization of acquired intangible assets	498.7	1,173.4	1,768.4	1,280.5	1,375.3
Integration and acquisition costs	39.8	883.9	894.5	696.7	512.0
Reorganization costs	97.9	121.4	47.9	24.5	268.9
Gain on sale of product rights	(14.7)	(16.5)	(0.4)	0.4	267.2
Depreciation	138.5	292.9	495.8	363.5	432.8
Costs related to AbbVie's terminated offer	60.1	—	—	—	—
Non GAAP EBITDA	2,924.1	4,710.1	6,492.4	4,806.7	4,866.3

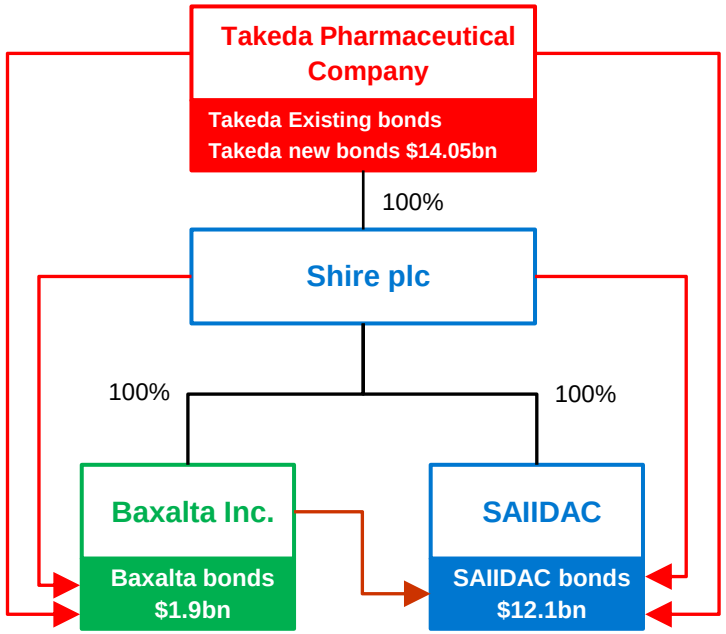
Pro forma organizational / parent guarantee structure: Takeda / Shire / Baxalta / SAIIDAC

- Takeda currently expects to provide a parent guarantee over the Baxalta/SAIIDAC[1] bonds at or soon after the closing of the Shire Acquisition
- Takeda expects that the Baxalta/SAIIDAC bonds will receive ratings no higher than the new Takeda senior bonds

Current Structure



Pro Forma After M&A Closing



Ownership

Guarantee

[1] SAIIDAC: Shire Acquisitions Investments Ireland DAC

Existing Baxalta/SAIIDAC bonds

ISIN	Name	Currency	Announce	Maturity	Next Call Date	Coupon	Amt Issued ($mm)	Amt O/S ($mm)	Moody's	S&P
US07177MAN39	Baxalta Inc	USD	4/28/2016	6/23/2045	12/23/2044	5.250%	1,000	500	Baa3 *+	BBB- *+
US07177MAB90	Baxalta Inc	USD	4/28/2016	6/23/2025	3/23/2025	4.000%	1,750	800	Baa3 *+	BBB- *+
US07177MAD56	Baxalta Inc	USD	4/28/2016	6/23/2020	5/23/2020	2.875%	1,000	404	Baa3 *+	BBB- *+
US07177MAL72	Baxalta Inc	USD	4/28/2016	6/23/2022	4/23/2022	3.600%	500	219	Baa3 *+	BBB- *+
US82481LAA70	Shire Acquisitions Investments Ireland DAC	USD	9/19/2016	9/23/2019	—	1.900%	3,300	3,300	Baa3 *+	BBB- *+
US82481LAB53	Shire Acquisitions Investments Ireland DAC	USD	9/19/2016	9/23/2021	8/23/2021	2.400%	3,300	3,300	Baa3 *+	BBB- *+
US82481LAD10	Shire Acquisitions Investments Ireland DAC	USD	9/19/2016	9/23/2026	6/23/2026	3.200%	3,000	3,000	Baa3 *+	BBB- *+
US82481LAC37	Shire Acquisitions Investments Ireland DAC	USD	9/19/2016	9/23/2023	7/23/2023	2.875%	2,500	2,500	Baa3 *+	BBB- *+
							21,847	14,026		

Abbreviations

ADC	antibody drug conjugate
ADHD	attention deficit hyperactivity disorder
ALK	anaplastic lymphoma kinase
ALM	acute myeloid leukemia
ALS	amyotrophic lateral sclerosis
ARD	acid-related diseases
BBB	blood brain barrier
CAR-T	chimeric antigen receptor-T
CD	Crohn's disease
CIAS	cognitive impairment associated with schizophrenia
CIC	chronic idiopathic constipation
CML	chronic myeloid leukemia
CMML	chronic myelomonocytic leukemia
CNS	central nervous system
CTCL	cutaneous T-cell lymphoma
DDAO	D-amino acid oxidase
DLBCL	diffuse large B-cell lymphoma
EFI	enteral feeding intolerance
EGFR	epidermal growth factor receptor
FL	esophageal squamous-cell carcinoma
FLT-3	FMS-like tyrosine kinase 3
GCC	guanylyl cyclase C
GERD	gastroesophageal reflux disease
GI	gastrointestinal
GnRH	gonadotropin-releasing hormone
GvHD	graft versus host disease
HAE	hereditary angiodema
H2H	head to head
HCC	hepatocellular carcinoma
HER2	human epidermal growth factor receptor 2
HL	Hodgkin's lymphoma
HR MDS	high-risk myelodysplastic syndromes
IBD	inflammatory bowel disease
IBS-C	irritable bowel syndrome with constipation
IO	immuno-oncology
LB AML	Low-Blast Acute Myeloid Leukemia
LCM	lifecycle management
LSD1	Lysine specific demethylase 1
mAb	monoclonal antibody
MDD	major depressive disorder
MM	multiple myeloma
mTORC	mammalian target of rapamycin complex
MTCL	mature T-cell lymphoma
NAE	NEDD8 activating enzyme
NASH	non-alcoholic steatophepatitis
ND	newly diagnosed
NDA	new drug application
Neg	negative
NERD	non-erosive reflux disease
NME	new molecular entity
NS	negative symptoms
NSCLC	non-small cell lung cancer
OIC	opioid induced constipation
PARP	poly (ADP-ribose) polymerase
PCAB	potassium competitive acid blocker
Ph+ALL	Philadelphia chromosome-positive acute lymphoblastic leukemia
PPI	proton pump inhibitor
PTCL	peripheral T-cell lymphoma
R/R	relapsed / refractory
RCC	renal cell cancer
RTK	receptor tyrosine kinase
sALCL	systemic anaplastic large cell lymphoma
SCT	stem cell transplant
SCZ	schizophrenia
SLE	systemic lupus erythematosus
SR	steroid refractory
SYK	spleen tyrosine kinase
TESD	treatment emergent sexual dysfunction
TRD	treatment resistant depression
UC	ulcerative colitis
VEGFR	vascular endothelial growth factor receptor