



News Release

Takeda Announces Acquisition of Own Shares

(Pursuant to the provision of its Articles of Incorporation in accordance with Article 459, paragraph 1 of the Companies Act of Japan)

OSAKA, Japan, October 28, 2021 – Takeda Pharmaceutical Company Limited (**TSE:4502/NYSE:TAK**) (“Takeda”) announced that its Board of Directors resolved today to engage in the acquisition of its own shares pursuant to the provision of its Articles of Incorporation in accordance with Article 459, paragraph 1 of the Companies Act of Japan, as detailed below.

“At our current share price, we see an opportunity to buy back our shares at a substantial discount to what we perceive is their underlying value,” said Costa Saroukos, director and Chief Financial Officer of Takeda. “We expect that this share buyback of up to 100B yen will not impact our deleveraging plans, and that we will remain firmly on track to deliver on our target for 2x (‘low twos’) net debt to Adjusted EBITDA by the end of FY23. We are also maintaining our existing dividend policy and updating our capital allocation policy to allow for share buybacks in the future when appropriate. This underscores our business’ strong cash generation ability, our confidence in our fundamental growth driven by the 14 global brands, and our belief that the R&D strategy with ~40 new molecular entities in the pipeline, will deliver for the long term.”

This buyback of shares will be funded by Takeda’s operating cash flow driven by growth in our 14 global brands and working capital improvements.

1. Reason for acquisition of its own shares

To enhance capital efficiency and improve shareholder returns.

2. Details of acquisition

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| (1) Class of shares to be acquired: | Shares of common stock |
| (2) Number of shares to be acquired: | Up to 35 million shares
(equivalent to 2.23% of the total number of shares outstanding excluding treasury shares) |
| (3) Total amount of shares to be acquired: | Up to JPY 100 billion |
| (4) Schedule of acquisition: | From November 2, 2021 to April 29, 2022 |
| (5) Method of acquisition: | Open-market repurchase through a trust bank |

(Reference)

Treasury shares held by Takeda as of September 30, 2021

Aggregate number of issued shares (excluding treasury shares)	1,572,829,854 shares
Number of treasury shares	9,422,671 shares

Updated Capital Allocation Policy

Takeda is delivering on its financial commitments and has a strong cash flow outlook driven by business momentum, cost synergies, and non-core asset divestitures. Guided by our values and our commitment to Patients, People and Planet, we will allocate capital to maximize value for patients and shareholders.

Takeda's policy in the allocation of capital is as follows:

- Invest in growth drivers;
- Deleverage rapidly; and
- Shareholder returns.

In respect of “Invest in growth drivers”, Takeda makes disciplined and focused investments in value-creating business opportunities including R&D, new product launches, including in China, and plasma-derived therapies. With regards to “Deleverage rapidly”, Takeda is targeting a 2x (i.e. “low-tvos”) net debt/adjusted EBITDA ratio within fiscal years ending March 2022 - March 2024 and has committed to maintaining solid investment grade credit ratings. In respect of “Shareholder returns”, Takeda maintains its well-established dividend policy of 180 yen per share annually, alongside share buybacks when appropriate. We expect underlying growth momentum to continue over the mid-term.

About Takeda Pharmaceutical Company Limited

Takeda Pharmaceutical Company Limited ([TSE: 4502/NYSE: TAK](https://www.takeda.com)) is a global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan, committed to discover and deliver life-transforming treatments, guided by our commitment to patients, our people and the planet. Takeda focuses its R&D efforts on four therapeutic areas: Oncology, Rare Genetics and Hematology, Neuroscience, and Gastroenterology (GI). We also make targeted R&D investments in Plasma-Derived Therapies and Vaccines. We are focusing on developing highly innovative medicines that contribute to making a difference in people’s lives by advancing the frontier of new treatment options and leveraging our enhanced collaborative R&D engine and capabilities to create a robust, modality-diverse pipeline. Our employees are committed to improving quality of life for patients and to working with our partners in health care in approximately 80 countries and regions. For more information, visit <https://www.takeda.com>.

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The companies in which Takeda directly and indirectly owns investments are separate entities. In this press release, “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.

The product names appearing in this document are trademarks or registered trademarks owned by Takeda, or their respective owners.

Forward-Looking Statements

This press release and any materials distributed in connection with this press release may contain forward-looking statements, beliefs or opinions regarding Takeda’s future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “ensures”, “will”, “may”, “should”, “would”, “could” “anticipates”, “estimates”, “projects” or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda’s global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations, including global health care reforms; challenges inherent in new product development, including uncertainty of clinical success and decisions of regulatory authorities and the timing thereof; uncertainty of commercial success for new and existing products; manufacturing difficulties or delays; fluctuations in interest and currency exchange rates; claims or concerns regarding

the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic, on Takeda and its customers and suppliers, including foreign governments in countries in which Takeda operates, or on other facets of its business; the timing and impact of post-merger integration efforts with acquired companies; the ability to divest assets that are not core to Takeda's operations and the timing of any such divestment(s); and other factors identified in Takeda's most recent Annual Report on Form 20-F and Takeda's other reports filed with the U.S. Securities and Exchange Commission, available on Takeda's website at: <https://www.takeda.com/investors/sec-filings/> or at www.sec.gov. Takeda does not undertake to update any of the forward-looking statements contained in this press release or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this press release may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda's future results.

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