



Better Health, Brighter Future

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News Release

Launch of a New Long-Term Incentive Plan (Global Long-Term Incentive Plan) for Company Group Senior Management in Japan and Overseas

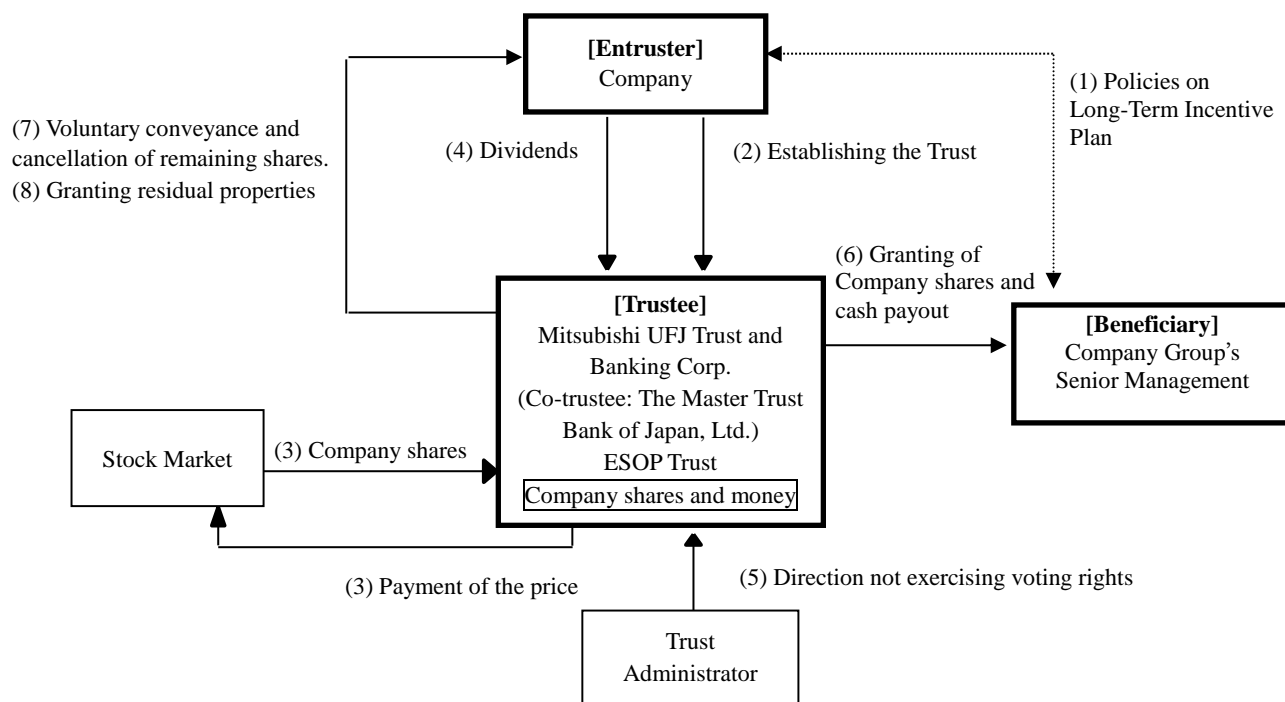
Osaka, Japan, April 25, 2014 -- Takeda Pharmaceutical Company Limited ("Company") announced today that the meeting of the Board of Directors held on April 25, 2014 has resolved to adopt a new long-term incentive plan ("Plan") for Company Group Senior Management in Japan and overseas as outlined below. The Company has reviewed the long-term incentive plans in overseas subsidiaries which impacted the financial results of the fiscal year 2012 by an unexpected increase in expenses resulting from an increase in the Company's stock price. As a result of the introduction of this Plan, stock options will no longer be issued to the Company's Corporate Officers and Senior Management. In addition, the new long-term incentive plan will replace the existing long-term incentive plans at overseas subsidiaries.

1. Purpose of Introducing the Plan

- (1) The Company is introducing this Plan for Company Group Senior Management in Japan and overseas as a highly transparent and objective incentive plan that is closely linked to company performance. The purpose of this Plan is to improve the Company's mid- and long-term performance as well as increase the awareness of contributions to increasing corporate value.
- (2) The Stock Grant ESOP (Employee Stock Ownership Plan) Trust ("ESOP Trust") will be adopted when introducing the Plan. The ESOP Trust is an employee incentive plan based on the ESOP system in the U.S.A. wherein Company shares that are acquired by the ESOP Trust and the amount of money equivalent to Company shares converted into money will be granted, etc. to employees based on their job positions and the achievement of performance indicators, etc.^(*)
- (3) The period when Company Group Senior Management in Japan and overseas receive the Company shares and the amount of money equivalent to Company shares converted into money under this Plan will be a period specified each year during the Trust term.
- (4) This Plan is for Company Group Senior Management in Japan and overseas and is expected to have the effect of encouraging Company Group Senior Management to work together under the global framework and of increasing their awareness of improvements in the Company Group's performance. Company shares and an amount of money equivalent to Company shares converted into money will be granted, etc. according to the job position of each Senior Management and achievement of performance indicators, etc., subject to one year or longer of continued service at the Company in principle. This Plan thereby grants mid- and long-term incentives for the improvement of corporate value to each Senior Management and is expected to increase the effect of retaining Senior Management.

(*) The Company contributes funds to acquire Company shares and establishes a trust where persons who meet the specified requirements from among the Company Group's employees serve as Beneficiaries. This Trust acquires the estimated number of Company shares that will be granted to Beneficiaries based on the policies on Long-Term Incentive Plan that are provided for by the Company in advance, during the acquisition period that is specified in advance. Then, according to the policies on Long-Term Incentive Plan, each year said Trust will grant, etc. to Beneficiaries Company shares and the amount of money equivalent to Company shares converted into money based on the job position of Beneficiaries or achievement indicators of company performance, etc.. All of the funds for the Trust to acquire Company shares will be contributed by the Company and therefore the Beneficiaries will have no burden.

2. Structure of the ESOP Trust



- (1) The Company establishes the policies on Long-Term Incentive Plan at the Board of Directors meeting with regard to the introduction of this Plan.
- (2) The Company entrusts money to Mitsubishi UFJ Trust and Banking Corporation (“Trustee”) and establishes a trust (“Trust”) wherein Company Group Senior Management who meet beneficiary requirements are Beneficiaries.
- (3) The Trustee (of the Trust) acquires Company shares from the stock market using money contributed in procedure (2) in accordance with the directions of the Trust administrator.
- (4) Dividends will be paid to Company shares under the Trust as well as other Company shares.
- (5) Voting rights will not be exercised during the Trust term with regard to Company shares under the Trust.
- (6) During the Trust term, Beneficiaries will receive Company shares according to the policies on Long-Term Incentive Plan. (Beneficiaries may receive money by converting Company shares under the Trust into money according to the provisions of the trust agreement.)
- (7) If there are remaining shares at the expiry of the Trust term due to non-achievement of performance targets or other reasons during the Trust term, the Trust may continue to be used as a type of incentive plan similar to this Plan by changing the trust agreement and by entrusting additional money to the Trust, or the Trust voluntarily conveys said remaining shares to the Company and the Company acquires them without payment and cancels the remaining shares by a resolution at the Board of Directors meeting.
- (8) Residual properties after distribution to Beneficiaries at the end of the Trust will belong to the Company to the extent of allowances for trust expenses, which are calculated by deducting the funds to acquire Company shares from the trust money. The portion exceeding the allowances for trust expenses will be donated to groups that have no conflict of interest with the Company and the Company Directors.

(Note) If there are no Company shares under the Trust due to the granting, etc. of Company shares to Beneficiaries or other reasons, the Trust will be discontinued before the expiry of the Trust term.

The Company may entrust additional money to the Trust as funds to acquire Company shares.

(Reference)

[Trust Agreement]

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| (1) Type of Trust: | Money trust other than a specified money trust for separate investment
(Third party benefit trust) |
| (2) Purpose of Trust: | To grant incentives to Company Group Senior Management in Japan
and overseas |
| (3) Trust settlor: | The Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiaries: | Person(s) who meet beneficiary requirements from among the Company
Group's employees in Japan and overseas |
| (6) Trust administrator: | A third person who has no conflict of interest with the Company
(Certified public accountant) |
| (7) Date of trust agreement: | May 21, 2014 (scheduled) |
| (8) Trust term: | From May 21, 2014 (scheduled) to the end of July 2017 (scheduled) |
| (9) Start of the Plan: | Granting base points on July 1, 2014 (scheduled) |
| (10) Exercise of voting rights: | No voting rights will be exercised |
| (11) Type of acquired shares: | Common Company shares |
| (12) Total amount of shares to be
acquired: | 16 billion yen (scheduled) (including trust fees and trust expenses) |
| (13) Time to acquire shares: | From May 22, 2014 (scheduled) to June 22, 2014 (scheduled)
(excluding the five business days before the end of each fiscal period
(i.e. the full year, interim, and quarterly fiscal periods)) |
| (14) Manner of share acquisition: | To be acquired from the stock exchange market |
| (15) Vested rights holder: | The Company |
| (16) Residual properties: | Residual properties that the Company, which is the holder of vested
rights, can receive are within the extent of allowances for trust
expenses, which are calculated by deducting funds to acquire Company
shares from Trust money |

[Affairs related to Trust and Shares]

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| (1) Affairs related to trust: | Mitsubishi UFJ Trust and Banking Corporation will be the trustee of the
ESOP Trust and engages in affairs related to the Trust. |
| (2) Affairs related to shares: | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will engage in
affairs related to granting Company shares to Beneficiaries based on the
agreement of entrustment of affairs. |

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