

News Release

**Takeda announces splitting off (Summary Absorption-type Split) a part of
Takeda Development Center Japan businesses to its wholly-owned subsidiary and establishing a
New Joint Venture with PRA Health Sciences via share transfer of the subsidiary's shares**

Osaka, Japan, April 7, 2017 —Takeda Pharmaceutical Company Limited ([TSE: 4502](#)) (“Takeda”) today announced that it has entered into an agreement for absorption-type company split with its wholly-owned subsidiary which was established in March 2017 (“NewCo”) and intends to enter into another agreement for joint venture with Pharm Research Associates (UK) Ltd. (“PRA(UK)”), a subsidiary of PRA Health Sciences, Inc. (“PRA”), aiming for transferring a part of Takeda Development Center Japan (“TDC Japan”) businesses to PRA. Takeda and PRA announced the expansion of their partnership to Japan on February 15, 2017.

<https://www.takeda.com/newsroom/newsreleases/2017/PRA-Health-Sciences-and-Takeda-Partnership-Expands-to-Japan/>

Since the company split is an absorption-type split carried out between Takeda and its wholly-owned subsidiary, certain details are omitted from disclosure, in line with Tokyo Stock Exchange disclosure guidelines.

1. Purpose of transaction

Takeda is in the process of implementing the steps to accelerate research and development (R&D) transformation by refocusing on three key therapeutic areas – Oncology, Gastroenterology and Central Nervous System, plus Vaccines, and concentrating R&D activities in Japan and the U.S. This transformation is critical to provide the company with the necessary organizational and financial flexibility to drive innovation, enhance partnerships, and improve R&D productivity for long-term, sustainable growth. As a part of this initiative, the company entered into a global partnership agreement with PRA in August 2016, followed by an agreement to expand their global partnership in February 2017 to include Japan. A joint venture between Takeda and PRA(UK) will provide clinical development operations and pharmacovigilance and other operational services for both development and marketed product portfolios of Takeda in close alignment with Takeda's TDC Japan. This partnership is expected to provide access to a more flexible operational capability to support development, as well as further globalizing Takeda's development business in Japan building on Takeda's capability in Japan and PRA's capability in Asia Pacific.

Subsequent to the company split, a half of the issued shares in NewCo will be transferred to PRA(UK). Through this transaction, NewCo will become a joint venture between Takeda and PRA(UK), and then its name will become “Takeda-PRA Development Center KK”, which is scheduled to be effective as of June 1, 2017.

2. Details of transaction

1) Schedule of transaction

Date of conclusion of framework agreement on establishment of joint venture via company split (between Takeda and NewCo) and share transfer of NewCo shares (between Takeda and PRA(UK))	February 14, 2017
Date of establishment of NewCo	March 30, 2017
Date of decision on company split by the Director delegated by the Board of Directors	April 7, 2017
Date of conclusion of absorption-type split agreement	April 7, 2017
Effective date of the company split	June 1, 2017 (scheduled)
Date of execution of joint venture agreement	June 1, 2017 (scheduled)
Date of transfer of shares	June 1, 2017 (scheduled)

(Note) The company split is to be conducted by Takeda in accordance with Paragraph 2, Article 784, of the Companies Act. Accordingly, no approval by a general meeting of shareholders as defined in Paragraph 1, Article 783 of the Companies Act is required.

2) Method of company split

In this company split, Takeda will be the splitting company and NewCo will be the succeeding company.

3) Details of stock allocation

As consideration for the company split, NewCo will issue 17,800 shares of common stock and allocate them to Takeda.

4) Treatment of stock options and corporate bonds with stock options for the splitting company

Although Takeda has issued stock options, there will be no change to the treatment of these stock options due to the company split.

5) Increase or decrease of capital stock due to the company split

There will be no increase or decrease of capital stock of Takeda.

6) Rights and obligations to be succeeded by the succeeding company

NewCo will succeed the assets relating to the business to be split off in accordance with the terms and conditions of the absorption-type company split agreement, as well as the rights and obligations incidental thereto.

7) Capability of satisfying liabilities

Takeda has judged that NewCo will not have any problem in performing its obligations relating to the liabilities it will bear following the effective date of the absorption-type company split; however, Takeda will not be liable for NewCo's liabilities as a guarantor.

3. Outline of the companies

of the companies

	Splitting company (As of September 30, 2016)	
(1) Company name	Takeda Pharmaceutical Company Limited	
(2) Location	1-1, Doshomachi 4-chome, Chuo-ku, Osaka 540-8645, Japan	
(3) Representative	President & CEO: Christophe Weber	
(4) Scope of business	Research & development, manufacturing, sales and marketing of pharmaceutical products, etc.	
(5) Capital	64,955 million yen	
(6) Date established	January 29, 1925	
(7) Number of shares issued	790,396,895 shares	
(8) Fiscal year end	March 31	
(9) Major shareholders and ratio of shares held	Nippon Life Insurance Company	6.42%
	The Master Trust Bank of Japan, Ltd. (Trust account)	5.01%
	Japan Trustee Services Bank, Ltd. (Trust account)	4.67%
	JP Morgan Chase Bank 380055	4.40%
	Takeda Science Foundation	2.27%
(10) Financial results of the previous fiscal year (consolidated, IFRS)		
Total equity	1,948,692 million yen	
Total assets	3,824,085 million yen	
Equity attributable to owners of the Company per share	2,487.04 yen	
Revenue	1,807,378 million yen	
Operating profit	130,828 million yen	
Profit before income taxes	120,539 million yen	
Profit attributable to owners of the Company	80,166 million yen	
Basic earnings per share	102.26 yen	
Dividend per share	180.00 yen	

	Succeeding company (NewCo) (As of March 30, 2017)	
(1) Company name	Takeda Development JV Business Preparation Company KK	
(2) Location	1-1, Doshomachi 4-chome, Chuo-ku, Osaka 540-8645, Japan	
(3) Representative	Representative Director: Atsushi Ogawa	
(4) Scope of business	Providing outsourced clinical trial and pharmacovigilance services, etc.	
(5) Capital	10 million yen	
(6) Date established	March 30, 2017	
(7) Number of shares issued	200 shares	
(8) Fiscal year end	December 31	
(9) Major shareholders and ratio of shares held	Takeda Pharmaceutical Company Limited 100%	

Name of the succeeding company will be changed immediately after the execution of absorption-type split and the subsequent share transfer. The company name will become Takeda-PRA Development Center KK effective as of June 1, 2017 subject to the approval of the amendment to the Articles of Incorporation (Company Name) by NewCo shareholders' meeting.

4. Outline of the business to be split off from Takeda to the succeeding company

1) Details of the business to be split off

The portion of the business to be split off is a part of Takeda's business related to clinical trials, pharmacovigilance services for both development and marketed products which are operated by TDC Japan.

2) Financial results of the business to be split off

The business has not recorded external revenue.

3) List and amount of assets and liabilities to be split off (As of December 31, 2016)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	910 million yen	Current liabilities	0 yen
Fixed assets	0 yen	Fixed liabilities	20 million yen
Total	910 million yen	Total	20 million yen

5. Status after the company split

1) There will be no change in Takeda's company name, location, representative, scope of business, capital and fiscal year end after the company split.

2) The amount of NewCo's capitals increases from 10 million yen to 450 million yen through the company split.

3) With respect to NewCo, Takeda will transfer a half of outstanding shares in NewCo to PRA(UK) through share transfer. NewCo (joint venture) will be an affiliated company of Takeda accounted for using the equity method.

6. Share transfer

1) Profile of the subsidiary (succeeding company) to undergo changes

Please see 3. above.

2) Transferee of the share transfer

Pharm Research Associates (UK) Ltd.

3) Change in ownership ratio of shares through the share transfer

(1) Number of shares held prior to the transfer	18,000 shares (Number of votes: 18,000 votes) (% of total votes: 100%)
(2) Number of shares to be transferred	9,000 shares (Number of votes: 9,000 votes)
(3) Number of shares held after the transfer	9,000 shares (Number of votes: 9,000 votes) (% of total votes: 50%)

Transfer price is undisclosed in accordance with an agreement with the transferee of the share.

7. Future outlook

There is no change in Takeda's financial forecast for FY2016 as a result of this transaction. Takeda's financial forecast for FY2017, including the impact of this transaction, will be announced when Takeda reports year-end earnings in May 2017.

(Reference) Consolidated earnings forecast for this fiscal year (As of February 1, 2017) and consolidated results for the previous fiscal year (in million yen)

	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the Company
Forecast for the current FY ending March 2017	1,700,000	135,000	132,500	93,000
Results for the previous FY ended March 2016	1,807,378	130,828	120,539	80,166

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