Better Health, Brighter Future

News Release

Takeda to Acquire 100% Ownership of Nimbus Therapeutics' TYK2 Program Subsidiary

OSAKA, Japan and CAMBRIDGE, Massachusetts, December 13, 2022 – Takeda (TSE:4502/NYSE:TAK) today announced that its Board of Directors has decided and entered into an agreement to acquire all shares of Nimbus Lakshmi, Inc. ("Lakshmi"), a wholly-owned subsidiary of Nimbus Therapeutics, LLC ("Nimbus"). Headquartered in Boston, MA, Nimbus is a clinical-stage, structure-based drug discovery company developing novel small molecule medicines designed to act against well-validated but difficult-to-drug targets implicated in multiple human diseases. The Lakshmi program includes the lead molecule, NDI-034858, an oral, selective allosteric tyrosine kinase 2 (TYK2) inhibitor being evaluated for the treatment of multiple autoimmune diseases. NDI-034858 has the potential to demonstrate best-in-class efficacy and safety in multiple immune-mediated diseases including psoriasis, inflammatory bowel disease, psoriatic arthritis, and systemic lupus erythematosus.

Under the terms of the agreement, Takeda will pay Nimbus $4B upfront, and two milestone payments of $1B each upon achieving annual net sales of $4B and $5B. The upfront payment will be primarily funded by cash on hand. The transaction is expected to be finalized before the end of FY2022. Closing of the transaction is contingent on completion of review under antitrust laws, including the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976.

1. Rationale for the share acquisition

   Please refer to the attachment "Takeda to Acquire Late-Stage, Potential Best-in-Class, Oral Allosteric TYK2 Inhibitor NDI-034858 From Nimbus Therapeutics", for the rationale behind acquiring the TYK2 program held by Lakshmi through a share acquisition.

2. Overview of Lakshmi, a subsidiary which will be acquired by Takeda

(1) Name	Nimbus Lakshmi, Inc.
(2) Address	22 Boston Wharf Road, Floor 9 Boston, MA 02210 USA

(3)	Representative	Jeb Keiper, Chief Executive Officer	
(4)	Scope of business	Holding intellectual properties	
(5)	Date of establishment	April 12, 2010	
(6)	Major shareholders and ownership ratio	Nimbus Therapeutics, LLC 100%	
(7)	Relationships with Takeda	Capital Relationship	There is no capital relationship between Lakshmi and Takeda.
		Personnel Relationship	There is no personnel relationship between Lakshmi and Takeda.
		Business Relationship	There is no business relationship between Lakshmi and Takeda.

3. Overview of Nimbus, a counterparty to the share acquisition

(1)	Name	Nimbus Therapeutics, LLC	
(2)	Address	22 Boston Wharf Road, Floor 9 Boston, MA 02210 USA	
(3)	Representative	Jeb Keiper, Chief Executive Officer	
(4)	Scope of business	Research and development of pharmaceutical drugs	
(5)	Date of establishment	March 26, 2010	
(6)	Relationships with Takeda	Capital Relationship	There is no capital relationship between Nimbus and Takeda.
		Personnel Relationship	There is no personnel relationship between Nimbus and Takeda.
		Business Relationship	There is no business relationship between Nimbus and Takeda.
		Related party relationship	There is no related party relationship between Nimbus and Takeda.

4. Number of shares to be acquired, acquisition price, and number of shares held by Takeda before and after acquisition

(1)	Number of shares held before acquisition	0 shares (Percentage of voting rights: 0%)
(2)	Number of shares to be acquired	1,000 shares of Series A Common Stock and 1 share of Series B Common Stock
(3)	Acquisition price*	4 billion USD (actual price will be

	determined after adjustment for items including closing indebtedness and closing account payable of Lakshmi)
(4) Number of shares held after acquisition	1,000 shares of Series A Common Stock and 1 share of Series B Common Stock (Percentage of voting rights: 100%)

* Additionally, there will be two milestone payments of $1 billion each upon achieving annual net sales of $4 billion and $5 billion for NDI-034858.

5. Schedule

(1) Date of decision on the share acquisition by the Director delegated by the Board of Directors	December 13, 2022
(2) Date of conclusion of agreement on the share acquisition	December 13, 2022
(3) Date of the share acquisition	By March 31, 2023 (planned)

6. Future outlook

Takeda will continue to assess the impact of the share acquisition and other factors and will update its forecast for the fiscal year ending March 31, 2023 at the appropriate timing, as necessary.

(Reference) Forecasts for the full year consolidated financials for the fiscal year 2022 (announced on October 27, 2022) and the full year consolidated financial results for the fiscal year 2021

(millions JPY)

	Revenue	Operating profit	Profit before income taxes	Net profit attributable to owners of the Company	Basic earnings per share
FY2022 Forecast	3,930,000	530,000	426,000	307,000	197.83 JPY
FY2021 Results	3,569,006	460,844	302,571	230,059	147.14 JPY

About Takeda
Takeda 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 Genetic 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.

Contacts

Investor Relations
Christopher O'Reilly
christopher.oreilly@takeda.com
+81 (0) 3-3278-2543

Media Relations
U.S. and International
Catherine Wilson
Catherine.Wilson@takeda.com
+1 (440) 488-6242

Japan
Jun Saito
Jun.Saito@takeda.com
+81 (0) 3-3278-2325

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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); the extent to which our internal energy conservation measures and future advancements in renewable energy or low carbon energy technology will enable us to reduce our greenhouse gas emissions; 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 report 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 report may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda's future results.

Medical information

This press release 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 drugs including the ones under development.

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(Attachment)

Better Health, Brighter Future

News Release

Takeda to Acquire Late-Stage, Potential Best-in-Class, Oral Allosteric TYK2 Inhibitor NDI-034858 From Nimbus Therapeutics

- ***With Phase 3 Study in Psoriasis Expected to Start in 2023, NDI-034858 Has the Potential to Demonstrate Best-in-class Efficacy and Safety in Psoriasis As Well As Multiple Other Immune-Mediated Diseases, Including Inflammatory Bowel Disease, Psoriatic Arthritis and Systemic Lupus Erythematosus***
- ***Acquisition Strengthens Takeda's Growing Late-stage Pipeline, in Alignment With the Company's Therapeutic Area Strategy and Expertise in Immune-Mediated Diseases***

OSAKA, Japan and CAMBRIDGE, Massachusetts, December 13, 2022 – Takeda **(TSE:4502/NYSE:TAK)** today announced that it will acquire NDI-034858 from Nimbus Therapeutics. NDI-034858 is an oral, selective allosteric tyrosine kinase 2 (TYK2) inhibitor being evaluated for the treatment of multiple autoimmune diseases following successful recent Phase 2b results in psoriasis. When the transaction is complete, NDI-034858 will be known as TAK-279.

"Adding this TYK2 inhibitor to our late-stage pipeline gives Takeda an exciting program that has the potential to significantly expand our portfolio and patient impact, while enhancing our growth strategy beyond ENTYVIO®" said Christophe Weber, president and chief executive officer of Takeda. "We are confident we can execute a broad development program and deliver a best-in-class therapy for these patients, given Takeda's strong background in immune-mediated diseases, including inflammatory bowel disease (IBD)."

Nimbus recently disclosed positive topline results from a Phase 2b study evaluating NDI-034858 in patients with moderate-to-severe plaque psoriasis. Takeda intends to present results from this Phase 2b study early in 2023. NDI-034858 is anticipated to enter Phase 3 in psoriasis in 2023. It is in an ongoing Phase 2b study in active psoriatic arthritis, and Takeda plans to investigate it for the treatment of IBD and other autoimmune diseases.

"This program further expands Takeda's GI clinical programs and therapeutic focus. After having seen the NDI-034858 Phase 2b data, particularly the PASI scores, we are excited by the differentiation of this molecule within the TYK2 class, and we believe in its broad potential for people with autoimmune diseases," said Andy Plump, M.D., Ph.D., president of Research & Development at Takeda. "By virtue of its unique allosteric mechanism of action, NDI-034858 is both a potent and highly selective TYK2 inhibitor with exceptional clinical activity, a strong tolerability profile and wide therapeutic margins. NDI-034858 is a potentially best-in-class TYK2 inhibitor across a wide range of immune mediated conditions."

"Since the acquisition of Shire in 2019, we have made excellent progress in reducing our debt ratio towards 'low-twos' net debt to adjusted EBITDA and we are on course to achieve this target one year ahead of plan. This acquisition is an opportunity to invest in the company's mid-to-long term growth. Even after closing the deal, we expect to end this fiscal year with a debt ratio in the 'low-to-mid-twos,' and with a weighted average interest fixed rate of approximately 2%," said Costa Saroukos, chief financial officer of Takeda. "Takeda's solid financial profile and robust cash flow outlook positions the company well to invest in growth drivers and focus on shareholder returns, while maintaining solid investment grade credit ratings."

Under the terms of the agreement, Takeda will pay Nimbus $4B upfront, and two milestone payments of $1B each upon achieving annual net sales of $4B and $5B. The upfront payment will be primarily funded by cash on hand. The transaction is expected to be finalized before the end of FY2022. Closing of the transaction is contingent on completion of review under antitrust laws, including the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976.

Evercore Group LLC is acting as exclusive financial advisor to Takeda and Cleary Gottlieb Steen & Hamilton LLP is acting as its legal advisor.

Takeda management will be hosting a virtual meeting for investors and analysts to discuss this announcement from 5:30 - 6:15 p.m. EST on Tuesday, December 13 / 7:30 – 8:15 a.m JST on Wednesday, December 14. Please click here to participate.

About NDI-034858
NDI-034858 is an allosteric TYK2 inhibitor developed by Nimbus Therapeutics that is being evaluated for the treatment of multiple autoimmune diseases. In preclinical studies, NDI-034858 has demonstrated exceptional functional selectivity and wide therapeutic margins. In Phase 1 studies, NDI-034858 showed a good tolerability profile, a dose-dependent trend in exploratory clinical activity and a pharmacokinetic profile allowing for once-daily solid oral dosing. Positive topline results were reported from a Phase 2b clinical trial evaluating NDI-034858 in patients with moderate-to-severe plaque psoriasis. NDI-034858 is in an ongoing Phase 2b trial in active psoriatic arthritis (NCT05153148).

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About Nimbus Therapeutics
Nimbus Therapeutics is a clinical-stage, structure-based drug discovery company developing novel small molecule medicines designed to act against well-validated but difficult-to-drug targets implicated in multiple human diseases. Nimbus combines leading-edge computational technologies with a tailored array of machine learning-based predictive modeling approaches. Nimbus' pipeline includes clinical-stage programs targeting TYK2 and HPK1 (NCT05128487), as well as a diverse portfolio of preclinical programs focused on cancer, inflammatory and autoimmune disorders and metabolic diseases. Nimbus is headquartered in Boston, MA. To learn more about Nimbus, please visit www.nimbustx.com.

Media Contacts:
Japanese Media
Jun Saito
jun.saito@takeda.com
+81 (0) 3-3278-2325

U.S. and International Media
Catherine Wilson

catherine.wilson@takeda.com
+1 (440) 488-6242

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