



**Takeda Pharmaceutical Company Limited**

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# News Release

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## **Notice Concerning Stock Options (Stock Acquisition Rights)** **for Members of the Board of Directors**

**Osaka, Japan, June 26, 2008** --- Takeda Pharmaceutical Company Limited (“the Company”) announced today that, at a meeting of its Board of Directors held today, the specific terms in connection with the subscription of Stock Acquisition Rights (i.e. stock options) to be granted to its Directors were resolved, pursuant to a resolution of the proposal at the Company’s 132nd Ordinary General Shareholders Meeting earlier in the day regarding “Determination of the amount and contents of stock option remuneration for Directors”.

The following is a notification of the specific terms.

### I. Rationale for granting Stock Options Remuneration to Directors

The aim is to further elevate the Directors' motivation and incentive to improve mid and long term corporate performance by establishing a remuneration system that has stronger linkage with shareholder value.

### II. Outline of the offer for subscription of Stock Acquisition Rights

#### 1. Name of Stock Acquisition Rights

- Stock Acquisition Rights FY2008 issued by Takeda Pharmaceutical Company Limited

#### 2. Persons eligible to be granted Stock Acquisition Rights and their number

- Company Directors, seven (7) people

#### 3. Total number of Stock Acquisition Rights

- 624

This total number is the projected number of rights to be allotted. In case the total number of rights in subscriptions for allotment of such rights does not reach the number shown above, the total number of rights in actual subscriptions shall be the total number of rights to be allotted.

#### 4. Class and number of shares to be issued or transferred upon exercise of Stock Acquisition Rights

- 100 shares of Common Stock of the Company per Stock Acquisition Right

In the event that the Company conducts a stock split, a free distribution (“*musho-wariate*”) of shares or a stock consolidation of its common stock, following the date of the aforementioned resolution by the Board of Directors, such number of shares shall be adjusted by application of the equation noted below. Such adjustment shall be made for the number of shares to be issued or transferred upon exercise of Stock Acquisition Rights that have not been exercised as of that time. Any fractional figure of less than one (1) share arising as a result of this adjustment shall be rounded down.

\* Post-adjustment number of shares = pre-adjustment number of shares x split or consolidation rate

Note: In the event of free distribution of shares, the rate shown above shall be the quotient of division of the post-distribution outstanding stock volume (excluding treasury stock) by the pre-distribution outstanding stock volume (excluding treasury stock).

In the event of a stock split, the post-adjustment number of shares shall be applied beginning on the base day for that split. In the event of free distribution of shares or stock consolidation, it shall be applied beginning on the day of effectuation of the distribution or consolidation.

In addition to the cases noted above, the Company shall reasonably adjust to the extent possible, the number of shares to be issued or transferred upon exercise of Stock Acquisition Rights, based on resolutions by the Board of Directors in the event of occurrence of circumstances requiring such adjustment following the aforementioned date of resolution by the Board of Directors.

In the event of such adjustment of the number of shares, the Company shall notify each holder of Stock Acquisition Rights noted in the Stock Acquisition Rights ledger about the requisite matters no later than the previous day to the application of the post-adjustment number of shares. However, when notification cannot be made by this date, the Company shall promptly make notification thereafter.

5. Payment for Stock Acquisition Rights and method of calculating the same

The amount of payment in exchange for a single Stock Acquisition Right (hereinafter referred to as "Payment") shall be equal to the fair value per Stock Acquisition Right on the allotment date (as calculated using the Black-Scholes model based on the closing value on the Tokyo Stock Exchange on said day; this calculation shall be consigned to TFP Business Solution Co., Ltd.).

\*\* The Payment shall be the fair value of the Stock Acquisition Right, and shall not be corresponding to particularly favorable conditions.

\*\* On the allotment date, the Company shall make a consensual offset between the remuneration credits held by the Director toward the Company and the right to demand payment of the amount to be paid in for Stock Acquisition Rights.

6. Amount of assets to be contributed upon exercise of each Stock Acquisition Rights

The amount of assets to be contributed to the Company upon exercise of each Stock Acquisition Right shall be the amount obtained by multiplying the amount of assets to be contributed per share, which shall be one (1) yen, by the number of shares to be issued or transferred upon exercise of each Stock Acquisition Right.

7. Allotment date of Stock Acquisition Rights

- July 11, 2008

8. Period during which Stock Acquisition Rights may be exercised

The period during which Stock Acquisition Rights may be exercised shall be the period from the date on which three (3) years have passed from the allotment date of the Stock Acquisition Rights to the date on which ten (10) years have passed since the allotment date, i.e., from July 12, 2011 to July 11, 2018.

However, in the event that a Director to whom Stock Acquisition Rights are allocated retires due to the expiration of his/her term of office or for other good reason, such Director may exercise Stock Acquisition Rights immediately following the date of such retirement even if that is before July 12, 2011.

9. Conditions for exercise of Stock Acquisition Rights

At the time of the exercise of the Stock Acquisition Rights, the holder of Stock Acquisition Rights must be a Director of the Company; provided, however, that this shall not apply in the case where the holder retires due to the expiration of his/her term of office or for another good reason.

No Stock Acquisition Right may be exercised in part.

10. Restrictions on transfer of Stock Acquisition Rights

Stock Acquisition Rights cannot be acquired through transfer, unless such acquisition is approved by the Board of Directors of the Company.

11. Amounts of capital stock and capital reserve to be increased in the event of issuance of shares due to exercise of Stock Acquisition Rights

The amount of capital stock to be increased in the event of issuance of stock upon exercise of Stock Acquisition Rights (A) shall be one-half (1/2) of the ceiling amount of capital stock, etc., increase (B) as calculated in accordance with Paragraph 1, Article 40 of the Corporate Calculation Regulations.

However, any fractions less than one (1) yen arising as a result of such calculation shall be rounded upward to the nearest yen.

The amount of capital reserves to be increased in the event of issuance of stock upon exercise of Stock Acquisition Rights shall be the remainder after subtraction of the aforementioned amount of increased capital stock (A) from the aforementioned ceiling amount of capital stock, etc., increase (B).

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