

## Takeda bids on Shire for \$64-billion

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Takeda Pharmaceutical Co. reached a preliminary agreement to buy Shire Plc with takeover offer of about 46 billion pounds (\$64 billion), closing in on a bold transaction to gain a foothold in one of the pharma industry's most coveted niches.

Chief Executive Officer Christophe Weber is steering Takeda into its largest-ever transaction to replenish the drugmaker's pipeline of medicines with promising treatments for rare diseases such as hemophilia -- a field that's lured many pharmaceutical companies lately because they can charge more for unique life-saving drugs than for routine treatments. But the smaller Japanese company's thirst for the larger Shire fueled concern among investors and Takeda slumped the most in almost five years in Tokyo trading.

Japanese investors expressed concern about the hefty debt and the possibility Shire shareholders would sell their new Takeda stock, even as the company reiterated its commitment to its investment-grade credit rating.

The transaction could result in a mult notch downgrade on Takeda's A1 rating.

Takeda is offering the equivalent of about 49 pounds a share, including 27.26 pounds in stock and 21.75 pounds in cash, the companies said in separate statements. That's a 60 percent premium to Shire's closing price on March 27, before Takeda disclosed its takeover interest.

The companies also received an extension from UK regulators until May 8 for Takeda to make a firm offer.

Weber is seeking growth outside Japan amid patent expirations and a shrinking domestic population. A completed deal would be the biggest by a Japanese company of an overseas target, and create one of the world's largest pharmaceutical companies.

Shire shareholders would own half of the enlarged company under the latest Takeda proposal.