

Corporate Governance

Fundamental Policy and Structure

Policy toward Corporate Governance



Takeda's management mission is "we strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products." In line with this mission, Takeda is working to establish a management

framework befitting a world-class pharmaceutical company that operates globally. We are strengthening internal control, including rigorous compliance, and establishing a structure to facilitate rapid decision-making that is sound and transparent. Through these efforts, we will further enhance our corporate governance, thereby maximizing the corporate value.

Management Structure

The Board of Directors determines fundamental policies for the Takeda Group and reaches decisions concerning the operations of Takeda. Management and business operations are then conducted in accordance with these decisions. In fiscal 2009, Takeda established the positions of Chief Scientific Officer (CSO), Executive Vice President (EVP) International Operations, and Chief Administrative Officer (CAO). In addition, Takeda reorganized and consolidated the Executive Committee, which discusses management strategies and other important issues involving management, and the Operations Committee, which discusses important issues in terms of the business operations, and created the Management and Operations Committee, where Takeda executives deliberate on these important

issues. These steps have facilitated greater cooperation among different functions while improving the speed and flexibility of business operations, and the new structure allows Takeda to conduct all activities in a more efficient manner.

Takeda has given its Board of Directors the primary functions of decision-making for company management and observing and overseeing business execution. The Board of Directors consists of six directors, and meets once per month in principle to make resolutions and report on important matters regarding management. Where business execution is concerned, Takeda envisages a responsive and highly effective system for operating its business, and believes the best way to achieve this is by creating an organization centered on talented personnel with detailed knowledge of the pharmaceutical business and conditions within the company. For this reason, we have not appointed external directors.

Any risks we may face in the course of global business operations are managed by the personnel responsible for risk management in key organizations within the relevant domain. We therefore have a system in place to prevent or mitigate risks, according to their degree and nature.

Furthermore, we formulated the "Management Policy for Affiliated Companies" and the "Takeda Group's Management Policy" to clarify roles and responsibilities, while ensuring compliance and appropriate business operations, at all group companies. To this end, we also implement periodic internal audits and a control self assessment (CSA) program*.

* Under the CSA program, personnel responsible for internal control assess the status of internal control in their particular company or division and pledge to implement a program of improvement. They then take an oath to confirm that the proposed program of improvement is appropriate. The CSA program forms the basis for evaluation and confirmation of financial reporting by management.

Schematic Diagram of Internal Control Structure

