



# Project Summit

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Takeda Pharmaceutical Company Limited

## Project Summit



# Project Summit

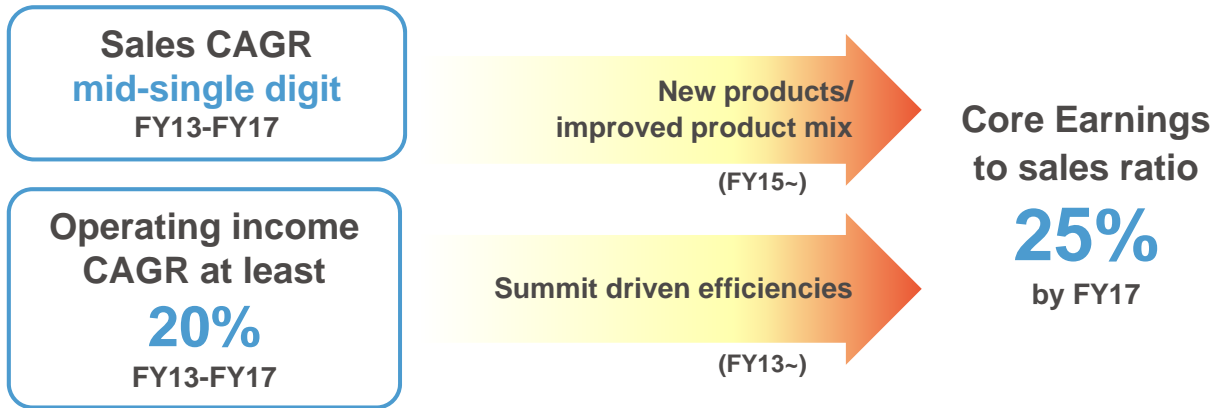
- Driving sales and profit growth through Takeda-wide strategic initiatives optimizing the effectiveness and efficiency of our entire operations
- Boosting our ability to execute on investments including our strong pipeline in order to secure sustainable growth and increase shareholder value
- Reviewing and addressing business models across the organization to operate better and more efficiently
- Raising global competitiveness in every aspect of our business

# Takeda's Bright Future – Project Summit & Mid-Range Growth Strategy



- With large successful and synergetic acquisitions completed and one of the strongest pipelines in the industry, Takeda's future is brighter than ever.
- Project Summit supports this future through advanced global operating models and business processes, boosting the company's profitability and capacity for investments in growth.

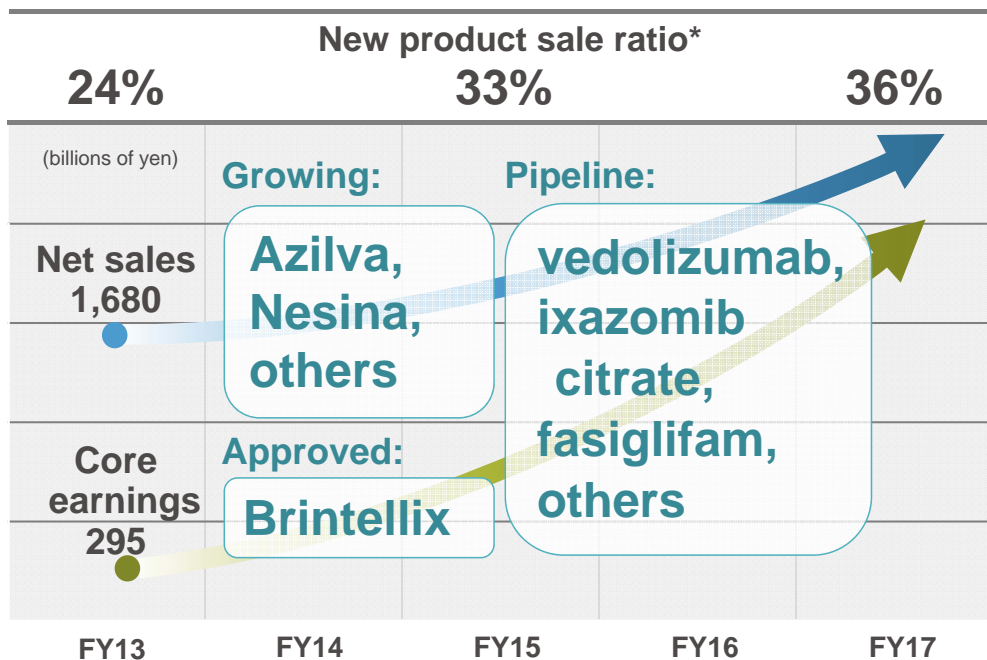
## Mid-Range Growth Strategy



# Project Summit and Mid-Range Growth Strategy



## GENERATING GROWTH



\* Sales ratio in US, EU and Japan markets; New products are those launched within 5 years

## ACHIEVING EFFICIENCIES



Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

## Initiatives and Targets

**SALES AND  
MARKETING**

**PRODUCTION &  
SUPPLY CHAIN**

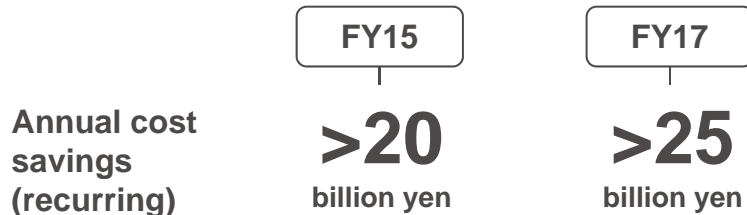
**RESEARCH &  
DEVELOPMENT**

**GENERAL &  
ADMINISTRATIVE**

### Initiatives:

- Centralized brand marketing organization to improve global brand strategy under a single platform for global / key multi-regional products and generate efficiencies across the global marketing organization
- Build the right capabilities, including focus on the enhancement of customer-facing resources to maximize product launch effectiveness
- Consolidate the number of advertising and other agencies on a global basis
- Leverage global procurement to improve supplier management and gain efficiency

### Targets:



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# Initiatives and Targets



SALES AND  
MARKETING

PRODUCTION &  
SUPPLY CHAIN

RESEARCH &  
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GENERAL &  
ADMINISTRATIVE

## Initiatives:

- Further optimize manufacturing site network with close alignment between global manufacturing and quality organizations
- Improve site performance via implementation of operational excellence program to optimize manufacturing capacity and reduce per unit cost
- Leverage centralized sourcing initiatives for packaging, raw materials and third party manufacturing
- Create an integrated global supply chain organization

## Targets:

Annual cost  
savings  
(recurring)

FY15

>5

billion yen

FY17

>10

billion yen

Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

# Initiatives and Targets



SALES AND  
MARKETING

PRODUCTION &  
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RESEARCH &  
DEVELOPMENT

GENERAL &  
ADMINISTRATIVE

## Initiatives:

- Establish a global R&D organization
  - Integrate Millennium's R&D activities into Takeda
  - Consolidate business activities of Japan-based Takeda Bio Development Center into Takeda R&D centers
  - Consolidate European R&D activities resulting in the closure of the Roskilde-based R&D site and transfer of some Zurich-based R&D activities
- Global integration of R&D platform functions (Pharmacovigilance, Regulatory Affairs, Operations, Quality Assurance, etc.)
- Leverage global procurement to improve supplier management and efficiencies
- With new efficiencies, R&D spending to stay at approx. 300 bil level (FY13-FY17)

## Targets:

Annual cost  
savings  
(recurring)

FY15

>25

billion yen

FY17

>30

billion yen

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SALES AND  
MARKETING

PRODUCTION &  
SUPPLY CHAIN

RESEARCH &  
DEVELOPMENT

**GENERAL &  
ADMINISTRATIVE**

## Initiatives:

- Globalize and raise competitiveness of key functions including Finance, HR, IT and Procurement
- Further utilize low cost shared service centers for certain administrative functions
- Harmonize and align global financial processes and systems
- Consolidate IT platforms, resources and spending across Takeda's entire global organization including Millennium
- Leverage global procurement to improve supplier management and gain efficiency

## Targets:

Annual cost  
savings  
(recurring)

FY15

**>12**  
billion yen

FY17

**>15**  
billion yen

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# Takeda is on Track to Meet Targets Set May 9<sup>th</sup>

## Summit Overall:

- Initiatives are diverse across the company and around the world, which mitigates implementation risk
- Certain projects require consultations with third parties such as governments and unions
- Low single digit percentage reduction anticipated in net global workforce by FY17
- Company wide procurement initiative is a key savings driver
- Implementation costs: 80-90 bil yen over 5 yrs
- Improvements more heavily weighted on 2<sup>nd</sup> half of FY13-FY17 period
- Plans to further support global efficiency and effectiveness with hiring for global roles for CIO, Procurement, etc.
- Updates to be provided on savings, implementation costs, and headcount as plans are finalized and implemented; Actual savings to be reported regularly at Q2 and Q4

## Targets, Consolidated:

Annual cost  
savings  
(recurring)

FY15

**>80**  
billion yen

FY17

**>100**  
billion yen

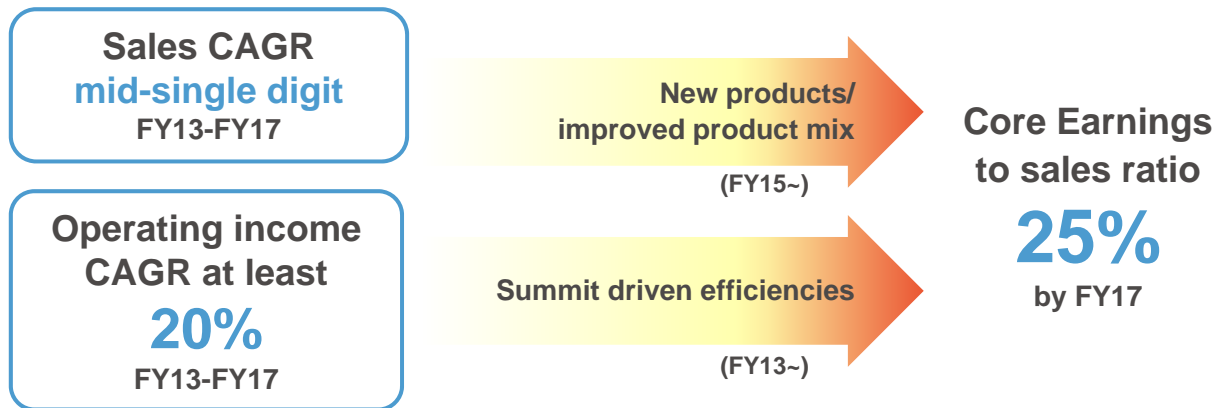
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# Takeda's Bright Future – Project Summit & Mid-Range Growth Strategy



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## Mid-Range Growth Strategy



# Takeda's Bright Future – Project Summit Supports Our Important Mission



## Better Health, Brighter Future



- Takeda's late-stage pipeline is both rich and deep; further, impact of patent expiries is limited in the short to medium term
- Guided by Project Summit, we are transforming our business to better position ourselves as a strong global leader in the pharmaceutical industry
- To realize our Mid-Range Growth Strategy, we will continue to take bold and transformative steps to make every area of our company more effective, efficient, profitable and competitive
- Ultimately, Project Summit supports our Mission: We strive towards better health for people worldwide through leading innovation in medicine

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**Takeda Pharmaceutical Company Limited**