



Dialogue with Takako and Costa

At Takeda, purpose-led sustainability is not just part of our business, **it is our business**. Here, Takako Ohyabu, Chief Global Corporate Affairs and Sustainability Officer, and Costa Saroukos, Chief Financial Officer, explain.

Q: How is Takeda's corporate philosophy reflected in its business strategy, capital allocation and operations?

Takako: The purpose of a company is to produce profitable solutions to problems. We view sustainability as how we operationalize our purpose — better health for people, brighter future for the world. In other words, how we will push the boundaries of what is possible in discovering and delivering life-transforming treatments for patients. And how can we do that, while being profitable and mindful of the health of our people and the planet.

Costa: Our corporate philosophy is the lens through which we plan our growth strategy and make business decisions, including where and how we invest resources. At the core are patients. In FY2021, we increased our R&D investment by 15% to accelerate our ability both in our labs and through external partnerships to discover and develop life-transforming treatments. We are also increasing investment in product launches, particularly in emerging markets.

Q: How does Takeda balance value creation among stakeholders?

Costa: The value we create for patients is intrinsically connected to the value we create for all stakeholders.

When we deliver innovative treatments that help improve patient health, value will follow for payers in terms of reduced overall health costs, for investors in terms of financial returns, and our employees in the form of competitive salaries and a workplace that invests in their overall wellbeing and career growth.

Takako: *We believe that creating value for society will drive business growth without ever compromising our commitment to people and our planet. By aligning business and societal value creation, we can make a difference in patients' lives and create a positive ripple effect through the outcomes we deliver.* We're all part of an ecosystem with patient outcomes at the center.

Q: How do investors react to our approach to value creation?

Costa: Investors increasingly recognize that our long-term success relies on our ability to deliver societal value in terms of discovering and launching innovative products — and that this doesn't happen overnight. They are increasingly factoring our non-financial performance into their decisions such as human capital management, Board diversity and transparent disclosure.

Takako: We are hearing from investors that they appreciate our corporate philosophy and how it aligns with broader trends and needs of society. Given that Takeda is present in many countries and regions, how we address our priorities may differ based on local context. In business, what gets measured gets managed. To ensure we make progress, we have developed a set of metrics, which we are test running. We are also working to assure the processes and data. We are taking a very deliberate approach to measure what is most meaningful to our business context and stakeholders and to integrate these metrics into our operations just as our financial metrics are today.