

Aiming to Provide Solutions that Meet Changes of Regional Healthcare Services

- Reorganization toward Implementation of Area-based Strategies for Each Prefecture -

TOKYO, January 25, 2017 -- <u>Chugai Pharmaceutical Co., Ltd.</u> (TOKYO: 4519) announced today that it will reorganize its Marketing & Sales and Drug Safety divisions to provide solutions that is adaptable to the changing local healthcare services and meet the diversifying needs, effective on April 1, 2017.

Following the legislation of the so-called "Act to Comprehensively Secure and Promote Medical and Nursing Care" lunched in 2014, the formulation of a community healthcare concept is underway at each prefectural government level in order to establish a healthcare delivery system according to the characteristics of each region in Japan. While challenges for medical services are becoming further complicated and its solutions are also highly advanced, pharmaceutical companies have been asked for more diversified and sophisticated role.

To address these needs, Chugai declares a cross-functional change to the organizational structure as one of the main priority items of the company's mid-term business plan "IBI 18." Following the organizational change of the Medical Affair Division conducted in October 1, 2016, this reorganization will transform the Marketing & Sales and Drug Safety divisions to regional organization which autonomously plan and implement area-based strategies. Chugai aims to further contribute to the healthcare and patients in the community through providing solutions harmonized with each region.

Details of the organizational change are as follows:

• Marketing & Sales Division

- The current 11 branches will be subdivided into 36 branches which is a basic unit of prefectural-based activities, and seven Regional Management Offices (RMO) will be newly established to coordinate those 36 branches.
- To respond to a variety of needs from the customers, every branch will be responsible for all products including oncology and primary (non-oncology) products. The current Oncology Unit, Primary Unit and the Sales Groups under the two units will be abolished accordingly. However, the Sections under the direct control of each branch will retain the function of disease area-oriented expertise.
- Each Regional Management Office will be equipped with an Area Strategy Execution Group which has functions of planning, medical education & training, wholesaler coordination, and human resource & administrative activities. The current Business Coordination Section and Dealers Section at each branch will be abolished accordingly. <u>The roles of the Area Strategy Execution Group</u>
 - (1) Support strategy development and implementation for the branch area
 - (2) Support the decision-making process of the Head of Regional Management Office
 - (3) Management of the back-office functions

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<< Area Strategy Execution Group >>

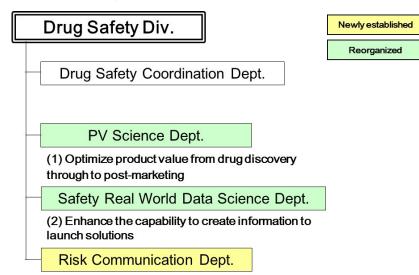
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• Drug Safety Division

- Establish Risk Communication Dept. to secure seamless framework for utilization of the safety information obtained from clinical trials and post-marketing activities, as well as provide solutions by safety experts who will directly communicate with local customers.
- The functions of Pharmacovigilance (PV) Dept. and Drug Safety Data Management Dept. will be restructured into PV Science Dept. and Safety Real World Data Science Dept. respectively to strengthen the information creativity using pathology and ICT etc. which enables to provide the diversified and sophisticated solutions.

<<New Organizational Chart of Drug Safety Division>>



(3) Enforce the providing area-specific solutions