LAST Word

Building Strong

Partnerships

JOHN GARGIULO, President and CEO of Daiichi Sankyo Inc., talks about how a philanthropic gift 100 years ago led to a global collaboration for drug development.

PV: What is Daiichi Sankyo's connection to Washington, D.C.'s cherry trees?

GARGIULO: One hundred years ago this past March, at a time when the U.S.-Japan relationship was somewhat fragile, Dr. Jokichi Takamine, the first president of the company that would become Daiichi Sankyo, helped organize a gift of 3,000 cherry trees from Tokyo to Washington, D.C.

Behind this generosity was a strongly held belief that this gift would help build a cultural bridge and forge an enduring partnership between the two nations. It's safe to say that Dr. Takamine, a scientist best known to the world for isolating the hormone adrenaline, could not have realized the profound effect this gift would have on the United States so many years later. These trees not only serve as a beautiful reminder of the renewal of life, but also the power of collaboration.

PV: What inspired Dr. Takamine to make such a gift?

GARGIULO: Dr. Takamine lived and worked in the United States for a number of years. He was inspired to create a bridge of friendship between the cities of Tokyo and Washington, D.C. He orchestrated the gift of the cherry trees as a symbol of harmony between the two countries.

His gift remains as inspiration for our global philanthropic mission, which is dedicated to listening, learning, and making contributions that have a real impact on people's lives. Our philanthropic initiatives not only improve critical medical and healthcare services, but also support artistic cultural activities for children, helping them create a fuller and more vibrant future.

His vision also continues to serve as a powerful reminder of the importance of collaboration. There is no business in which collaboration plays a more critical role today than in the development of new medicines. The fact is that few companies can achieve long-term growth relying exclusively on their own innovations or technologies, and the development of pharmaceuticals is no different. For pharmaceutical companies particularly, collaborations mean accessing new technologies, expanding a company's scope and capabilities, retaining flexibility through cost and risk sharing, and gaining access to new products and/or new markets.

We all benefit today from the many advances in medicine that have enabled us to dramatically improve the quality of life and even cure some illnesses that were common and often devastating only a few decades ago. But the conditions

and diseases that remain to be conquered are far more complex and require exponentially more resources and creative thinking than were required in the past. Because innovation, effectiveness, safety, and access are as critical as ever to success, collaboration between companies is proving to be both a scientific and financial tonic for the industry. Collaboration doesn't replace but supplements what companies can accomplish on their own.

According to an October 2011 study by Tufts University's Center for the Study of Drug Development, a large pharmaceutical company, teaming up with fellow pharmaceutical companies, reported a more than threefold increase in the number of new experimental medicines entering the first phase of human studies, from an average of five per year to 16 per year. In addition, the company dramatically raised the success rates for midstage human clinical trials from just 14% to 41% during a recent five-year period.

Early on, Daiichi Sankyo embraced the vision that collaboration and strategic alliances can play a role in fulfilling our mission to develop and produce innovative medicines that ultimately improve quality of life and even save lives. Today, these collaborations span every facet of our business from discovery to development to marketing. Similar to the cherry trees in Washington, D.C., successful partnerships require much care and attention.

PV: What are some best practices for successful collaborations?

GARGIULO: We've learned that there are several essential criteria to successful collaborations, including sharing, addressing specific patient needs, and thinking long term.

We know that science is created beyond the walls of any one organization, and key to our success has been our commitment to establish open and collaborative research partnerships, where ideas are shared and mutual goals are accom-



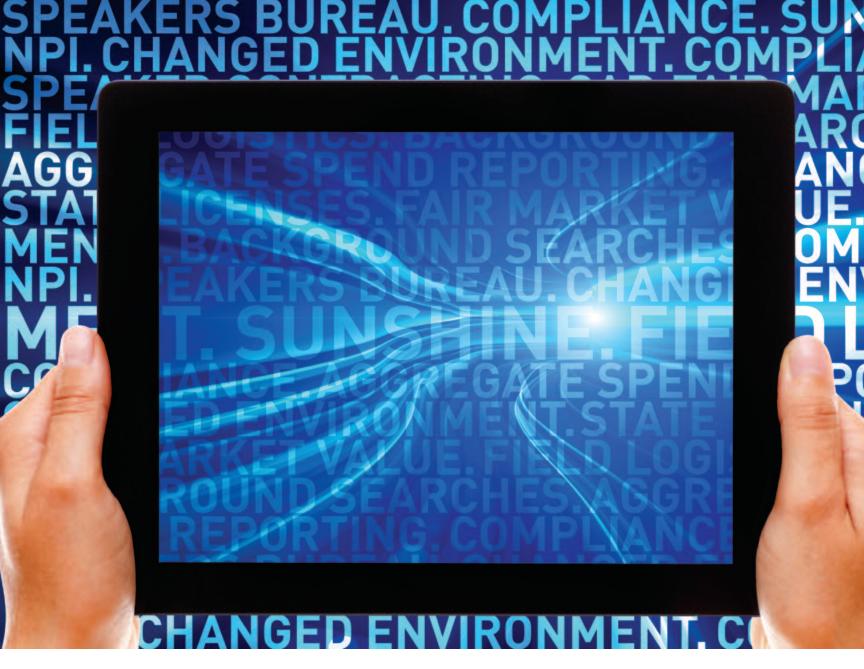
nered with ArQule to develop and discover new cancer medicines. From our perspective, we were intent on solidifying our oncology pipeline by bringing a new generation of targeted cancer medicines to patients. At the same time, ArQule sought a strong development partner to take its experimental tumor cell treatment to the next level.

Cardiovascular disease is the leading cause of death in the United States and worldwide, killing 16.7 million people each year. Of this astounding number, patients with acute coronary syndrome, who are managed with percutaneous coronary intervention, including coronary stenting, are particularly vulnerable. With this population in mind, we partnered with Lilly in 2008 to produce a medicine that is now an important new therapeutic option for interventional cardiologists and their patients.

As scientific advances improve our understanding of how drugs work among diverse patient groups, biomarkers that predict safety and efficacy response will allow us to better target therapies for individuals, thereby increasing a drug's effectiveness and lowering the risk of unwanted side effects.

Heading into any partnership, our mindset is to create long-term, collaborative relationships. We partner with scientific leaders by engaging with them across a medicine's life cycle, from development to the patient.

The 100th anniversary of the cherry trees in Washington, D.C., offered a fitting opportunity for Daiichi Sankyo employees and others to renew our respect for Dr. Takamine's foresight, multiculturalism, and his appreciation of the power of collaboration. A simple concept he promoted has blossomed into a productive and dynamic network of relationships between biopharmaceutical companies, academic institutions, hospitals, and nonprofits all aimed at helping to translate innovation into health for patients everywhere. I can't think of a better legacy for such a forward thinker.



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