

Daiichi Sankyo reveals its five-year business plan

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Singapore: Daiichi Sankyo has announced a new five-year business plan, which will span from April 1, 2013 through March 31, 2018. As part of the new plan, the company said it will work towards two major objectives in order to realize sustainable growth and overcome the "patent cliff" owing to expiration of the exclusive patent rights to Olmesartan, its anti-hypertensive agent, in the US and Europe.

In a statement issued on the website, Daiichi laid down the goals for the next five years as sustainable revenue growth with improved profitability and enhancement and growth of the group's business centering on Daiichi Sankyo and Ranbaxy (creation of synergy). The company hopes to achieve sustainable growth by maximum utilization of the business foundation created during the first and second mid-term plans and improve profitability. In addition to Daiichi Sankyo and Ranbaxy achieving high growth and improved profitability in their respective businesses, it also aims to create additional synergies between the two companies, not only in the areas of sales and production where initiatives have already begun, but across the various processes of the value chain, including the opening of new markets and the creation of high added-value products. It will strengthen its business in key markets, such as Japan, India and the USA, and emerging markets and establish a flexible corporate structure to navigate changes in business environment.

As a strategy, the company hopes to strengthen innovative pharmaceutical portfolio and R&D pipeline; develop competitive businesses to address diverse local needs; and transition to a low-cost operating framework. It will look at maximizing cash flows from olmesartan; maximize sales potential for antiplatelet agent prasugrel and oral direct factor Xa inhibitor edoxaban; grow high potential products in Japan; enhance pipeline following launch of edoxaban; expand presence in biologics or biosimilar business; and acquire external assets.

Also, the company will expand business in the emerging countries through Ranbaxy and the Daiichi Sankyo business in ASCA, while maintaining top share in the injectable iron business in the US through launch of Injectafer and increase profitability of generic and vaccine businesses in Japan.

The organizational structure will address the diverse needs of each region. The company also plans to establish a global supply chain system for continuous cost reduction and strengthen its revenue management at business unit and regional levels.