



Press Release

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Daiichi Sankyo Underwrites All Shares Issued by Kitasato Daiichi Sankyo Vaccine

Tokyo, Japan (September 29, 2017) – Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) today announced that it has underwritten all shares issued by its Group company, Kitasato Daiichi Sankyo Vaccine Co., Ltd. (hereafter, Kitasato Daiichi Sankyo Vaccine), with the aim of strengthening that company's financial base, and furthermore Daiichi Sankyo has completed the transaction for this initiative today.

1. Overview of share issue underwriting

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|-----------------------------------------|---------------------------------------------------|
| 1) Underwritten amount: | 40,000,014,000 yen |
| 2) Amount of increased capital: | 20,000,007,000 yen |
| 3) Amount of increased capital reserve: | 20,000,007,000 yen |
| 4) Underwriting party: | Daiichi Sankyo |
| 5) Voting ratio after underwriting: | Daiichi Sankyo 93.3%, The Kitasato Institute 6.7% |

2. Reason for implementing share issue underwriting

Kitasato Daiichi Sankyo Vaccine was established in 2011 as a joint venture between Daiichi Sankyo and The Kitasato Institute (51% of Daiichi Sankyo's voting rights at the establishment), and Daiichi Sankyo has implemented a wide range of initiatives to establish the foundation of its vaccine business. In June 2015, for the purpose of strengthening its future vaccine business and financial base, Daiichi Sankyo underwrote all shares issued by Kitasato Daiichi Sankyo Vaccine (80% of Daiichi Sankyo's voting rights after underwriting).

This time, given the financial deterioration due to new product development project delays at Kitasato Daiichi Sankyo Vaccine, Daiichi Sankyo has decided to underwrite all shares issued by Kitasato Daiichi Sankyo Vaccine for the purpose of strengthening its financial base.

Reference: Outline of Kitasato Daiichi Sankyo Vaccine

Company Name	Kitasato Daiichi Sankyo Vaccine Co., Ltd.
Established	April 2011
Location	Kitamoto City, Saitama Prefecture
Representative Director	Toshiaki Tojo
Employees	475 (As of April 2017)
Business Description	Research, development, manufacture and sales of vaccines