



Press Release

Company name: DAIICHI SANKYO COMPANY, LIMITED

Representative: Sunao Manabe, Representative Director, President and COO

(Code no.: 4568, First Section, Tokyo Stock Exchange)

Please address inquiries to Noriaki Ishida, Executive Officer,

Vice President, Corporate Communications Department

Telephone: +81-3-6225-1126

<http://www.daiichisankyo.com>

Daiichi Sankyo to Convert Kitasato Daiichi Sankyo Vaccine into Wholly Owned Subsidiary

Tokyo, Japan (November 30, 2017) -Daiichi Sankyo Company, Limited (Headquarters: Chuo-ku, Tokyo; hereafter, Daiichi Sankyo) today announced that its Board of Directors approved a resolution today to convert Daiichi Sankyo's consolidated subsidiary, Kitasato Daiichi Sankyo Vaccine Co., Ltd. (Headquarters: Kitamoto City, Saitama Prefecture; hereafter, Kitasato Daiichi Sankyo Vaccine), into a wholly owned subsidiary through the additional acquisition of shares from The Kitasato Institute (Headquarters: Minato-ku, Tokyo; hereafter, Kitasato Institute).

1. Background and purpose of conversion into wholly owned subsidiary

Kitasato Daiichi Sankyo Vaccine was established in 2011 as a joint venture between Daiichi Sankyo and Kitasato Institute (Daiichi Sankyo's proportion of voting rights 51% at time of establishment). The joint venture succeeded the vaccine manufacturing, and research and development functions of Kitasato Institute and has been engaged in the research and development, manufacturing and sale of vaccines for the prevention and treatment of infectious diseases in humans. In order to strengthen the financial base of Kitasato Daiichi Sankyo Vaccine, Daiichi Sankyo underwrote all of the shares issued by Kitasato Daiichi Sankyo Vaccine in June 2015 and September 2017 (Daiichi Sankyo's proportion of voting rights became 93.3% after underwriting shares in September 2017).

Through extensive discussions between Daiichi Sankyo and Kitasato Institute, it has been decided that Daiichi Sankyo will purchase all of the shares held by Kitasato Institute in order to convert Kitasato Daiichi Sankyo Vaccine into a wholly owned subsidiary with the purpose of reinforcing the foundation of the Daiichi Sankyo Group vaccine business.

Kitasato Daiichi Sankyo Vaccine has inherited Dr. Shibasaburo Kitasato's spirit of practicality, and by converting the company into a wholly owned subsidiary and establishing a foundation for rapid and flexible decision-making in vaccine business, Daiichi Sankyo aims to maintain a high level of quality and stable supply of vaccines. Efforts will also be made towards the research and development, and launch, of new vaccines mainly in Japan.

2. 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)
Description of business	Research, development, manufacture and sales of vaccines