Passion for Innovation. Compassion for Patients™

Corporate Philosophy
Global advances in medical technology and pharmaceuticals have saved the lives of a great many people and contributed to healthier lifestyles. However, there are still many diseases for which the level of satisfaction with treatment is insufficient or for which there is no established treatment. Preventative measures, treatments and therapies that can be tailored to each patient’s particular condition are also in great demand. Pharmaceutical companies play an integral part in medical treatment and are dependent upon to provide solutions to these problems.

Daiichi Sankyo’s commitment to providing what people really need is summed up in our corporate mission: “To contribute to the enrichment of quality of life around the world through the creation of innovative pharmaceuticals and through the provision of pharmaceuticals that address diverse medical needs.” In order to fulfill this mission, the Daiichi Sankyo Group has devoted itself with a strong sense of duty to doing all that it can to meet society’s expectations.

Vision
At Daiichi Sankyo, our vision is to become a Global Pharma Innovator that can meet diverse medical needs around the world—a company that is capable of sustainable growth. In keeping with this vision, we have proactively implemented a range of initiatives, focusing on expanding the Group’s global business reach, fulfilling unmet medical needs and building innovative products and business models.

Our Values and Commitments
Based on our mission, we act with three values in mind—namely, “innovation,” “integrity,” and “accountability”—to pursue the following eight areas of commitment.

Innovation “Our Imperative”
1. To create first-in-class and best-in-class drugs
2. To take a global perspective, and respect local values
3. To foster intellectual curiosity and strategic insight

Integrity “Our Strength”
4. To provide the highest quality medical information
5. To provide a stable supply of top-quality pharmaceutical products
6. To be an ethical, trusted, and respectful partner

Accountability “Our Culture”
7. To be accountable for achieving our goals
8. To demonstrate professionalism, respect for others and teamwork

Message from the CEO
Daiichi Sankyo’s mission is to contribute to the enrichment of the quality of life around the world through the creation of innovative pharmaceuticals and through the provision of pharmaceuticals that address diverse medical needs.

The business environment facing the pharmaceutical industry continues to evolve in Japan and around the world. In the midst of these changing conditions, we are working to realize our vision of becoming a Global Pharma Innovator. To that end, we are striving to satisfy unmet medical needs as a developer of new drugs, including vaccines, generic and OTC drugs, that meet a variety of medical needs.

As a leader in the healthcare industry, we recognize that we have multiple responsibilities to our many stakeholders. We not only have a responsibility to provide the pharmaceuticals that are indispensable today to healthcare systems around the world, but we must also fund the research and development that ensures the availability of tomorrow’s innovative medicines. We also have a responsibility to support the communities in which we live and work. We commit to achieving these important goals while delivering earnings growth to our shareholders and doing our utmost to earn the trust of all our stakeholders. By embracing these responsibilities, we hope to be a company worthy of representing Japan as a cutting-edge global enterprise. Thank you for your continued support.

Joji Nakayama
Representative Director,
President and CEO
Our Business

Global Business Activities

In addition to its home market of Japan, Daiichi Sankyo’s products are marketed in the United States and in many countries in Europe and Asia. This global reach, and the important insights it provides, is essential to our ability to serve the diverse needs of patients and healthcare professionals around the world. Through the creation and supply of new drugs, Daiichi Sankyo’s contribution to the health of people worldwide knows no borders, and to foster this global perspective, we promote cross-company information exchanges among such departments as Research & Development, Supply Chain, and Marketing.

Business Activities in Japan

Innovative pharmaceuticals continue to be the Group’s core business area. We supply high-quality pharmaceuticals that meet urgent medical needs, as well as the timely, accurate, and easy-to-understand information that patients and their physicians deserve.

Vaccines

Besides the research and early development and marketing of vaccines carried out on its own, Daiichi Sankyo also maintains strategic ties with two joint ventures: Kitasato Daiichi Sankyo Vaccine Co., Ltd. (a joint venture with Kitasato Institute), whose strength lies in production and chemistry; manufacturing and controls (CMC), and Japan Vaccine Co., Ltd. (a joint venture with GlaxoSmithKline), which specializes in the latter phase of vaccine development and sales. These alliances enable us to create a seamless value chain, from discovery to the delivery of products, ensuring a stable supply of the vaccines the public needs.

Generic pharmaceuticals

Building on the trust and confidence that Daiichi Sankyo has cultivated as a developer and manufacturer of innovative drugs, Daiichi Sankyo Eshima Co., Ltd., works to create the added value that will allow it to supply quality generic pharmaceuticals as well. Particularly in the area of product safety, the Company manufactures products in dosage forms and with labels designed for ease and accuracy of use. These efforts include, for example, inscribing the name of the drug on both sides of tablets. Moreover, Daiichi Sankyo has launched a series of premium generic products that build upon the brand’s expertise and add new value. We hope these products will help Daiichi Sankyo reinforce its brand differentiation and capture a larger share of the market.

Business Strategy

R&D

Marketing

CSR

History
Priority areas at each R&D stage

At the Daiichi Sankyo Group, we implement research and development initiatives that precisely address unmet medical needs so that we can contribute to improving the rate of satisfaction towards medical care in the future. The key categories in the research and early-stage development phases are oncology and cardiovascular-metabolics, with investment of resources concentrated accordingly.

Another area of focus is the frontier area, where we actively pursue new therapies and substances with novel mechanisms of action, moving beyond the existing boundaries in the field of disease.

Innovation born from diversity

At the Daiichi Sankyo Group, research is carried out globally via a closely integrated network incorporating Japan, the United States, Germany and India. In Japan, alongside the nucleus of Daiichi Sankyo, there is Daiichi Sankyo RD Novare, which is responsible for technology platforms for drug development, and Asubio Pharma, which specializes in drug development research.

Overseas, there is U3 Pharma, which specializes in researching antibodies for targeting cancer, Plexikon, which utilizes small molecule scaffold-based drug discovery, Daiichi Sankyo Life Science Research Centre in India (RCI), which focuses on creating drugs for inflammatory and infectious diseases, and the Tissue and Cell Research Center Munich (TCRM), which utilizes tissue research technology. Each company advances new drug research by utilizing its respective strengths. In Japan, the Venture Science Research Laboratories carries out innovative drug development research to find treatments for diseases with high unmet medical needs.

Daiichi Sankyo Global Research Organization

GEMRAD

Daiichi Sankyo established the Global Executive Meeting of Research and Development (GEMRAD) as our top decision-making body for global R&D. GEMRAD makes management-level “go/no-go” decisions on development projects and manages global R&D activities across functions and regions. Its members represent various divisions, including those responsible for R&D, global sales, licensing, pharmaceutical affairs and product portfolios. This enables GEMRAD to make appropriate decisions based on comprehensive assessments covering everything from research to marketing. Moreover, regular priority evaluation is also conducted for early-stage development projects in progress, enabling effective resource investment based on portfolio strategy.
A global development organization that connects operations in Japan and throughout the world

Our worldwide development network connects Japan, the United States, Europe, India and East Asian countries. This multinational approach allows us to leverage expertise from around the world in executing clinical trials and facilitating our global decision-making. Our Japanese bases, including Daiichi Sankyo RD Novare Co., Ltd., along with Daiichi Sankyo Pharma Development, a U.S. development company based in the Edison, New Jersey, and the UK’s Daiichi Sankyo Development Ltd. are working closely to advance the development of pharmaceuticals globally, while managing and operating clinical testing in each respective region. In addition, as the Asian centers of our global development, Daiichi Sankyo Korea, Daiichi Sankyo Taiwan, and Daiichi Sankyo (China) Holdings are contributing to the ongoing launch of products.

Securing high quality and safety; delivering a stable supply of world-class products

Dedication to quality

We recognize that we must earn the trust and confidence of our customers every day, not only through the efficacy and safety of our products, but also through the quality of their manufacture as well. In order to assure the product quality and responsibility maintain the market supply of safe products, we have established a scientifically verified process of production management that extends from the import of raw materials to production and distribution. Along that supply chain, we adhere to the most stringent corporate and regulatory standards, including internationally recognized standards set by Good Manufacturing Practice (GMP). We will continue to implement global standard quality assurance to ensure product safety and customer satisfaction.

Stable manufacturing and supply

Pharmaceutical companies have a mission to reliably and consistently supply high-quality drugs. Daiichi Sankyo is fulfilling this role by integrating its operations to consistently procure raw materials and systematically manufacture drugs, as well as by using its logistics function to rapidly and reliably distribute products. This integration facilitates the centralized management of information, enabling a flexible and efficient manufacturing and supply system (supply chain management).

Daiichi Sankyo has also established a stable supply system for the global market by seamlessly linking its production bases inside and outside of Japan. Consistently supplying highly reliable products that reproduce the quality of the drug as designed requires a production management system relying on technical verification of both facility and human operations. Through its quality and safety management system, Daiichi Sankyo has established its own high standards with world-class validation processes and has developed a highly reliable global supply system.

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To grow in this rapidly changing business environment, Daiichi Sankyo reinforces strategy development and effectiveness through a global management structure that includes three corporate units and four functional units, as well as business units.

**Corporate Units**
- Corporate Strategy Division
- Corporate Management Division
- General Affairs & Human Resources Division

**Functional Units**
- R&D Unit
- Pharmaceutical Technology Unit
- Supply Chain Unit
- Quality & Safety Management Unit

**Business Units**
- Sales & Marketing Unit (Japan)
- Vaccine Business Unit (Japan)
- DSI Administrative and Commercial Operations (U.S.)
- Daiichi Sankyo Europe GmbH (Europe)
- ASCA Company
- Luitpold Pharmaceuticals, Inc. (U.S.)
- Daiichi Sankyo Healthcare Co., Ltd. (Japan)

Our three corporate units—Corporate Strategy, Corporate Management, and General Affairs & Human Resources—support our CEO in developing comprehensive and consistent corporate strategies and ensuring smooth management of the Daiichi Sankyo Group.

Our four functional units—R&D (Research & Development), Pharmaceutical Technology, Supply Chain, and Quality & Safety—help to formulate and execute global strategies. Each unit determines areas that should be expanded globally, guides strategic planning and execution, and improves the efficiency of business operations.

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**Signature products created by original R&D**

**Translating years of knowledge and technology into outstanding products**

**Olmesartan**

The antihypertensive agent olmesartan medoxomil is an angiotensin II receptor blocker (ARB) which has a strong and continuous antihypertensive action in comparison to other drugs in its class and is expected to achieve superior results in preventing end-organ damage. As a best-in-class ARB, it was launched in the United States and Europe in 2002 and in Japan in 2004 (U.S. brand name, Benicar®; Japanese and European brand name, Olmetec®). In recent years, a large amount of data using Japanese subjects has also been compiled. The praise garnered by this drug’s strong antihypertensive action and high degree of safety has been reflected in its sales around the world.

**Edoxaban**

In 2011, we launched edoxaban as Lixiana® in Japan. It was the country’s first oral factor Xa inhibitor for the prevention of venous thromboembolism (VTE) in patients undergoing orthopedic surgery in the lower limbs. In addition, we have completed the ENGAGE AF-TIMI 48 study on the inhibition of the onset of cerebral apoplexy (stroke) and systemic embolism associated with non-valvular atrial fibrillation (irregular heart rate), and the HOKUSAI-VTE study for the treatment and prevention of recurrences of venous thromboembolism (VTE) in patients with deep-vein thrombosis (DVT) or pulmonary embolism (PE). Sales began in Japan in December 2014 and in the U.S. in February 2015. We look to obtain approval for sales in Europe within 2015.

**Prasugrel**

Daiichi Sankyo discovered prasugrel with our Japanese research partner, Ube Industries and developed it in collaboration with Eli Lilly and Company. Prasugrel is an oral antiplatelet agent that prevents blood clots. In 2009, we launched it as Effient® in the United States and as Efient® in Europe to prevent atherothrombotic events (causing inflammation of the arteries) in patients with acute coronary syndrome undergoing percutaneous coronary intervention (PCI). To date, prasugrel has been approved in more than 70 countries around the world. In Japan, we launched Efient® for the treatment of patients with ischemic heart disease undergoing PCI in May 2014, and are currently conducting phase 3 studies on patients with ischemic cerebrovascular disease.

**Global Structure**

To grow in this rapidly changing business environment, Daiichi Sankyo reinforces strategy development and effectiveness through a global management structure that includes three corporate units and four functional units, as well as business units.
Increasing Synergy with Japanese Group Companies

Daiichi Sankyo fuses the technological expertise of nine group companies within Japan that cover fields such as innovative pharmaceuticals, OTC pharmaceuticals, vaccines, and generic pharmaceuticals to create synergy throughout the entire value chain and deliver further value to its customers.

Generic Pharmaceuticals
Daiichi Sankyo Espha Co., Ltd.
Based on the Daiichi Sankyo Group’s corporate philosophy of “supplying pharmaceuticals that meet diverse medical needs,” Daiichi Sankyo Espha operates business focusing on generic pharmaceuticals, for which there is increased demand. The company strives to deliver products that customers can feel safe in using, not only in terms of quality, information, and stable supply—the areas that are most important to pharmaceutical customers—but also in terms of affordability, which is expanded through the availability of generic quality pharmaceuticals.

OTC Pharmaceuticals
Daiichi Sankyo Healthcare Co., Ltd.
Daiichi Sankyo Healthcare is in charge of Daiichi Sankyo’s OTC pharmaceutical business, addressing diversifying needs accompanying the growth of self-medication. Capitalizing on the R&D strengths at the foundations of Daiichi Sankyo, as well as its marketing strengths, the company manufactures and markets Rx-to-OTC switch drugs and other OTC pharmaceuticals, as well as functional skincare and food products, toward realizing “Total Healthcare,” which covers the entire body from head to toe.

Vaccines
Kitsato Daiichi Sankyo Vaccine Co., Ltd.
Launched as a joint venture between Daiichi Sankyo and the Kitsato Institute, Kitsato Daiichi Sankyo Vaccine is a core company that handles R&D and manufacturing for the vaccine business. Working closely with the Kitsato Institute and other research organizations and universities in Japan and worldwide, the company performs research and development of new vaccines and manufactures and markets high-quality, easy-to-administer vaccines.

Research and Development
Asubio Pharma Co., Ltd.
Asubio Pharma is a drug discovery venture that creates and disseminates innovative drug discovery concepts and platforms to aid in the discovery of new drugs to meet unmet medical needs. Asubio is developing business specializing in drug discovery.

Daiichi Sankyo RD Novare Co., Ltd.
Daiichi Sankyo RD Novare is comprised of three units: a drug discovery unit with an integrated initial drug discovery function, an analysis center that provides a comprehensive range of analytical services, and a clinical research department that performs high-quality clinical trial monitoring and related tasks. The company thus plays a critical role in the creation of innovative pharmaceuticals by providing pharmaceutical R&D platforms.

www.daiichisankyo-rdn.co.jp

Manufacturing
Daiichi Sankyo Propharma Co., Ltd.
As the major global manufacturing base for pharmaceutical products developed by Daiichi Sankyo, Daiichi Sankyo Propharma strives to maintain a stable supply of high-quality pharmaceuticals. The company also contributes to the development of new products by manufacturing investigational agents that are used in clinical trials.

www.daiichisankyo-pp.co.jp

Business Support Services
Daiichi Sankyo Business Associate Co., Ltd.
Daiichi Sankyo Business Associate provides core general business support services (HR, accounting, sales-related clerical tasks, purchasing, and general affairs) for Daiichi Sankyo Group companies on a subcontract basis. The company also serves as an insurance and real estate agency. Through its superior expertise in the pursuit of both operational quality and efficiency, the company ensures a high degree of customer satisfaction.

Daiichi Sankyo Happiness Co., Ltd.
Daiichi Sankyo Happiness is a special company established in accordance with the Employment Promotion Act for Persons with Disabilities in order to promote the hiring of disabled persons by the Daiichi Sankyo Group. The company provides a variety of services to the group, such as clothes cleaning, laboratory equipment cleaning and mail services within the Group.

www.daiichisankyo-ep.co.jp

www.daiichisankyo-pp.co.jp

www.daiichisankyo-cp.co.jp

www.daiichisankyo-rdn.co.jp

www.daiichisankyo-kv.co.jp

www.daiichisankyo-pp.co.jp

www.daiichisankyo-cp.co.jp

www.daiichisankyo-ep.co.jp

www.daiichisankyo-ep.co.jp

www.daiichisankyo-pp.co.jp

www.daiichisankyo-kv.co.jp
Corporate Social Responsibility

The Daiichi Sankyo Group integrates corporate social responsibility into its business activities as part of its mission to contribute to the enrichment of quality of life around the world.

A Company Worthy of Stakeholder Trust

Daiichi Sankyo knows it must earn the trust of those who use our products and services, as well as the governments, NGOs and organizations with which we partner on our social responsibility activities. To do so, we adhere to the highest standards of corporate behavior, so that all of our business operations comply with global norms and standards. We also distribute comprehensive information about our corporate activities, communicating honestly with stakeholders in order to earn and maintain their trust.

Social Responsibility at the Daiichi Sankyo Group

Access to healthcare and medicine are important social issues around the world. The Daiichi Sankyo Group strives to offer a variety of solutions globally to advance society’s access to quality healthcare.

It is estimated that more than one billion poor people throughout the world suffer from AIDS, malaria, tuberculosis and neglected tropical diseases. Additionally, there are many others suffering from “orphan” diseases, where the relatively small number of patients and high costs of R&D result in limited medical progress despite the high need for treatment for these intractable diseases.

In developing countries, access to medical services is limited by economic and social conditions and poor physical infrastructure, among other reasons. As a member of the health and medical industry, the Daiichi Sankyo Group contributes to solving these social issues in cooperation with NGOs, national governments, and local communities.

With the increasing globalization of business, the international influence of corporate activities on the environment and society is growing. Daiichi Sankyo strives to contribute to the development of a sustainable society.

We conduct our corporate activities in accord with the laws and regulations in each region while respecting international norms and protecting the environments in which we operate.

Social Contribution Activities to Improve Medical Access

Mobile Healthcare Field Clinics

In emerging nations, access to medical services is hindered due to undeveloped public healthcare insurance systems and healthcare infrastructures, shortages of personnel in the manufacture and quality control of pharmaceuticals, and poverty. To make contributions in areas of India, Cameroon, and Tanzania, where there are doctor shortages, poor access to hospitals, or otherwise undeveloped healthcare infrastructure, the Daiichi Sankyo Group, with repeated, ample consultation with NGOs, has been working with local governments and regional companies to provide mobile medical services.

These activities have the goal of contributing to the UN Millennium Development Goals (MDGs) to “Reduce Child Mortality” and “Improve Maternal Health.” In these regions, under a five-year plan starting in 2011, the Group is carrying out work that includes vaccinations and health checkups for expectant and nursing mothers. In 2013, our mobile medical service provided care to approximately 240,000 people in India, Cameroon, and Tanzania. In addition, we not only provide health checkups for expectant and nursing mothers and vaccinations for infants, but we have also been carrying out a variety of activities aimed at improving awareness of hygiene and sustaining enthusiasm for childrearing among mothers, including holding healthy baby contests that give awards to healthy children. Going forward, we seek to further enrich our activities in order to reduce infant death rates, improve the health of expectant and nursing mothers, and prevent the spread of HIV/AIDS, malaria, and other diseases.

Contributions to Reducing Child Mortality and Improving Maternal Health

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See a video of our activities in Africa here

www.daiichisankyo.co.jp/corporate/csr/contribution/medicalaccess/b3d2.html
Established in 2005 through the merger of Sankyo and Daiichi Pharmaceutical, Daiichi Sankyo has a rich history spanning more than 100 years. Below, we introduce our milestones, including those of Sankyo and Daiichi Pharmaceutical since the beginning.

History of Sankyo Co., Ltd.

1899
Founded as Sankyo Shoten through a joint investment by businessmen Matasaku Shiobara, Shotaro Nishimura and Genjiro Fukui

1901
Dr. Umetaro Suzuki, a future Sankyo scientific adviser, made the world’s first discovery of vitamin B1 (Oryzanin®) in rice bran and established a foundation for the theory of vitamins

1913
Changed company name from Sankyo Shoten to Sankyo Co., Ltd.

1949
Listed on Tokyo Stock Exchange

1951
Launched LULU® cold medicine

1977
Launched Krestin®, an anticancer drug

1986
Launched the anti-inflammatory, analgesic drug, Loxonin® in Japan

1989
Global launch of Mevalotin®, a groundbreaking HMG-CoA reductase inhibitor (hyperlipidemic drug)

1992
Awarded the Ohkochi Memorial Grand Production Prize for Mevalotin®

1994
Completed construction of head office building in Nihonbashi, Tokyo, Japan

1998
Became the first pharmaceutical company in Japan to receive ISO 14001 environmental certification for its Oshihama and Odawara plants

2010
Launched Rezaltas®

2011
Begun operations of Daiichi Sankyo Espha Co., Ltd.

2012
Acquired Plexikon Inc., a treatment for osteoporosis

2013
Begun operations of Kintaro Daiichi Sankyo Vaccine Co., Ltd.

2014
Launched Pralatex®, an antibody that targets RANK ligand, and TENELIA®, a therapeutic agent for type 2 diabetes

2015
Begun operations of Daiichi Sankyo Kurei Museum in Tokyo

History of Daiichi Pharmaceutical Co., Ltd.

1915
Founded as Arsemin Shokai by Dr. Katsuzaemon Kuriyama and five others

1918
Changed company name from Arsemin Shokai to Daiichi Pharmaceutical Co., Ltd.

1937
Launched Therapod®, the first sulfa drug produced in Japan

1949
Listed on Tokyo Stock Exchange

1965
Completed construction of former head office building in Nihonbashi, Tokyo, Japan

1966
Launched Patex®, the first flexible medicated bandage

1973
Launched Karoyan®, a hair restoration agent

1985
Launched Tarivid®, a broad-spectrum oral antibacterial agent, in Japan and the former West Germany

1993
Launched Cravett®, a broad-spectrum oral antibacterial agent
Corporate Information

Corporate Profile
(as of June 2015)

Company Name: Daiichi Sankyo Company, Limited
Business: Research and development, manufacturing, import, sale, and marketing of pharmaceutical products
Headquarters: 3-5-1 Nihonbashi Honcho, Chuo-ku, Tokyo, 103-8426, Japan
Telephone: +81-3-6225-1111
Established: September 28, 2005
Paid-in Capital: ¥50,000 million
Employees: Approximately 17,000

Financial Highlights (as of June 2016)

Net sales . Revenue
1Q 1,250
2Q 1,500
3Q 750
4Q 500
( %)
1Q 125
2Q 185
3Q 106
4Q 78

Operating income . Operating profit
1Q 50
2Q 52
3Q 30
4Q 20
( %)
1Q 4%
2Q 5%
3Q 3%
4Q 2%

Sales share by segment

Daiichi Sankyo Group: Japan
Daiichi Sankyo Group: North America
Daiichi Sankyo Group: other regions
R&D expenses, percent of sales

Latest information

Facts & Figures

(as of June 2015)

#From FY2013, International Financial Reporting Standards (IFRS) is applied.