

History of Daiichi Sankyo – Path to the Merger

Daiichi Sankyo was born out of the merger of Sankyo Co., Ltd., and Daiichi Pharmaceutical Co., Ltd., two drug discovery-oriented companies with histories spanning roughly a century.

From the 1980s onward, both companies proceeded to expand their operations globally while developing and launching new products. *Pravastatin*, *levofloxacin* and *olmesartan* became blockbuster drugs* on the global market.

* New drugs whose annual peak sales exceed ¥100 billion (or \$1 billion).

History of Sankyo

Sankyo started its journey by commercializing compounds created through its fermentation, extraction of biological materials from plants and animals, and other biotechnologies such as *taka-diastrase*, *adrenaline* and *orizanin*. In the years that followed, it built upon its biotechnology research to create numerous antibiotic drugs. Another innovative pharmaceutical developed by applying Sankyo's biological fermentation technologies was *pravastatin*, a early statin compound that was created by Sankyo and that revolutionized medicines in the world as an antihyperlipidemic agent. As for organic synthesis technologies, this company created *loxoprofen* and *olmesartan*, both best-in-class drugs.



1899

Founded as Sankyo Shoten through a joint investment by businessmen Matasaku Shiobara (pictured to the left), Shotaro Nishimura, and Genjiro Fukui and launched digestive enzyme *taka-diastrase*



1902

Launched *adrenalin* (Product name: Adrenalin), the world's first adrenal cortex hormone agent to be extracted successfully



1910

Dr. Umetaro Suzuki, who became Sankyo's scientific adviser, made the world's first discovery of vitamin B1 (*orizanin*) in rice bran and established a foundation for the theory of vitamins



1913

Changed company name from Sankyo Shoten to Sankyo Co., Ltd., and appointed Dr. Jokichi Takamine as its first president



1951

Launched *Lulu* cold medicine



1986

Launched *loxoprofen* (Product name: *Loxonin*), an anti-inflammatory analgesic

1989

Launched *pravastatin* (Product name: *Mevalotin*), a globally groundbreaking antihyperlipidemic agent



2002

Launched global product *olmesartan* (Product names: *Olmetec* and *Benicar*), an antihypertensive agent (Japanese launch took place in 2004)

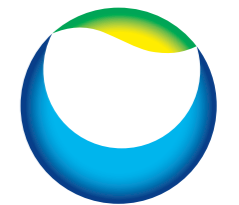


2005

Daiichi Sankyo Co., Ltd., established by joint holding company of Sankyo Co., Ltd. and Daiichi Pharmaceutical Co., Ltd.

2007

Start of new Daiichi Sankyo Group



Daiichi-Sankyo

History of Daiichi Pharmaceutical

Daiichi Pharmaceutical began its advance by using its organic synthesis technologies to realize the domestic production of *salvarsan*, a pioneering chemotherapeutic drug. This company also commercialized *tranexamic acid*, which is once again garnering attention for its antiplasmin effects (hemostasis and anti-inflammatory effects), and succeeded in developing and launching *ticlopidine*, which opened the door for antiplatelet therapies in the cardiovascular field. *Levofloxacin*, which could be seen as a masterpiece in the field of synthetic antibacterial agents, left a mark on the history of not only Japan but also the entire world with its broad spectrum of antibacterial activity.



1915

Founded as Arsemin Shokai by Dr. Katsuzoemon Keimatsu and realized domestic production of *salvarsan*, a treatment for syphilis, which was a common disease in Japan at that time



1918

Changed company name to Daiichi Pharmaceutical Co., Ltd., and appointed Seinosuke Shibata as its first president



1921

Launched *adrenalin* (Product name: *Bosmin*), a vasoconstriction, hemostasis, and asthma medicine that became its longest-lasting product



1965

Launched *tranexamic acid* (Product name: *Transamin*), an antiplasmin medicine



1981

Launched *ticlopidine* (Product name: *Panaldine*), an antiplatelet product



1993

Launched *levofloxacin* (Product name: *Cravit*), a broad-spectrum oral antibacterial agent



1985

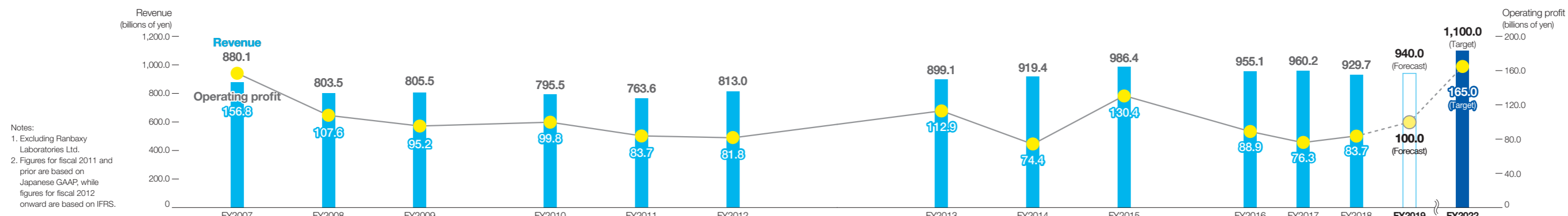
Launched *ofloxacin* (Product name: *Tarivid*), a broad-spectrum oral antibacterial agent

History of Daiichi Sankyo – Road After the Merger

Carrying on the century-long strength in science & technology forged by its predecessors, Daiichi Sankyo continues its quest to create innovative pharmaceuticals. We have been successful in growing *olmesartan* and *edoxaban*, the fruits of our predecessors' efforts and expertise in science & technology, into major global products. The ADC* franchise that will be key to the future of Daiichi Sankyo is also built upon these strengths, using the biotechnologies of Sankyo in the antibody portion of these drugs and the synthesis technologies of Daiichi Pharmaceutical in the linker and payload (drug) portions.

* Abbreviation of Antibody Drug Conjugate

We are finally ready to file an NDA in fiscal 2019 for *DS-8201*, the first entry in our ADC franchise. We have also entered into an agreement with AstraZeneca for collaborating in global development and commercialization. This collaboration will accelerate and expand development as well as help achieve early market penetration, allowing us to deliver *DS-8201* to more patients even quicker. Furthermore, as well as accelerating the process of building a structure for our oncology business in the global market, we will also allocate resources to other projects and accelerate the pace of their development.



Notes:
1. Excluding Ranbaxy Laboratories Ltd.
2. Figures for fiscal 2011 and prior are based on Japanese GAAP, while figures for fiscal 2012 onward are based on IFRS.

For more information on the 5-year business plan, see pages 32 to 58.

	1st Mid-Term Business Plan	2nd Mid-Term Business Plan	3rd Mid-Term Business Plan	4th Mid-Term 5-Year Business Plan	
Overview of initiatives under mid-term business plans	Maximization of synergies and expansion of growth foundation <ul style="list-style-type: none"> Focus on thrombosis, cancer, and diabetes fields Maximize sales of <i>olmesartan</i> franchise Introduced Ranbaxy into the Group in 2008 	Advancement of the global hybrid business model <ul style="list-style-type: none"> Focus on thrombosis, cardiovascular-metabolics, and cancer fields Expand operating foundations in Japan Conduct frontline and backyard collaboration with Ranbaxy 	Promotion of measures toward sustainable growth beyond the patent cliff <ul style="list-style-type: none"> Focus on thrombosis, cardiovascular-metabolics, and cancer fields Divest and liquidate Ranbaxy Return to the innovative medicine business 	Transformation toward the 2025 Vision <ul style="list-style-type: none"> Grow beyond FY2017 patent cliff Establish a foundation of sustainable growth 	
Launches of new products	Japan <i>Loxonin Tape</i> US <i>AZOR</i> US <i>Effient</i> Europe <i>Sevikar</i> Europe <i>Effient</i>	Japan <i>Loxonin Gel</i> Japan <i>Rezaltas</i> Japan <i>Inavir</i> Japan <i>NEXIUM</i> Japan <i>Memary</i> Japan <i>LIXIANA</i> Japan <i>RANMARK</i> Japan <i>TENELIA</i> US <i>TRIBENZOR</i> Europe <i>Sevikar HCT</i>	Japan <i>PRALIA</i> Japan <i>Effient</i> US <i>Injectafer</i> US <i>SAVAYSA</i> US <i>MOVANTIK</i> Europe <i>LIXIANA</i>	Japan <i>VIMPAT</i> Japan <i>CANALIA</i> Japan <i>Tarlige</i> Japan <i>MINNEBRO</i> US <i>MorphaBond</i>	
Important management decisions	In-licensed products	Japan <i>Denosumab</i> US <i>Tivantinib</i> (Development discontinued) Europe <i>Tivantinib</i> (Development discontinued)	Japan <i>NEXIUM</i>	US <i>CL-108</i> (License returned) Japan <i>VIMPAT, FluMist</i> Global <i>TS23</i> (License returned)	Japan <i>Heartcel</i> Japan Nine biosimilars Japan <i>Axi-Cel</i> [®] Japan Four authorized generics US <i>MorphaBond</i> US <i>RoxyBond</i> Europe Antihyperlipidemic agent
	Acquisition	Europe U3 Pharma GmbH Global Ranbaxy Laboratories Ltd. US Pharma-Force, Inc.	US Bethlehem Plant, Plexikon Inc.	US Ambit Biosciences Corp. Japan Im Co., Ltd.	
	Business expansion Restructuring Others	Europe Expansion in Turkey and Ireland US Expansion in Puerto Rico	Japan Start of generic business Japan Start of vaccine business Japan Closure of Osaka Plant Japan Sale of Shizuoka Plant	Japan Sale of Akita Plant Japan US Europe Restructuring in Japan, the United States, and Europe Global Divestment of Ranbaxy to Sun Pharmaceutical Industries Ltd. Global Completion of sale of Sun Pharmaceutical shares	Japan Sale of 41 long-listed products Japan Decision to sell the Takatsuki Plant of Daiichi Sankyo Protopharma Co., Ltd. Japan Decision to close the Hiratsuka Plant of DSCP Europe US Restructuring of operations in Europe and the United States US Sale of Bethlehem Plant (US) of Daiichi Sankyo, Inc. Global Decision to close four R&D bases Global Collaboration with AstraZeneca for <i>DS-8201</i>
ESG	G Set the term of Board Members as one year, four out of 10 Board Members are Outside Members G Established Nomination Committee and Compensation Committee G Established Audit & Supervisory Board (two out of four Members of the Audit & Supervisory Board are Outside Members) G Introduced Corporate Officer System E S G First time for inclusion in FTSE4Good ^{*1} ; inclusion continues thereafter E S G First time for inclusion in Dow Jones Sustainability Indices ^{*2} (Asia Pacific); inclusion continues thereafter	E S G Revision of DAIICHI SANKYO Group Corporate Conduct Charter E S Participation in United Nations Global Compact S Started "Daiichi Sankyo Presents Family Ties Theater" program S Establishment of Daiichi Sankyo Kusuri Museum S Launch of mobile healthcare field clinic services in developing countries	G Formulated specific criteria on the judgment of independence of outside board members G Implemented and achieved compliance with all principles of Japan's Corporate Governance Code S Participation in the Global Health Innovative Technology (GHIT) Fund S Receipt of first-prize UCDA Award 2015 ^{*3} for Daiichi Sankyo's Value Report 2015 S Establishment of Daiichi Sankyo Group Individual Conduct Principles	G Selected as the winner of the Corporate Governance of the Year [®] 2017 ^{*4} E S G Included for two consecutive years (2017, 2018) in Dow Jones Sustainability Indices (World Index) E S G Receipt of a prize for excellence in the Nikkei Annual Report Awards for Value Report 2018 S Acquired the Highest Grade of Eruboshi Certification (2018), certified in the White 500 (2018), and acquired Platinum Kurumin certification (2019)	

*1 Index compiled by FTSE Russell evaluating companies' engagement in Corporate Social Responsibility activities
*2 Index compiled by S&P Dow Jones Indices LLC and RobecoSAM AG recognizing companies that exhibit sustainability

*3 Award for communication design
*4 An award for companies hosted by the Japan Association of Corporate Directors, which supports corporations that have achieved and maintained medium-to-long-term growth

2025 Vision
Global Pharma Innovator with Competitive Advantage in Oncology