Japan pharmaceuticals companies' conference by Deutsche Securities Inc

Our efforts bound for the 'No.1 company in Japan'

Thursday, September 22, 2011

Joji Nakayama, President and CEO

Daiichi-Sankyo

Major Topics for FY2011

Maintain/Expand Core Business

Japan

- Expand Innovative Pharmaceuticals Business - Memary®, Lixiana® and Nexium®
- Strengthen Established Pharmaceuticals, OTC, and Vaccine Businesses

US/Europe

- Maximize Effient®/Efient®
- Maintain and expand Olmesartan franchise

Expansion in Emerging Markets

- Further Growth in India
- Accelerate business growth in China

Sharp Focus/ Reinforcement in R&D

- Progress on Oncology
- Steady progress on Edoxaban development

Ranbaxy	•Resolve the proposed issues by FDA/DOJ
Progress of business efficiency	•Business Process Reengineering

New Products in fiscal 2011 (1) Memary®

Memary®
NMDA receptor antagonist used in the treatment of Alzheimer's Disease

- 【Indication】
  Treatment of moderate to severe Alzheimer's Disease
- Different mechanism of action comparing with anti cholinesterases

- Launched on June 8, 2011
- Sales 1Q FY2011 from Apr. to Jun. : 2.2 billion yen　expanding after July

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New Products in fiscal 2011 (2) Lixiana®

Direct Oral Factor Xa Inhibitor Lixiana®

- First launch in Japan as oral Factor Xa inhibitor
- New option fot the prevention of venous thromboembolism (VTE) in patients with total knee arthroplasty, total hip arthroplasty and hip fracture surgery

- Launched on July 19, 2011
- Smooth introductions in hospitals

- First launch of Edoxaban in the world

VTE:Prevention of post-surgical thromboembolic event	Lixiana edoxaban tablets
AF:Prevention of thromboembolic event in atrial fibrillation／Global Phase3 study	Engage AF TIMI 48
VTE:Acute treatment and long-term prevention of thromboembolic event in patient with DVT/PE／Global Phase3 study	Hokusai VTE

DVT: Deep Vein Thrombosis, PE: Pulmonary Embolism

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New Products in fiscal 2011 (3) Nexium®

Nexium®
Proton pump inhibitor (PPI)

- Launched on September 15, 2011
- PPI, Proton Pump Inhibitor with No.1 global sales
  - PPI greatly inhibits the regulation of acid secretion
  - more than 120 countries and regions, rich and robust clinical evidence/experience with a billion or over patients
  - Blockbuster with over eight billion$ global sales

Nexium®
ネキシウム®

X

The strongest collaboration
(Daiichi Sankyo＋AstraZeneca)

Easily differentiation

Great effects
Global No.1 PPI

Overwhelming promotion

More details than competitors
The largest scale of ‘products-mix’

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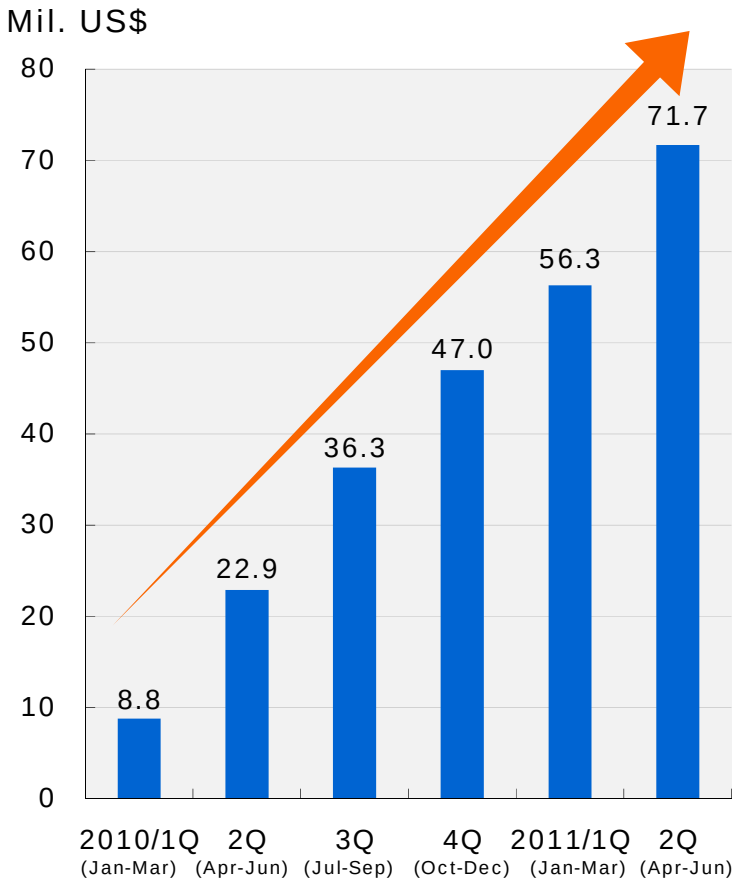
Sales Growth of Effient®/Efient®

Effient®/Efient® Sales Expansion

- Launch：Europe (Mar-09), US (Aug-09)
- Oct-10：Re-executed marketing approach towards enhanced sales growth
- Boost by additional indication, TRILOGY ACS
  (Planned conclusion: Apr-2012)

TRILOGY ACS

Effient®/Efient® Global Sales



*Source: financial announcements of Lilly

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Effient®/Efient® :Factors of increased growth

Customer (Market)

- Strong recommendations in ESC UA*/NSTEMI** guidelines (Class Ⅰ) (August, 2011)
- Strong recommendations in ACC/AHA STEMI*** and UA/NSTEMI guidelines (March, 2011)

* UA = unstable angina
** NSTEMI = non-ST elevation myocardial infarction
*** STEMI = ST elevation myocardial infarction

Company (Alliance)

- Successful execution of customer centric sales model

  Focused sales efforts in high volume PCI centers and key OAP prescribers
  Effient® uptake for formulary and protocol inclusion is improved significantly

- Effective promotional messages in high risk ACS-PCI patients

Competitor

- Increased awareness of limitations of the current OAP* therapy

*OAP = Oral Anti Platelet

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Prioritized subjects on Ranbaxy

- ✓ Resolve the proposed issues by FDA/DOJ
- ✓ Launch Atorvastatin FTF in the US
- ✓ Progress collaboration between Daiichi Sankyo and Ranbaxy
- ✓ Aggressive expansion in India

Expansion in India

Strategic Intent

Achieve true potential as a leader in the country, to capitalize on strong growth in the Indian Pharmaceuticals Market (IPM), and to grow faster than the IPM

Estimated market growth:
US$12.6 Bn (2009) to US$35~70 Bn (2020) CAGR 10~17%

Project VIRAAT by Ranbaxy

- Field force expansion from 3,200 (2009) to 4,200 (2011)
- More number of product launches
- Further strengthen areas where Ranbaxy has a lead
  - Urban market, Acute therapy segment
- Focus on areas where Ranbaxy have room for strong growth
  - Rural market, Hospital segment, Chronic therapy segment

Growth of Ranbaxy exceeds growth of the pharmaceuticals market in India

Jan.-Mar. 2011 Growth of the market:13.6% Growth of Ranbaxy:17.3%

Source: IMS SSA Audit

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Major R&D Pipeline

Therapeutic Area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular-Metabolics	■ CS-3150 (Antihypertensive) ■ DS-7309 (Anti-diabetes)	■ DU-176b (US/EU) (Edoxaban / post surgical VTE / oral factor Xa inhibitor) ■ CS-747 (JP) (Prasugrel / ischemic stroke / anti-platelet agent)	■ DU-176b (US/EU/JP/Asia) (Edoxaban / AF / oral factor Xa inhibitor) ■ DU-176b (US/EU/JP/Asia) (Edoxaban / VTE / oral factor Xa inhibitor) ■ CS-747 (US/EU/Asia) (Prasugrel / ACS-MM / anti-platelet agent) ■ CS-747 (JP) (Prasugrel / ACS-PCI / anti-platelet agent)	
Oncology	■ CS-7017(JP/Asia) (Efatutazone / PPARγ agonist) ■ U3-1565 (US/JP) (Anti-HB-EGF antibody) ■ U3-1287(JP) (Anti-HER3 antibody) ■ DS-2248(US) (Hsp90 inhibitor) ■ DS-7423(US) (PI3K/mTOR inhibitor)	■ U3-1287 (US/EU) (Anti-HER3 antibody) ■ CS-1008 (US/EU/JP/Asia) (Tigatuzumab / anti-DR5 antibody) ■ CS-7017 (US/EU) (Efatutazone / PPARγ agonist) ■ DE-766 (JP) (Nimotuzumab / anti-EGFR antibody) ■ PLX3397 (US) (Fms/Kit/Flt3-ITD inhibitor)	■ ARQ 197 (US/EU) (Tivantinib / NSCLC / c-Met inhibitor) ■ AMG 162 (JP) (Denosumab / breast cancer adjuvant / anti-RANKL antibody)	■ PLX4032 (US) (Vemurafenib / Melanoma / BRAF inhibitor) ■ PLX4032 (EU) (Vemurafenib / Melanoma / BRAF inhibitor) ■ AMG 162 (JP) (Denosumab / bone metastases of cancer / anti-RANKL antibody)
Infectious diseases	■ CS-8958(US/EU) (Laninamivir / anti-influenza / co-development with Biota) ■ CS-4771 (Anti-Sepsis) ■ DS-8587 (Broad spectrum antibacterial agent)		■ CS-8958 (JP) (Laninamivir / anti-influenza, prophylactic / Neuraminidase inhibitor)	
Bone/Joint diseases	■ PLX5622 (Rheumatoid arthritis)	■ AMG 162 (JP) (Denosumab / rheumatoid arthritis / anti-RANKL antibody)	■ AMG 162 (JP) (Denosumab / osteoporosis / anti-RANKL antibody)	
Immunological allergic diseases	■ CS-0777 (Immunomodulator)	■ SUN13834 (US) (Chymase inhibitor)		
Others	■ DS-5565 (Chronic pain) ■ SUN13837 (Spinal cord injury)	■ SUN11031 (US/EU) (Human ghrelin / COPD cachexia)	■ SUN11031 (JP) (Human ghrelin / anorexia nervosa) ■ DD-723-B (JP) (Perflubutane / Contrast agents in ultrasound for prostate cancer and breast tumor/ ultrasound contrast agent)	■ KMD-3213 (China) (Silodosin / treatment of dysuria associated with benign prostatic hyperplasia/ Selective alpha 1A blocker)

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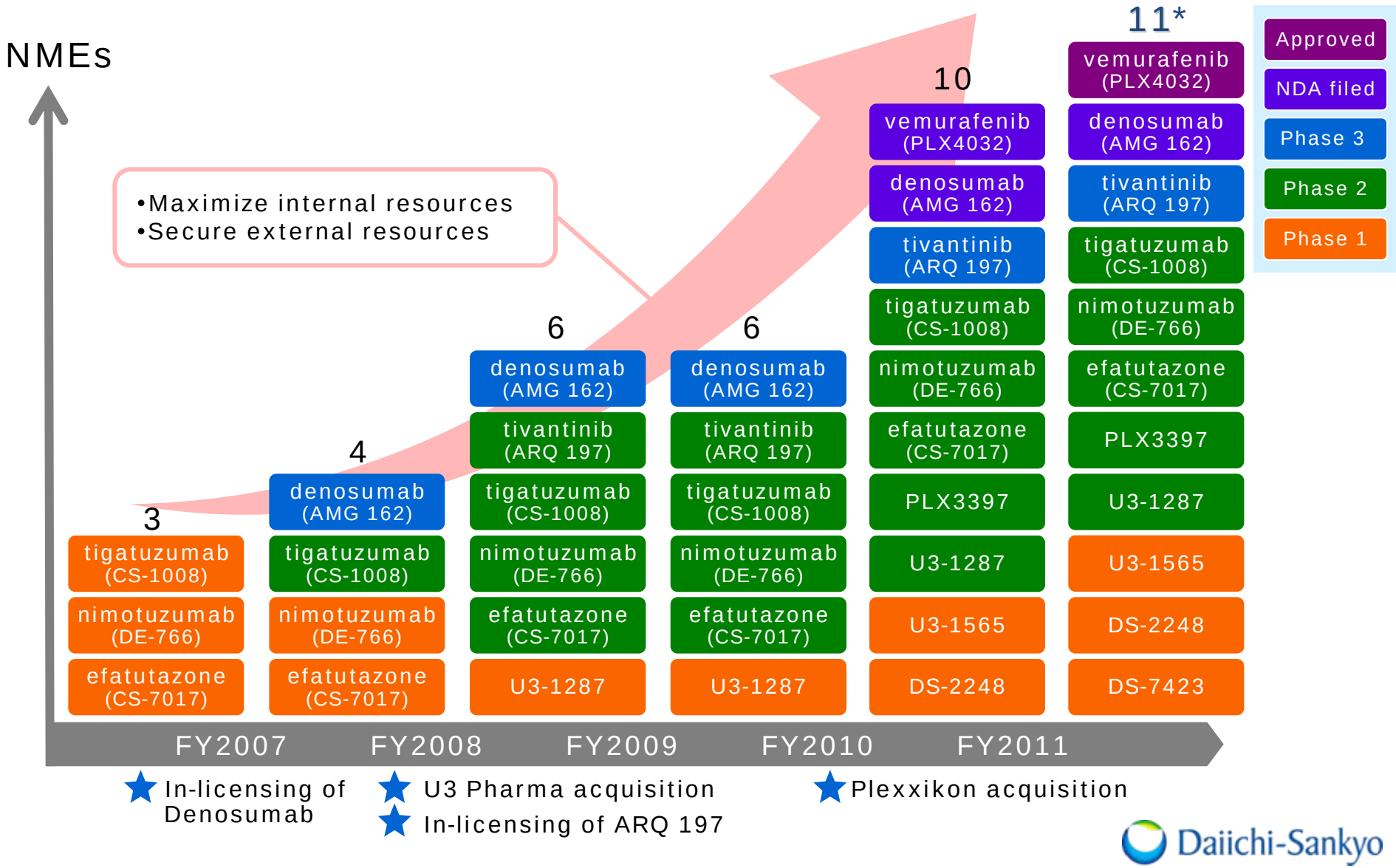
Rapid Progress in Oncology Pipeline

* as of Aug-2011



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Late Stage Projects in the field of Oncology

Project	Summary	Status
Zelboraf™ (Vemurafenib, PLX4032) *BRAF inhibitor*	• Co-development with Roche • Product sales on Roche • Royalty payment from Roche • Co-promotion with Genentech in the US • Filed for the treatment of metastatic melanoma with the BRAF mutation in US and EU. Approved in US, Aug. 2011	Launched in US (Aug. 2011) NDA filed in EU (May 2011)
Denosumab (AMG 162) *anti-RANKL antibody*	• In-licensed from AMGN • Marketing right in Japan • Co-promotion with AstraZeneca on bone-metastasis	NDA filed (Aug. 2010)
Tivantinib (ARQ 197) *c-MET inhibitor*	• Co-development with ArQule • Marketing right in the US and EU • A Phase3 clinical trial for NSCLC is on-going	Phase 3

Business Process Reengineering

Purpose

- Inhibit cash-out with stopping the business to be outsourced, and handling internally
- Expansion functional subsidiaries, shift and integrate the business
  - Expansion of 'Daiichi Sankyo Business Associe'
  - Expansion and reorganization from 'Daiichi Sankyo RD Associe' to 'Daiichi Sankyo RD Novare'
- Appropriate allocation of personnel resources

⇨ Targets to reduce annual SG&A in maximum 10 billion yen bound for FY2013

Object Business

- Administrative business
  (Personnel, Procurement, Accounting, Taxing, Administrative at R&D, etc.)
- R&D relating business
  (Clinical trials relating, Safety monitoring relating, Verification of the function or the manufacturing process of new drug candidates, etc.)

⇨ These businesses to be shift subsidiaries gradually after Oct. 2011

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