

Corporate Strategy Meeting

October 8th, 2008

Takashi Shoda, President & CEO



Agenda

- Corporate Mission, Vision
- **Global**
 - Global Reach
- **Pharma**
 - Product / Therapeutic Area
- **Innovation**
 - Our Challenge

● Corporate Mission, Vision

To Enrich the Quality of Life around the World
through the Development of Innovative Pharmaceuticals

Global Pharma Innovator
To Become a World-class Pharmaceutical Innovator

Expanding our
Global Reach

Fulfilling Unmet
Medical Needs

Creating an Innovative
Business Model

Global

Pharma

Innovator

Establish our own
operations in key areas
and strengthen our
presence worldwide

Focus on
pharmaceuticals
and continuously
develop novel therapies

Achieve scientific
and technological
innovations; create
an innovative
business model

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Agenda

- Corporate Mission, Vision

- **Global**

- Global Reach

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- Our Challenge

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● Expanding Our Global Presence

- Incorporate the vigorous growth in emerging countries
into the solid growth in developed countries

Developed countries

Increased aging society

Slowdown in economic growth

- Slowdown in pharmaceutical market
- Advanced and diversified medical needs
- Focus on pharmacoeconomics

Emerging countries

Population increase

High economic growth

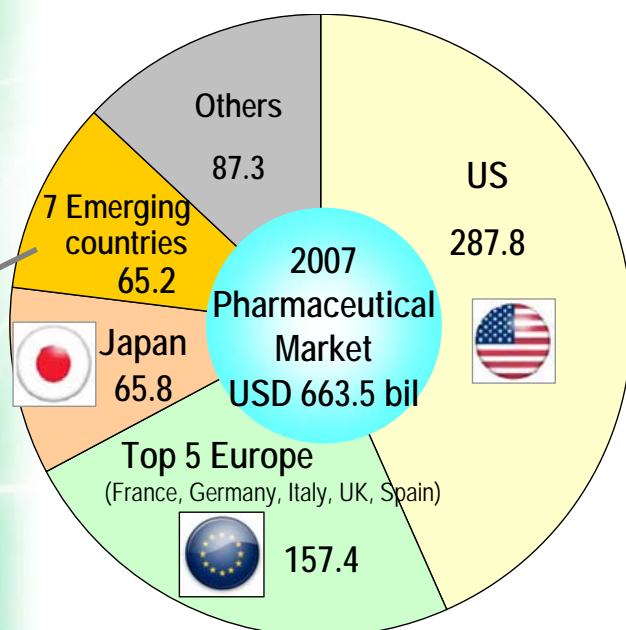
- Expansion in pharmaceutical market
- Movements toward better medical treatment
- Enhancement in IP protection



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● Global Market & Daiichi Sankyo's Share



Daiichi Sankyo's Market Share

US	0.6 %
Top 5 Europe	0.2 %
Japan	5.5 %
7 Emerging countries	0.1 %
Global	0.9 %

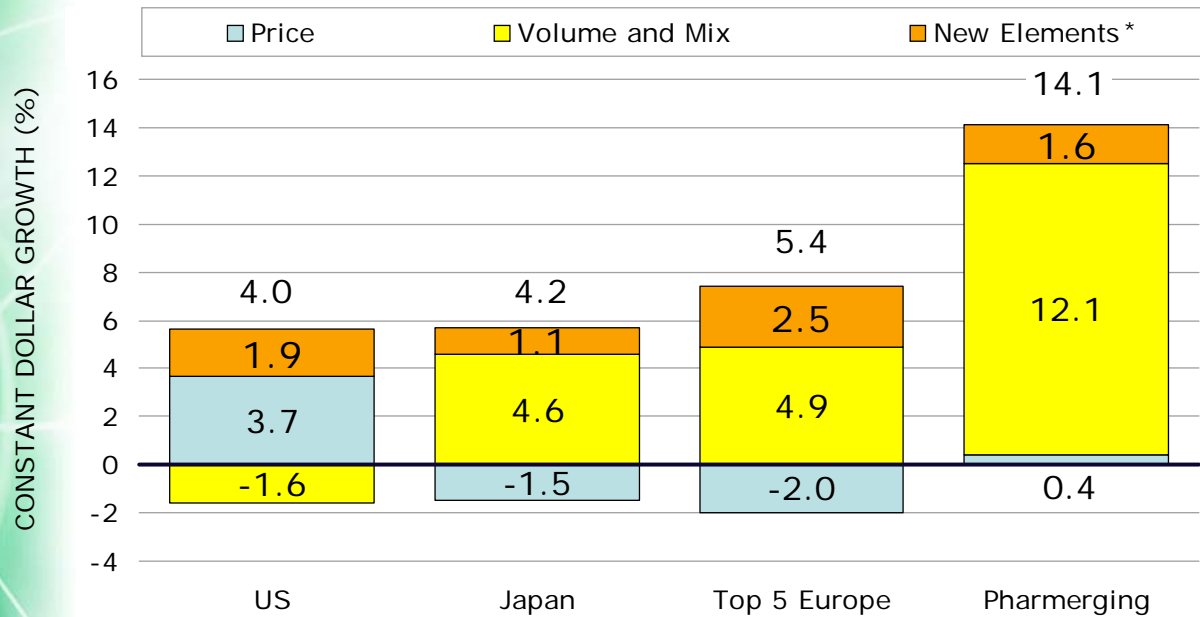
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Source: IMS Health, MIDAS Quantum, December 2007

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● Elements of Growth in Major Markets 2007

* New Elements
= New drugs + Newly launched generics

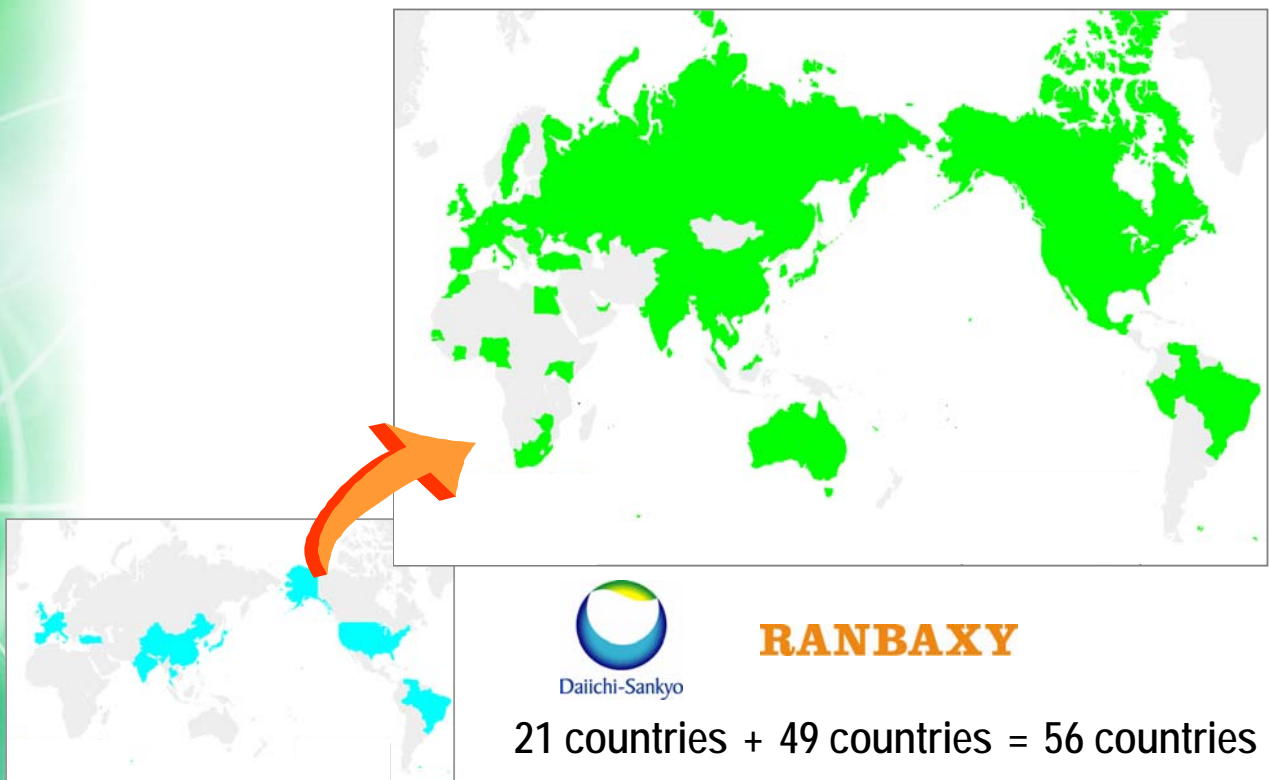


Source: IMS Health, MIDAS, Dec 2007

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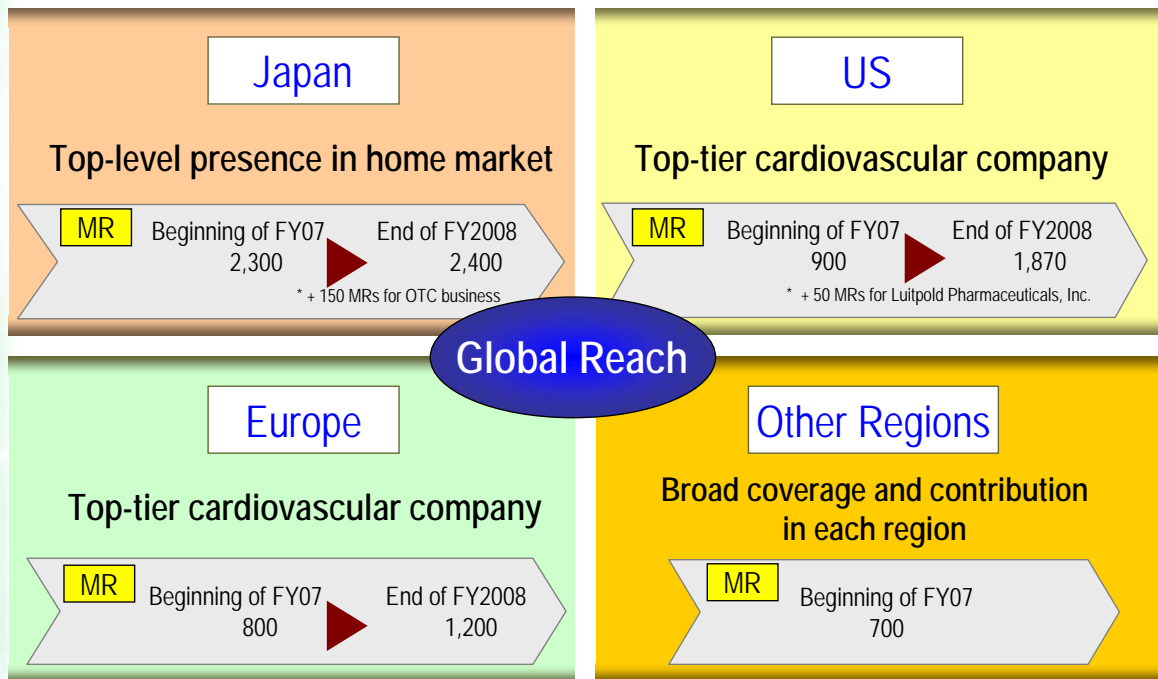
● Global Reach



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● Expansion & Productivity Growth in 4 Key Markets

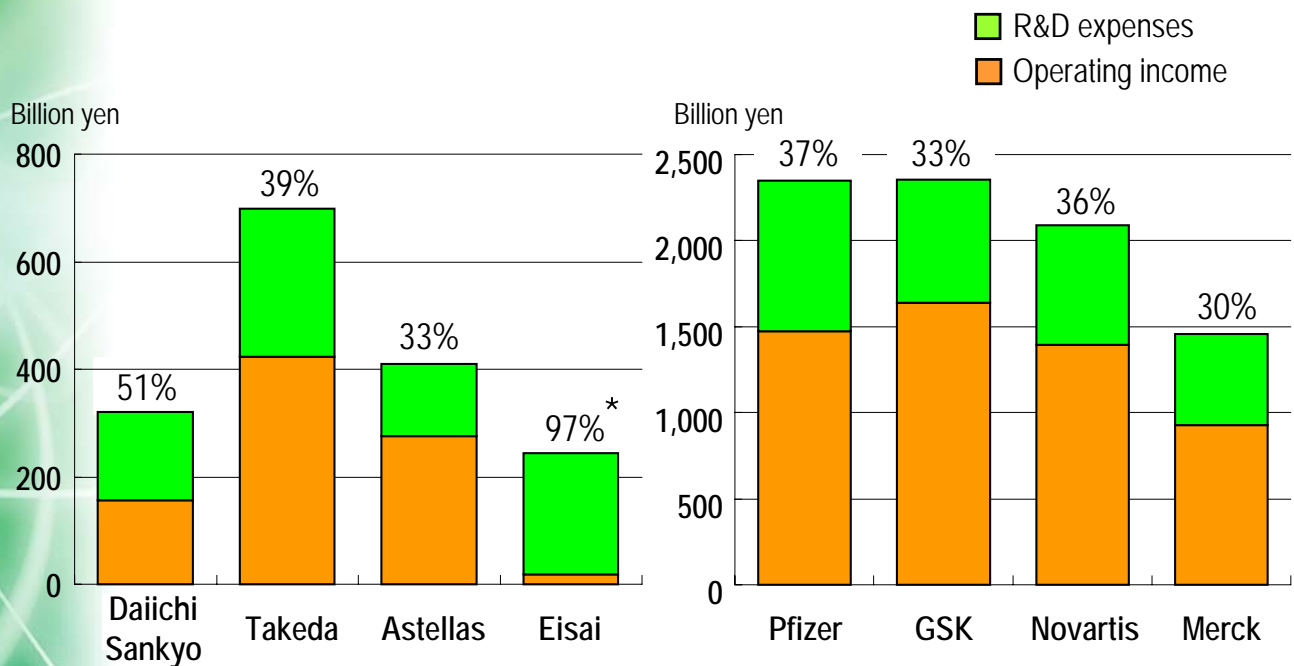


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R&D Investment Exceeding Operating Income



* Eisai's figure, excluding costs associated with the acquisition of MGI (IPRD; 84 billion yen), is 55%.

% shows "R&D expenses / (operating income + R&D expenses)"

Source: Financial statement of each company, FY2007

Concept of Therapeutic Areas

R&D Core Disease Areas

Areas where R&D investment is focused on for development as our future growth drivers

Thrombotic Disorders

Malignant Neoplasm

Diabetes Mellitus

Autoimmune Disorders / RA

Franchise Areas

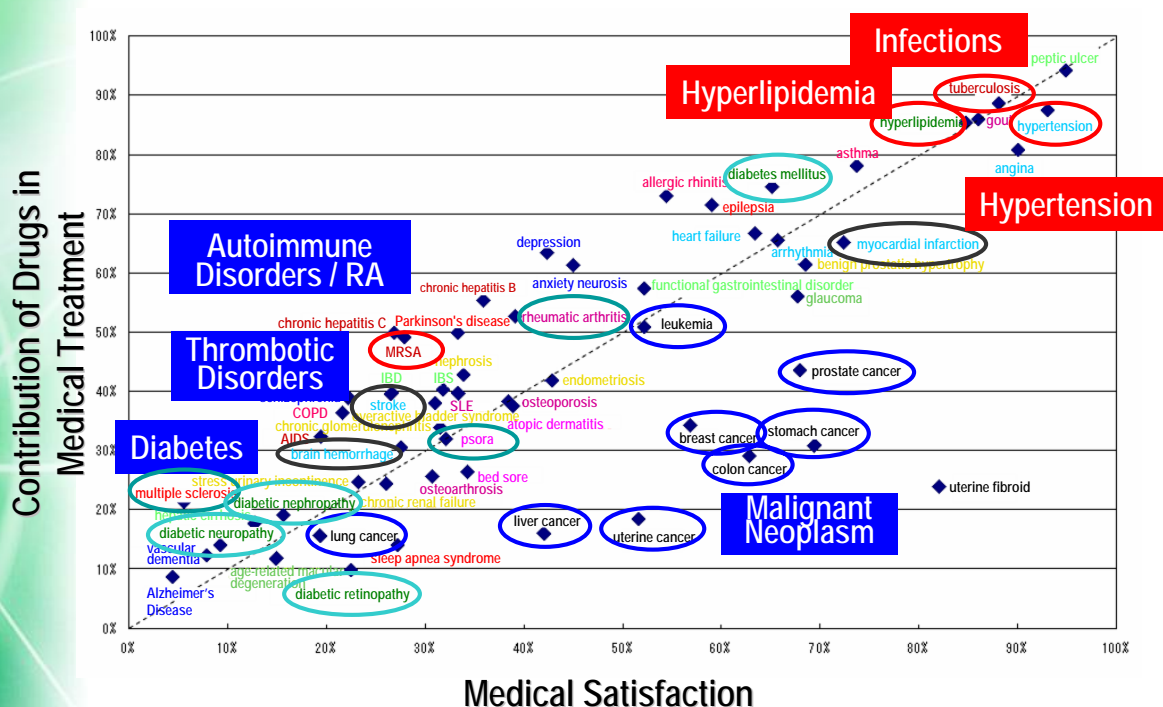
Areas on which current revenue is based and should be maintained and expanded

Hypertension

Hyperlipidemia / Atherosclerosis

Bacterial Infections

Medical Satisfaction and Contribution of Drugs

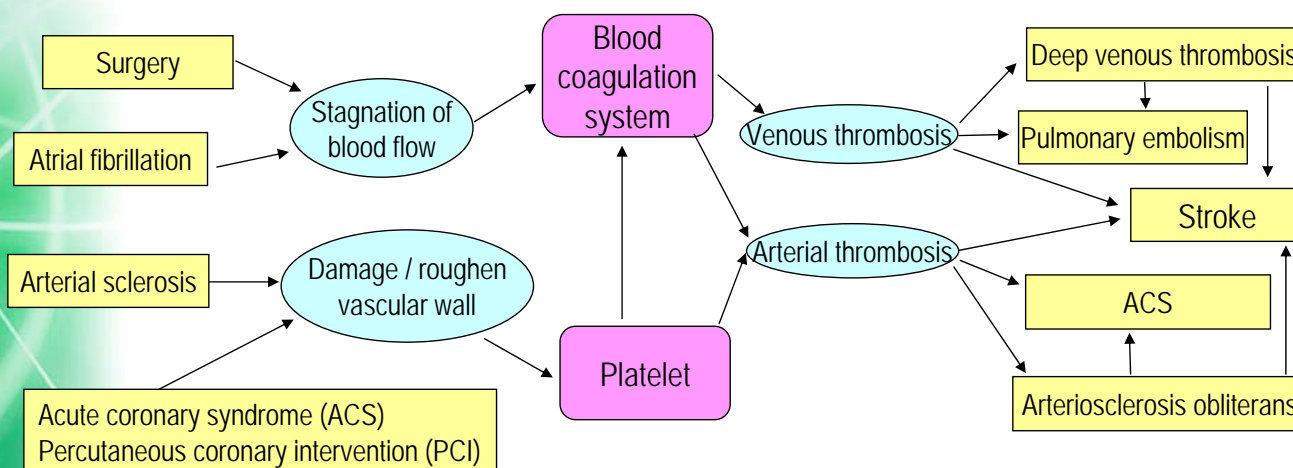


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Targets for Thrombotic Disorders

Thrombotic Disorders

- Blood clots formed through various causes can result in emboli in the heart, lungs, or brain, and may lead to fatal conditions
- The blood coagulation system and platelet are the 2 primary targets



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To Become a Leader in Thrombotic Disorders

	Arterial thrombosis	Venous thrombosis
Target	Platelet	Blood coagulation system
Drugs currently used	Anti-platelet	Anticoagulant
	Acetylsalicylic acid Ticlopidine Clopidogrel	Low-molecular weight heparin Warfarin
Daiichi Sankyo's Pipeline	Prasugrel	DU-176b
	<ul style="list-style-type: none"> • Higher IPA* • Rapid onset of IPA • More consistent IPA <p>* IPA: inhibition of platelet aggregation</p>	<p>Target Profile</p> <ul style="list-style-type: none"> • Efficacy not inferior to Warfarin • Wide therapeutic range and lower incidence of bleeding • No hepatotoxicity

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Anti-platelet: Prasugrel

Best-in-class

Thrombotic Disorders

■ ACS-PCI* (TRITON TIMI-38)

Dec-2007

Feb-2008

Sep 26, 2008

NDA filing in US

MAA filing in Europe

* ACS: acute coronary syndrome

PCI: percutaneous coronary intervention

- The U.S. Food and Drug Administration (FDA) did not complete its review for the prasugrel new drug application (NDA) by the Prescription Drug User Fee Act goal date, and continues to review prasugrel NDA

■ ACS-MM* (TRILOGY ACS)

Jun-2008

Phase 3 study

* MM: medically managed

(without a planned artery-opening procedure)

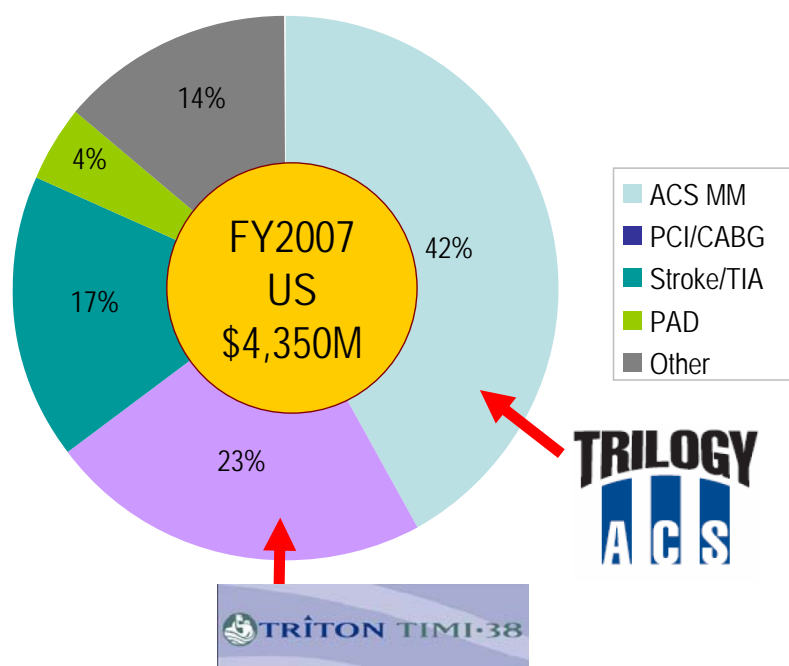
- Double-blind, parallel-arm, active control study
- To evaluate safety and efficacy of prasugrel against clopidogrel in reducing the risk of cardiovascular death, heart attack, or stroke in UA/NSTEMI patients who are to be medically managed without planned revascularization
- About 10,000 patients in more than 800 hospitals in 35 countries
- Duke Clinical Research Institute (Dr. Magnus Ohman)

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● Anti-platelet: Prasugrel

Thrombotic Disorders

Clopidogrel's Source of Business Fiscal Year 2007 (company analysis)



Source: IMS NPA Mar 2008 MAT Plavix Sales + NDTI (physician audit)

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● Oral Factor Xa Inhibitor: DU-176b

Best-in-class

Thrombotic Disorders

Strict dose-finding studies completed to achieve best-in-class status

- US/EU: Phase 2b in THR-VTE* completed, results presented at European Society of Cardiology in September
- JP: Phase 2b in TKR-VTE** completed, results presented at Asian Pacific Society on Thrombosis and Hemostasis in September
- Global: Phase 3 in VTE planned
- US/EU: Phase 2b in AF*** completed, results to be presented at American Society of Hematology in December 2008
- JP: Phase 2b in AF completed
- Global: Phase 3 in AF planned by the end of 2008

* Prevention of venous thromboembolism in patients after total hip replacement surgery

** Prevention of venous thromboembolism in patients after total knee replacement surgery

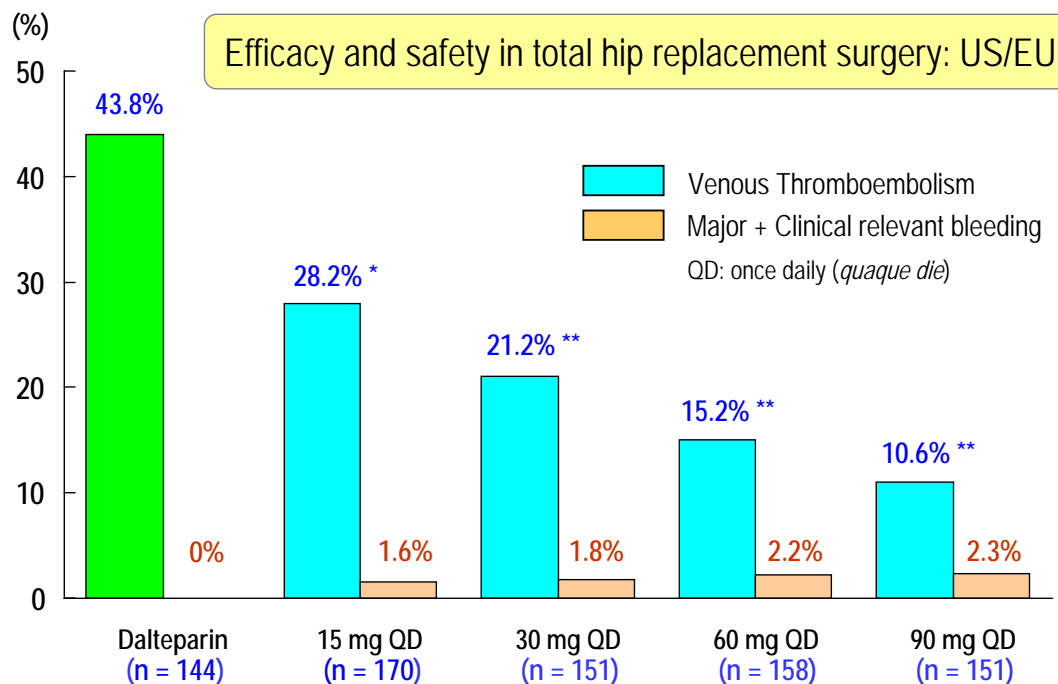
*** Atrial fibrillation

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● Oral Factor Xa Inhibitor: DU-176b

Thrombotic Disorders



* $P = 0.005$ (vs. Dalteparin) ** $P < 0.001$ (vs. Dalteparin)
Dose-dependency in VTE incidence; $P = 0.001$ (Cochran-Armitage)
No increase in major or clinically relevant bleeding

European Society of Cardiology
(September 2, 2008, Munich)

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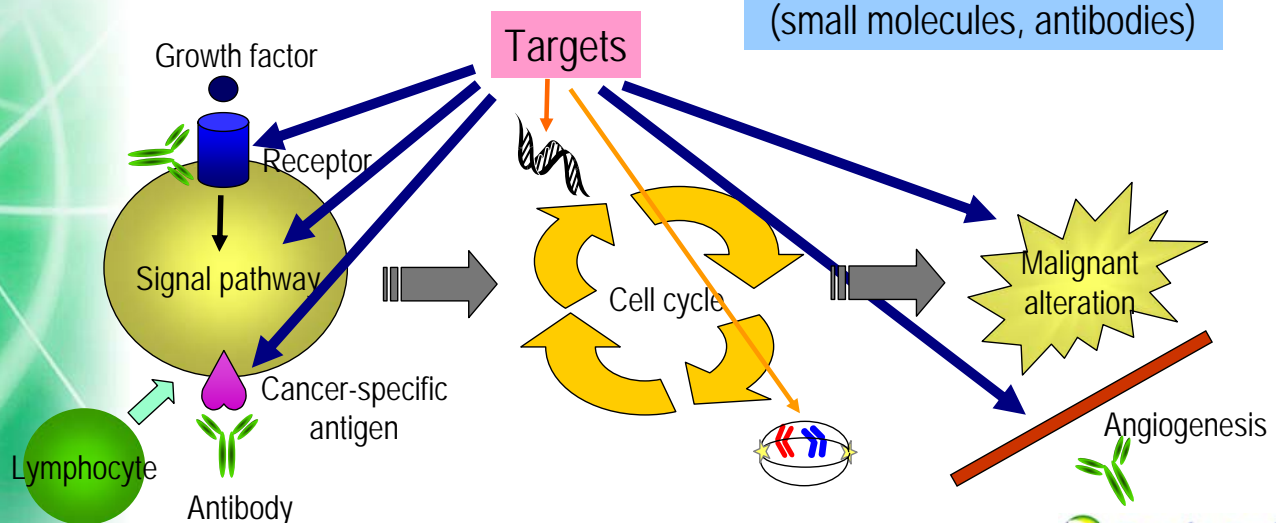
● Targets for Malignant Neoplasm

Malignant Neoplasm

Chemotherapeutic agents inhibiting cell division functions

Targets specifically seen in cancer cells and environment surrounding cancer tissues

Molecularly targeted drugs (small molecules, antibodies)

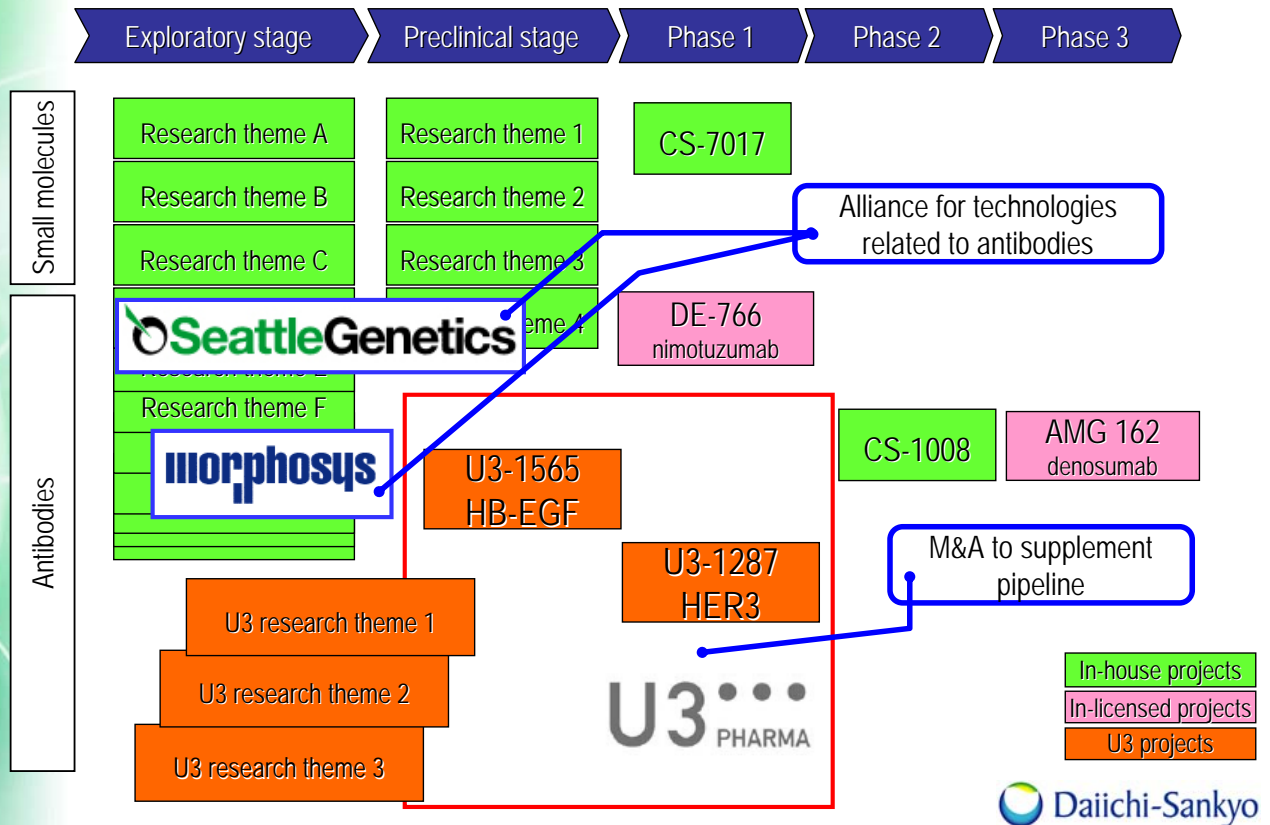


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Malignant Neoplasm Pipeline

Malignant Neoplasm

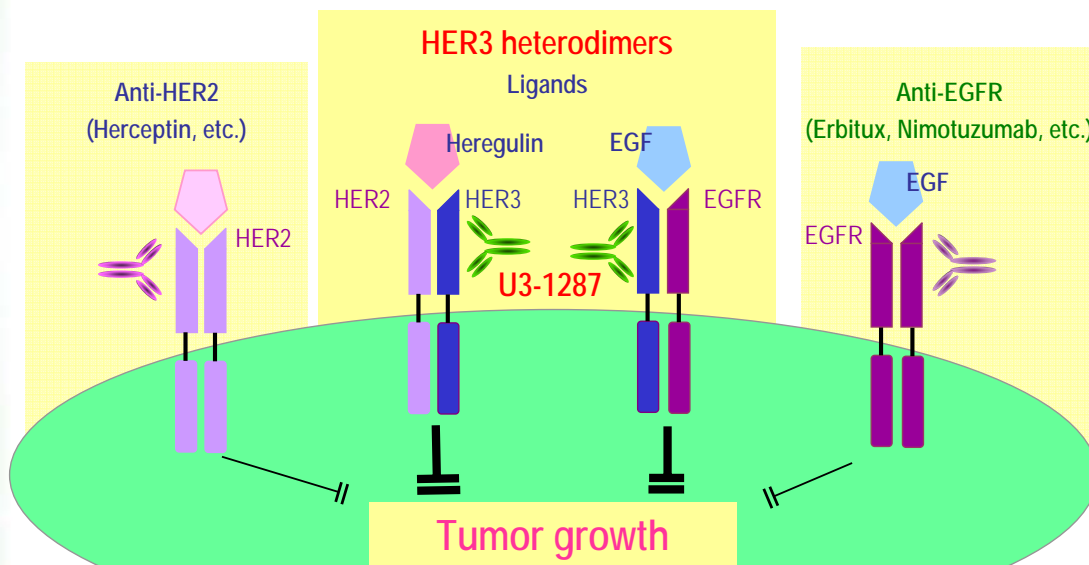


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Antibodies: U3-1287 (Anti-HER3)

First-in-class

Malignant Neoplasm



HER3: the third member of the EGFR family

- Expression upregulated in several cancer cells
 - breast, gastrointestinal, lung, pancreas, prostate, skin tumors, etc.
- HER3 heterodimers have relatively higher mitogenic potential than HER2 homodimers or EGFR homodimers

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● Antibodies: AMG 162 (Denosumab Anti-RANKL)

First-in-class

Malignant Neoplasm

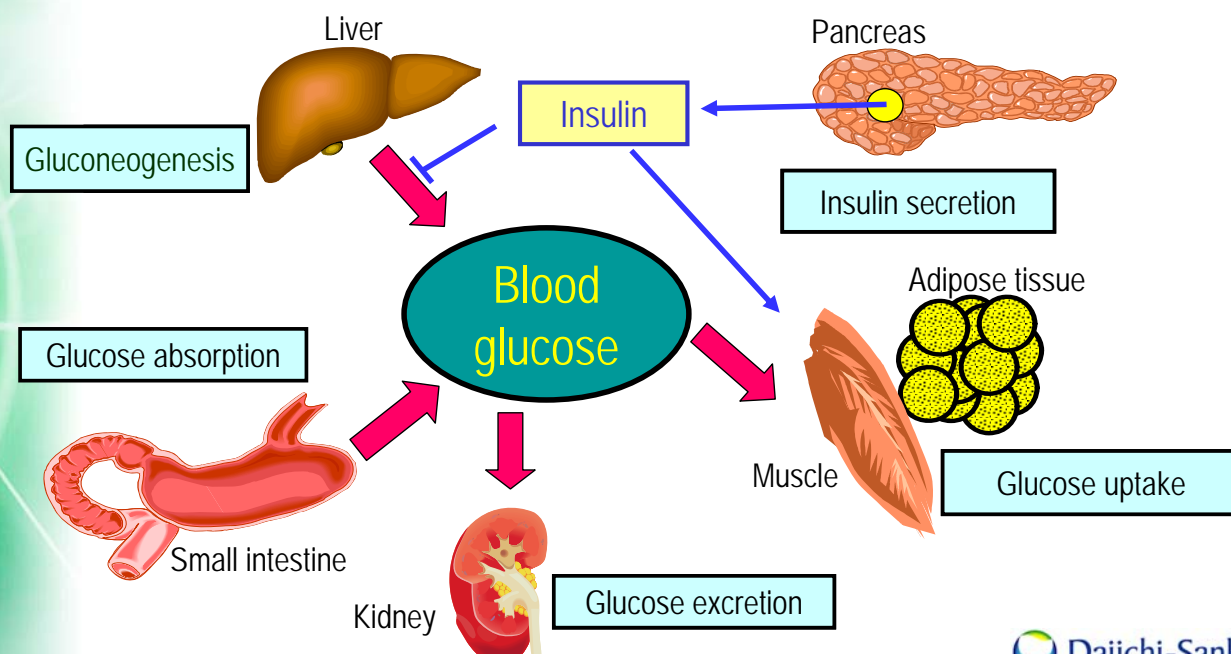
Fully human monoclonal antibody that specifically targets the receptor activator of nuclear factor kappa B ligand (RANKL), an essential regulator of the cells that break down bone

- Multinational Phase 3 studies, including in Japan, are in progress for bone metastases of cancer
- Phase 2 study in US for rheumatoid arthritis completed (by Amgen)
- Promising results from studies for postmenopausal osteoporosis
FREEDOM (presented by Amgen: at American Society for Bone and Mineral Research in September)

● Targets for Diabetes Mellitus

Diabetes Mellitus

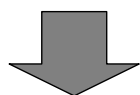
- Number of patients is expected to continually increase around the world
- Blood glucose is controlled by various factors, and continuous control of blood glucose by a single drug is still not a reality



Diabetes Mellitus

Diabetes Mellitus

Diabetes is a heterogeneous condition due to a combination of causes



Multiple drugs are combined in clinical practice

Insulin

PPAR-gamma

DPP-4 inhibitor

GLP-1

Metformin

Sulfonylurea

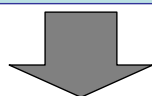
Alpha-glycosidase inhibitor

◆ Fastic

Fast-acting postprandial hypoglycemic agent

◆ Welchol

Additional indication for type 2 diabetes (US)



Needs for various antidiabetic drugs with different MOA*

* MOA: Mechanism of action

◆ CS-011(Rivoglitazone)

PPAR-gamma agonist, Phase3

◆ AJD101

New MOA, Phase2

◆ CS-1036

Glucose absorption inhibitor, Phase1

Several preclinical projects with MOA other than those listed above

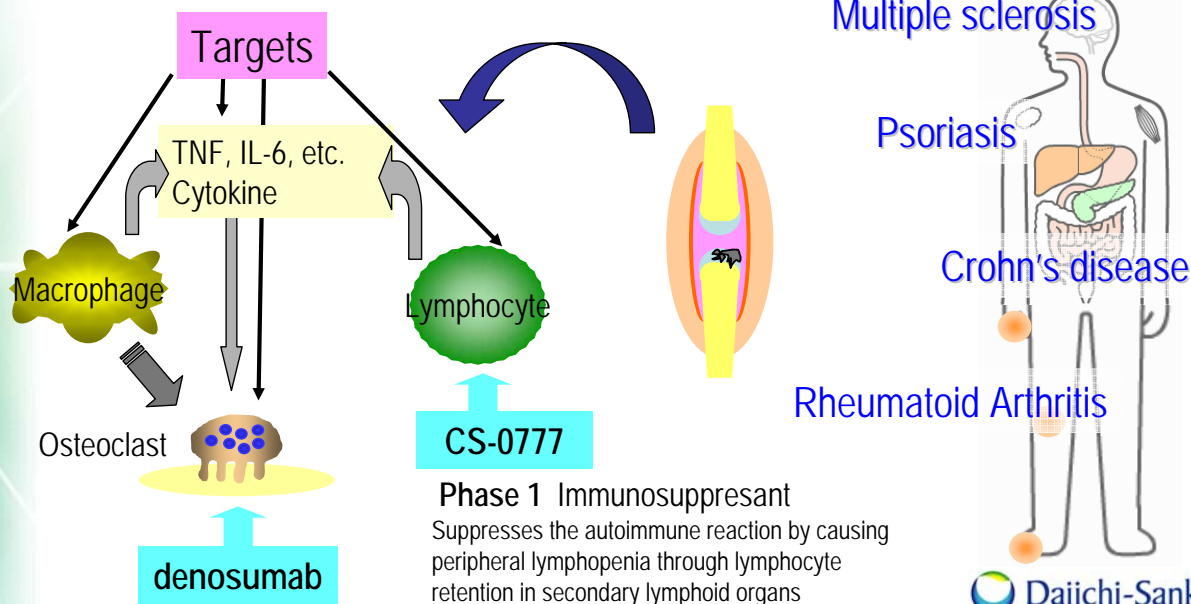
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Targets for Autoimmune Disorders/RA

Autoimmune Disorders/Rheumatoid Arthritis

- Many autoimmune disorders are diseases for which there is no medical treatment or these medical treatments are not satisfactory
- Number of patients with autoimmune disorders that are intractable, which include rheumatoid arthritis, psoriasis, multiple sclerosis, and Crohn's disease, are on the rise in recent years
- There have been great advances in the therapy for rheumatoid arthritis, however this progress is still inadequate, and drugs are sought that will increase the possibility for a cure



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● Franchise Areas

- Backbone of current business
- To be maintained and expanded, centering on life cycle management

Hypertension

Hyperlipidemia /
Atherosclerosis

Bacterial Infections

■ Olmesartan

- Combination with calcium channel blocker or diuretic, triple combination
- Additional indication for diabetic nephropathy, etc.

■ Levofloxacin

- High-dose (500 mg), new formulation (injection)

■ Sitaflaxacin

- Indication for severe infections

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● Research: Wide Range of Search

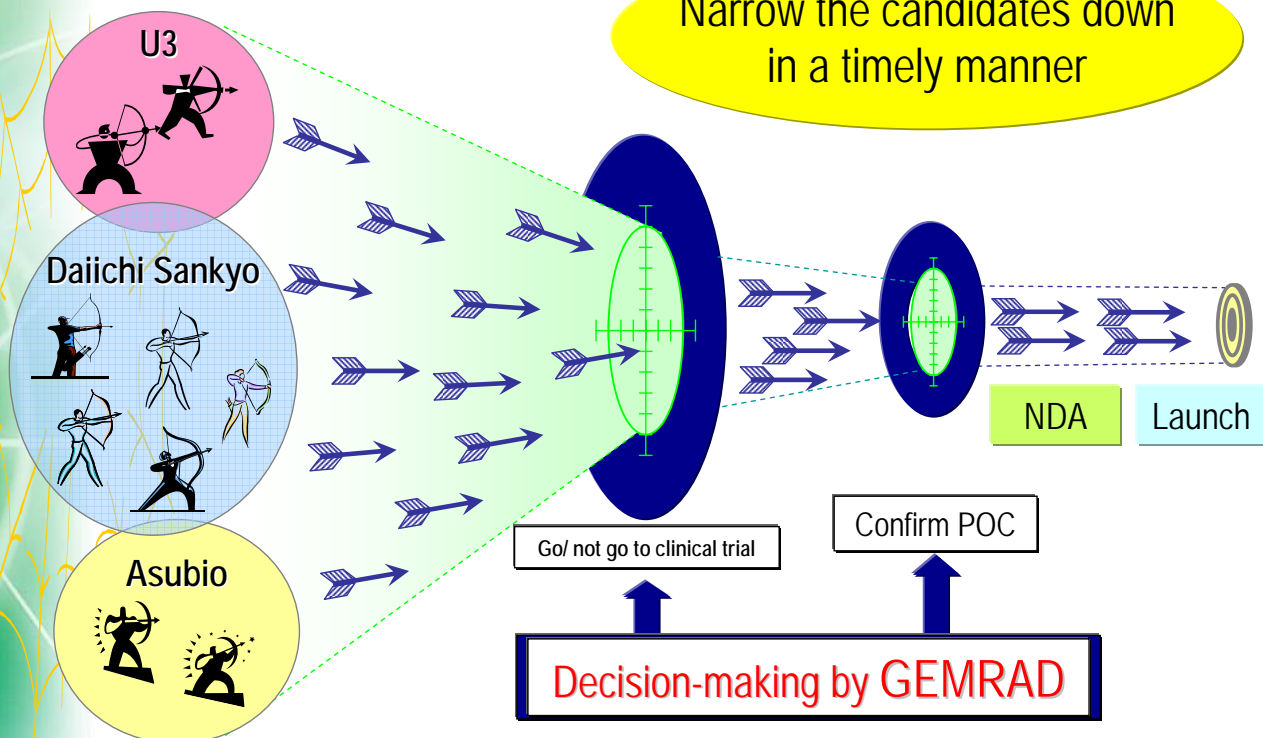


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Clinical Development : Rigorous Simulation

Wide range of search (Research)

Narrow the candidates down in a timely manner



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Decision-Making by GEMRAD

Decisions on projects are made through comprehensive evaluation from multiple perspectives including, product potential, business potential, and compatibility to therapeutic area strategy.

- Change in priority
 - CS-8635, denosumab, CS-011, etc.
- Discontinuation
 - DZ-697b, etc.
- Out-license
 - DJ-927, DC-159a, CS-023, etc.

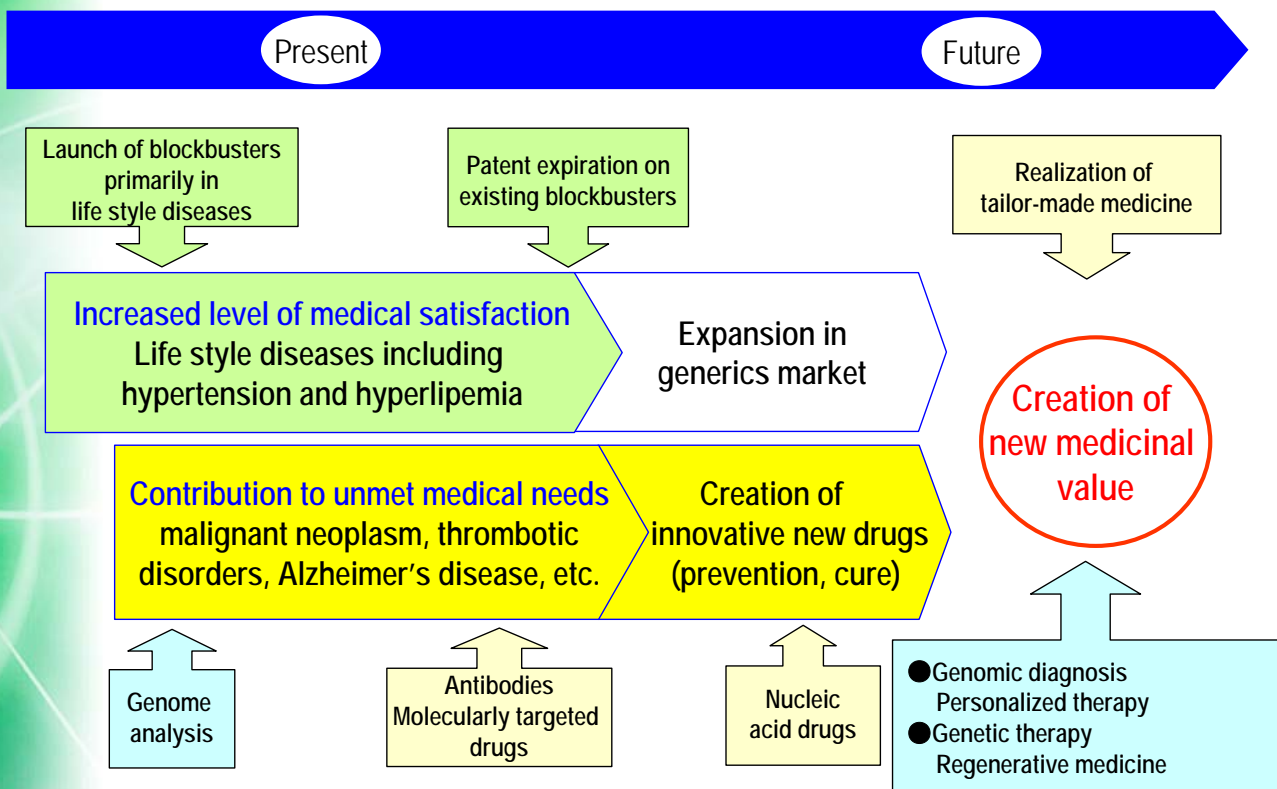
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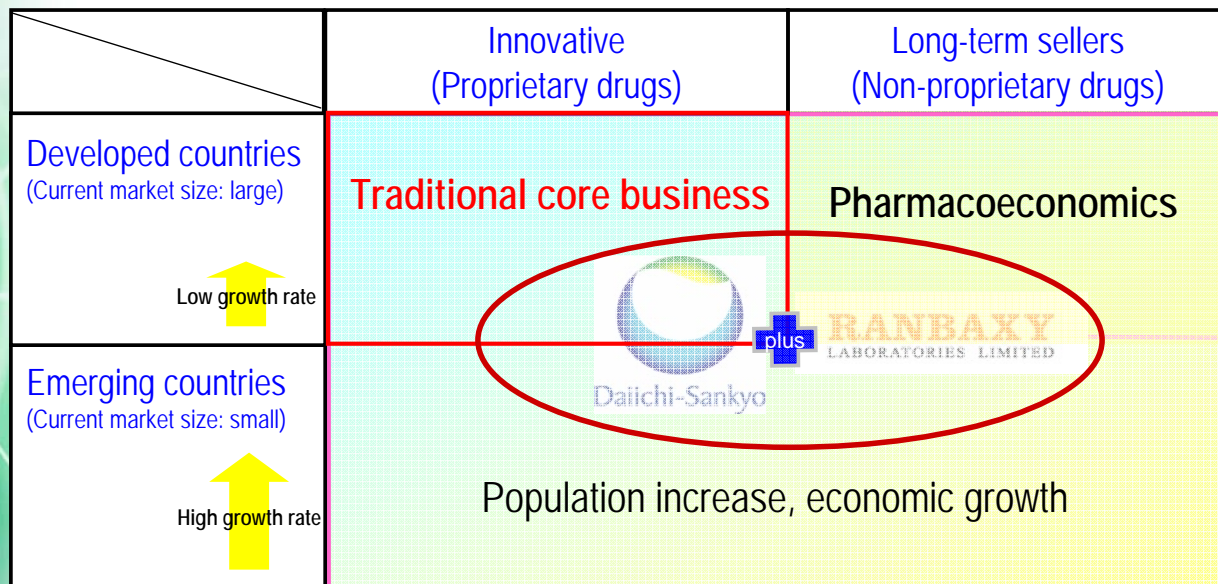
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● Trends in Medical Technology and Drugs



Hybrid Business Model

- **Hybrid Business Model** adding new perspectives to the traditional business model
 - Developed countries + Emerging countries
 - Innovative + Long-term sellers
- Meet each and every market need and realize sustainable growth

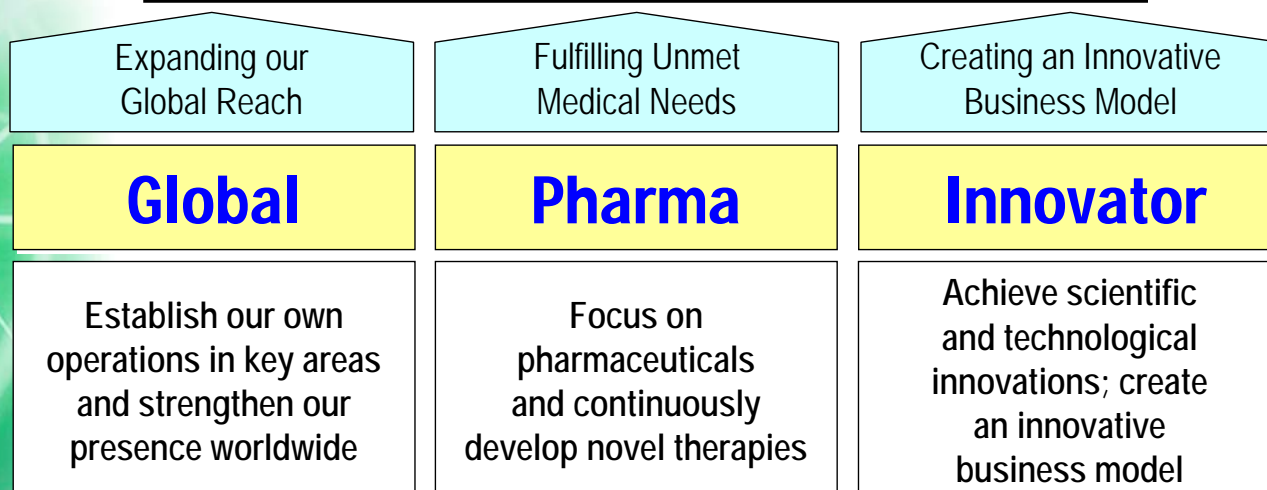


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Challenge to Global Pharma Innovator

To Enrich the Quality of Life around the World
through the Development of Innovative Pharmaceuticals

Hybrid Business Model



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Contact address regarding this material

DAIICHI SANKYO CO., LTD.
Corporate Communications Department

www.daiichisankyo.com

TEL: +81-3-6225-1126

FAX: +81-3-6225-1132

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