Passion for Innovation.
Compassion for Patients.™

Daiichi-Sankyo

Deliver ADC Assets

to as Many Patients as Possible as Fast as We Can

DAIICHI SANKYO CO., LTD.

Sunao Manabe
President and CEO

January 13, 2020

Forward-Looking Statements

Management strategies and plans, financial forecasts, future projections and policies, and R&D information that Daiichi Sankyo discloses in this material are all classified as Daiichi Sankyo's future prospects. These forward looking statements were determined by Daiichi Sankyo based on information obtained as of today with certain assumptions, premises and future forecasts, and thus, there are various inherent risks as well as uncertainties involved. As such, please note that actual results of Daiichi Sankyo may diverge materially from Daiichi Sankyo's outlook or the content of this material. Furthermore, there is no assurance that any forward-looking statements in this material will be realized. Regardless of the actual results or facts, Daiichi Sankyo is not obliged and does not have in its policy the duty to update the content of this material from the date of this material onward.

Compounds under discussion are investigational agents and are not approved by the FDA or any other regulatory agency worldwide as a treatment for indications under investigation. Efficacy and safety have not been established in areas under investigation. There are no guarantee that these compounds will become commercially available in indications under investigation.

Daiichi Sankyo takes reasonable care to ensure the accuracy of the content of this material, but shall not be obliged to guarantee the absolute accuracy, appropriateness, completeness and feasibility, etc. of the information described in this material. Furthermore, any information regarding companies, organizations or any other matters outside the Daiichi Sankyo Group that is described within this material has been compiled or cited using publicly available information or other information, and Daiichi Sankyo has not performed in-house inspection of the accuracy, appropriateness, completeness and feasibility, etc. of such information, and does not guarantee the accuracy thereof.

The information described in this material may be changed hereafter without notice. Accordingly, this material or the information described herein should be used at your own judgment, together with any other information you may otherwise obtain.

This material does not constitute a solicitation of application to acquire or an offer to sell any security in the United States, Japan or elsewhere.

This material disclosed here is for reference purposes only. Final investment decisions should be made at your own discretion.

Daiichi Sankyo assumes no responsibility for any damages resulting from the use of this material or its content, including without limitation damages related to the use of erroneous information.

Agenda

1. Overview of Daiichi Sankyo
2. R&D Focus
3. Upcoming Events and News
4. Key Takeaways

1 **Overview of Daiichi Sankyo**

2 R&D Focus

3 Upcoming Events and News

4 Key Takeaways

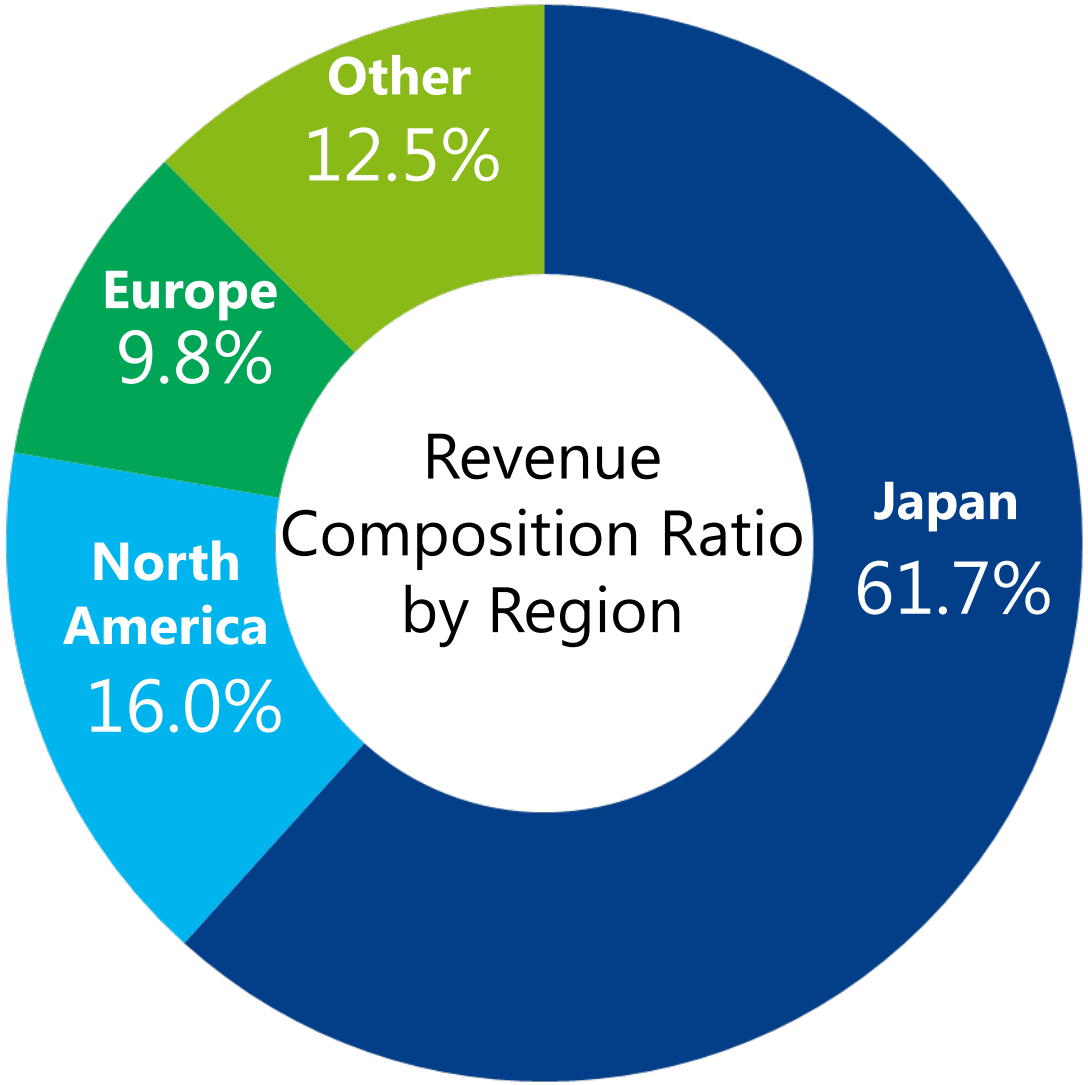
Financial Summary

FY2019 Forecast

Bn JPY

		Ratio to revenue
Revenue	**955.0**	**100%**
Cost of sales	**330.0**	**34.6%**
SG&A expenses	**290.0**	**30.4%**
R&D expenses	**210.0**	**22.0%**
Operating profit	**125.0**	**13.1%**
Profit attributable to owners of the Company	**90.0**	**9.4%**

FY2019 Forecast

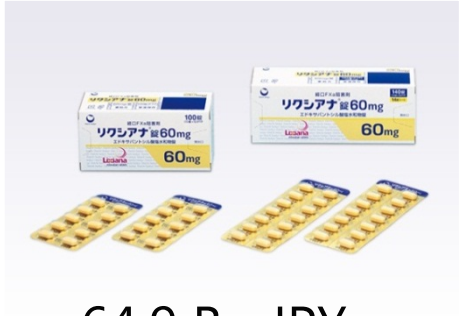


Major Products in Japan

Daiichi-Sankyo

Anticoagulant

★ **LIXIANA**



64.9 Bn JPY

Antihypertensive agent

Olmetec

14.9 Bn JPY

Antiplatelet agent

Efient

13.9 Bn JPY

Ulcer treatment

★ **NEXIUM**

78.3 Bn JPY

Alzheimer's disease treatment

★ **Memary**

50.2 Bn JPY

Type 2 diabetes mellitus treatment

TENELIA

25.3 Bn JPY

Treatment for osteoporosis/ Inhibitor of the progression of bone erosion associated with rheumatoid arthritis

★ **PRALIA**

27.4 Bn JPY

Treatment for bone complications caused by bone metastases from tumors

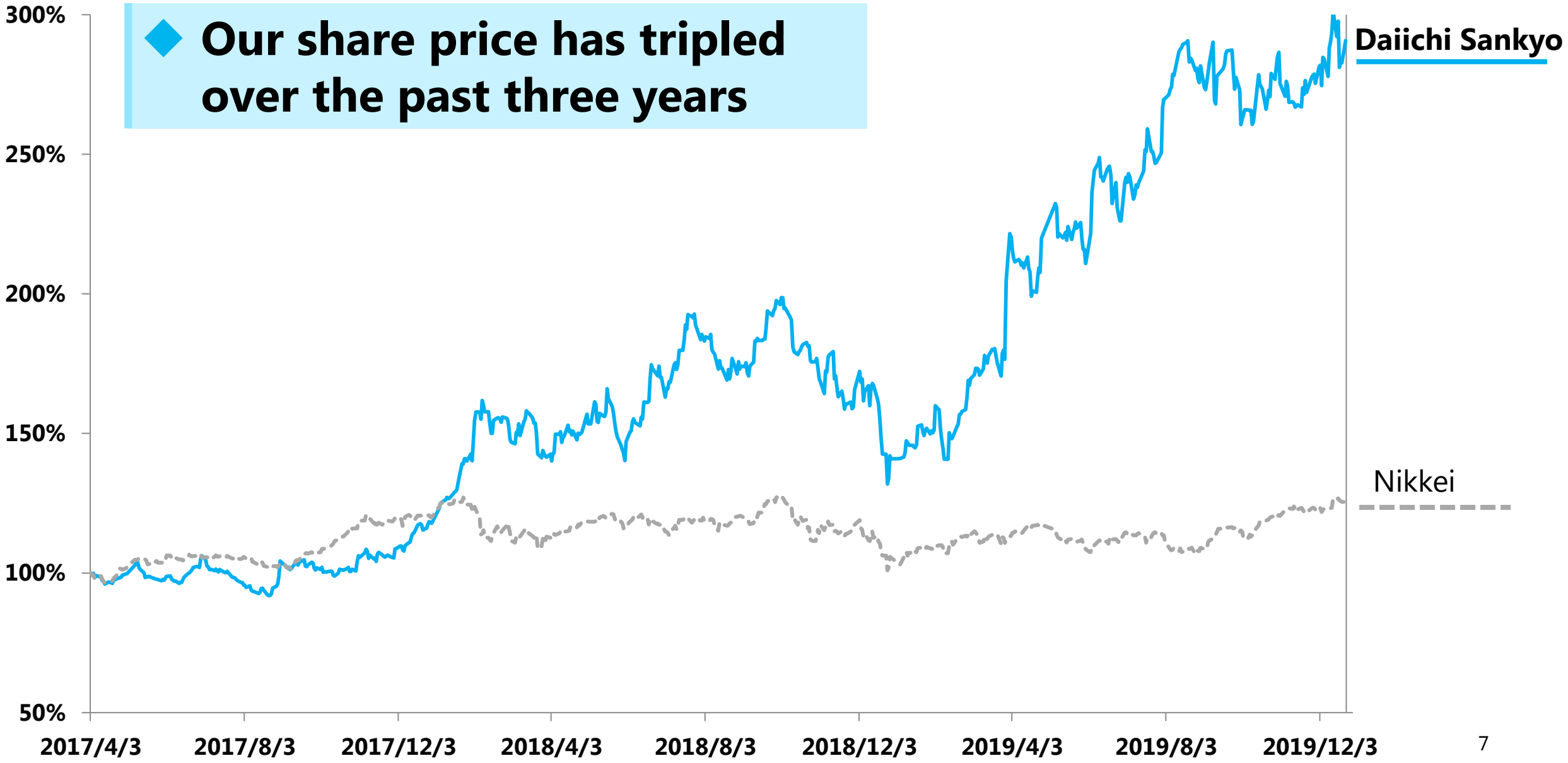
★ **RANMARK**

16.4 Bn JPY

FY2018 Japan revenue

★ Category leader

Share Price


Our share price has tripled over the past three years
300%
250%
200%
150%
100%
50%
2017/4/3
2017/8/3
2017/12/3
2018/4/3
2018/8/3
2018/12/3
2019/4/3
2019/8/3
2019/12/3
Daiichi Sankyo
Nikkei

2025 Vision

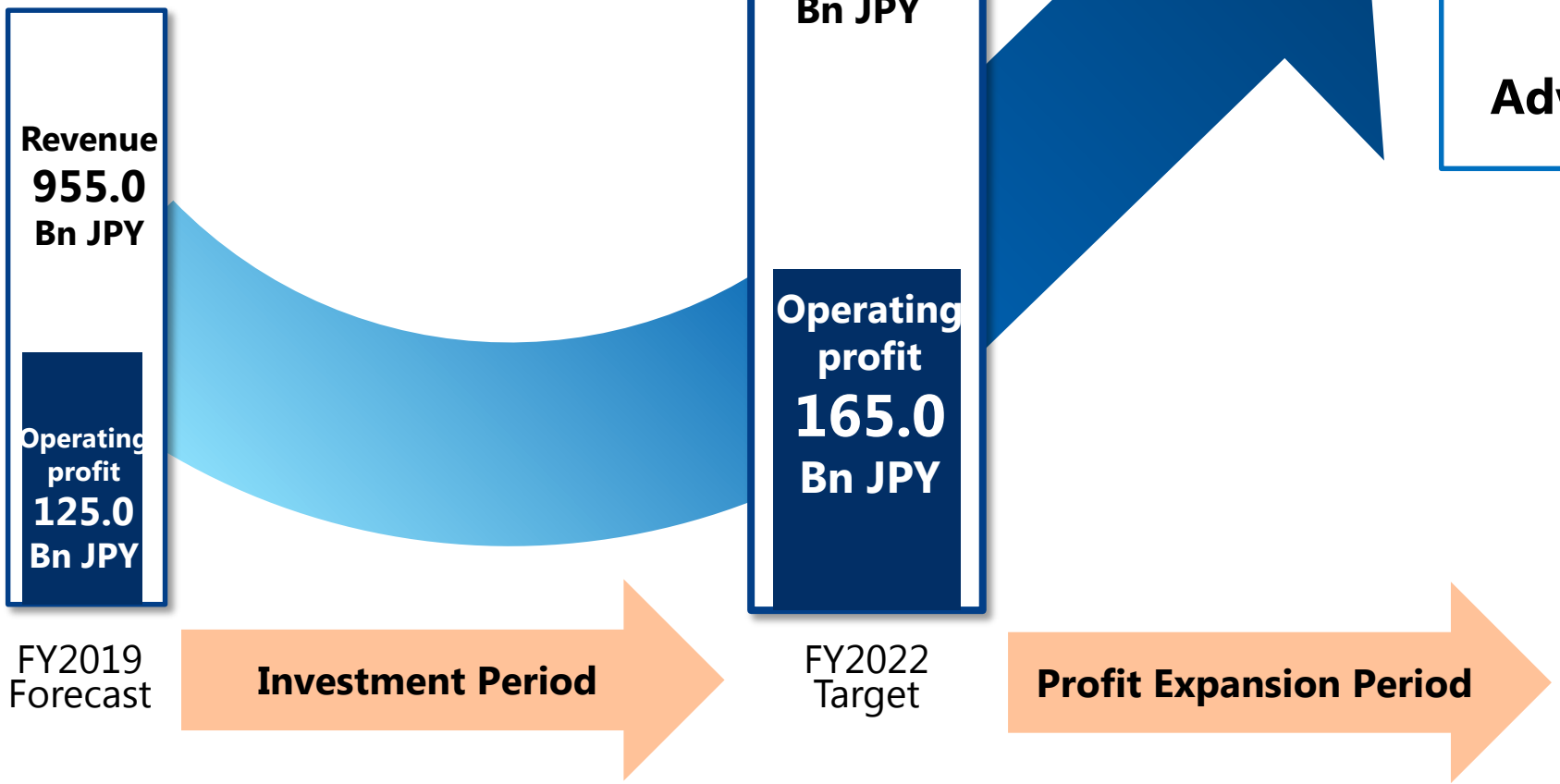
Global Pharma Innovator with Competitive Advantage in Oncology

- *Build a specialty area* centered on oncology as the core business*
- *Enrich regional value aligned with market needs*
- *Create innovative products*
  – change SOC (Standard of Care)
- *Realize shareholder value through highly efficient management*

*specialty area: Drugs mainly prescribed at hospital and/or by specialty practitioners

Five-Year Business Plan Targets

Shareholder Return Policy
Total return ratio: 100% or more for FY2016 – FY2022



2025 Vision

Global Pharma Innovator with Competitive Advantage in Oncology

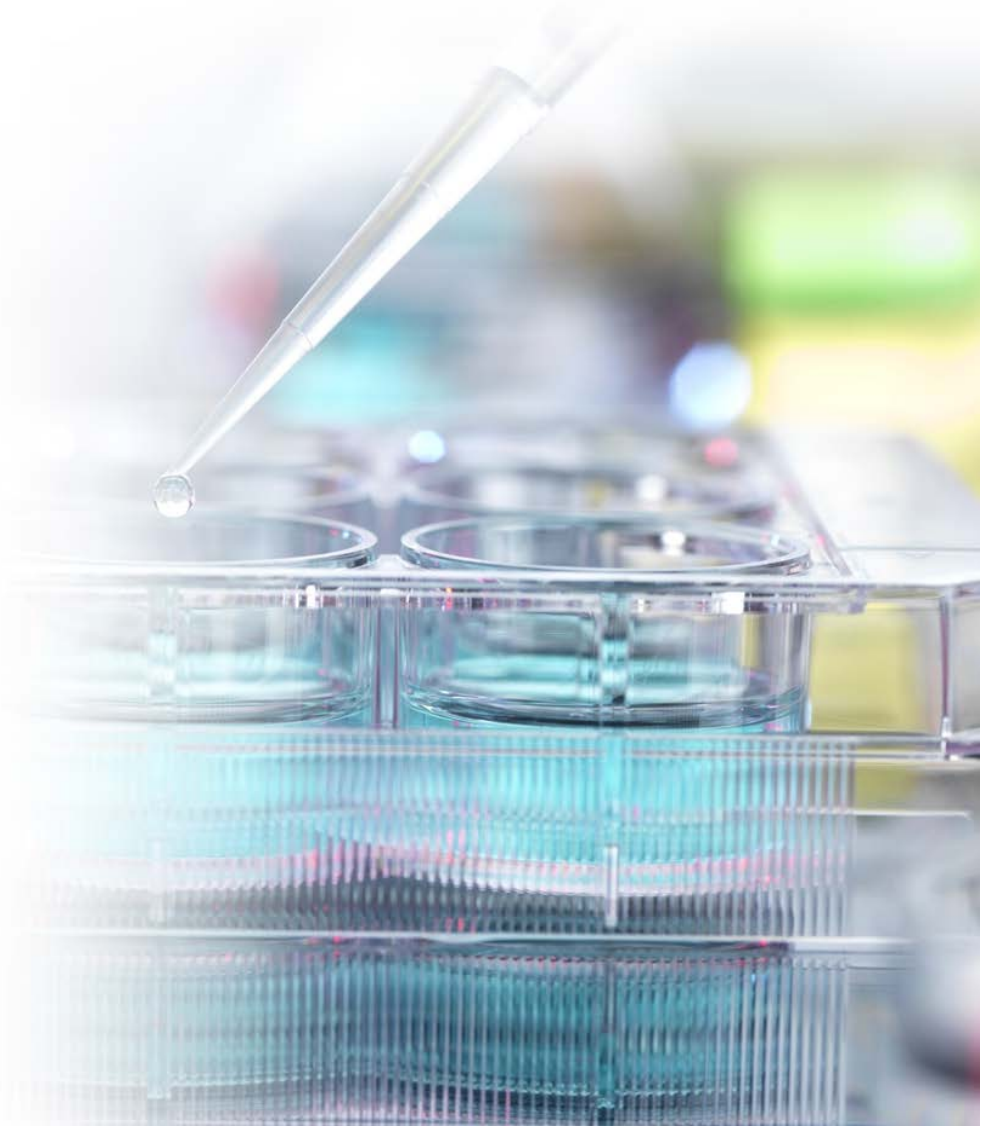
1 Overview of Daiichi Sankyo

Key Products	Edoxaban
	TURALIO

2 R&D Focus

3 Upcoming Events and News

4 Key Takeaways

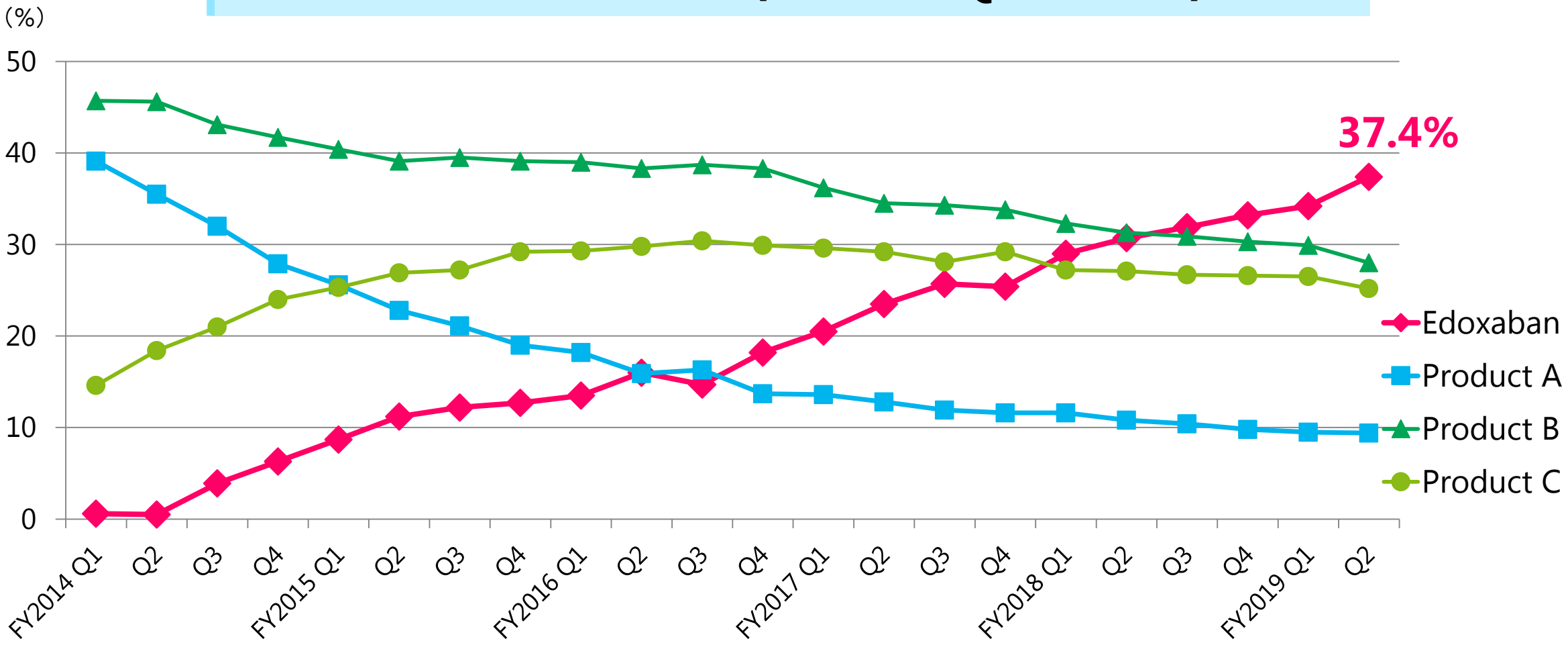


Edoxaban: Growth in Japan

Sales

Daiichi-Sankyo

No. 1 market share (FY2019 Q2: 37.4%)

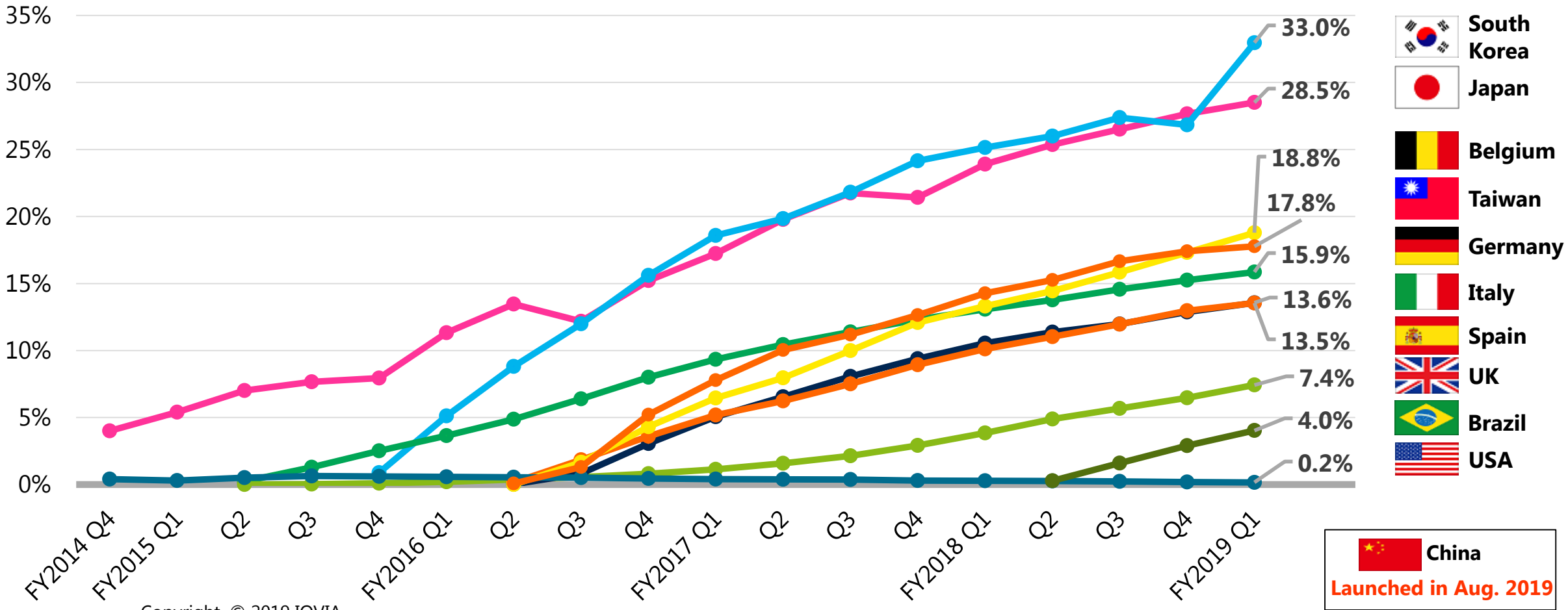


Edoxaban: Global Expansion

Volume

Daiichi-Sankyo

Steady growth across markets



China
Launched in Aug. 2019

TURALIO

First and only FDA approved therapy for tenosynovial giant cell tumors (TGCT), launched in August 2019

- Indicated for adult patients with symptomatic TGCT associated with severe morbidity or functional limitations and not amenable to improvement with surgery

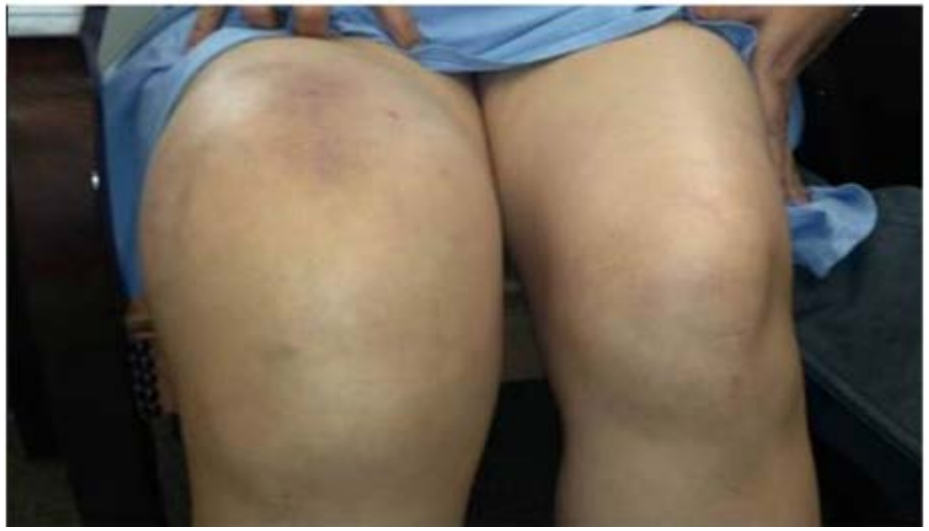
Localized TGCT	Diffuse TGCT
~80-90% of TGCT cases	~10-20% of TGCT cases
U.S. incidence (2019) ~15,000	U.S. incidence (2019) ~1,500

Hepatotoxicity with ductopenia and cholestasis has occurred in patients treated with TURALIO. Across 768 patients who received TURALIO in clinical trials, there were two irreversible cases of cholestatic liver injury. One patient died with advanced cancer and ongoing liver toxicity and one patient required a liver transplant. The mechanism of cholestatic hepatotoxicity is unknown and its occurrence cannot be predicted. It is unknown whether liver injury occurs in the absence of increased transaminases.

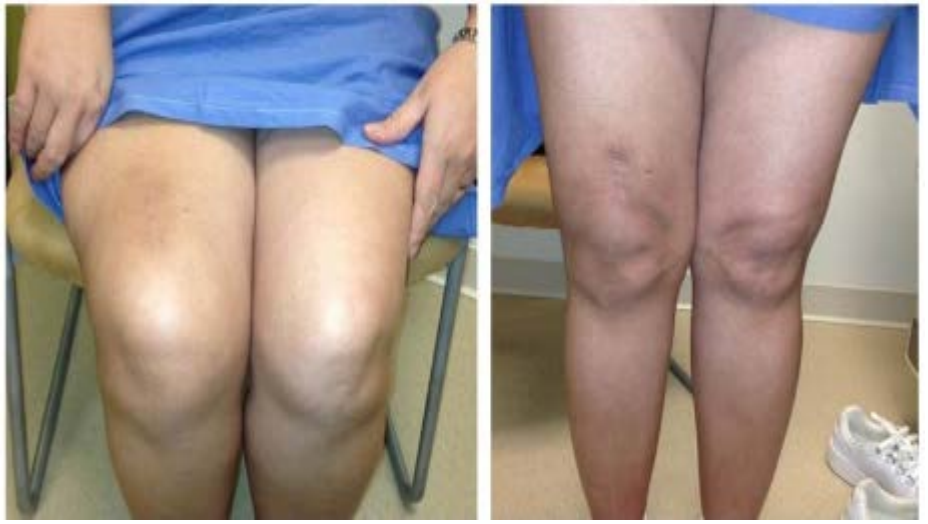
Daiichi-Sankyo

◆Example of effective treatment

Before Treatment



After Treatment



- 56 years old female
- Diagnosed TGCT in 1988, followed by multiple surgeries
- Started Pexidartinib in Sep 2016 and still on-going

1 Overview of Daiichi Sankyo

2 R&D Focus

3 Upcoming Events and News

4 Key Takeaways

CEO's Missions

1. Realize 2025 Vision

Deliver ADC assets to as many patients as possible as fast as we can

2. Strive for Sustainable Growth

Creating assets beyond current ADCs

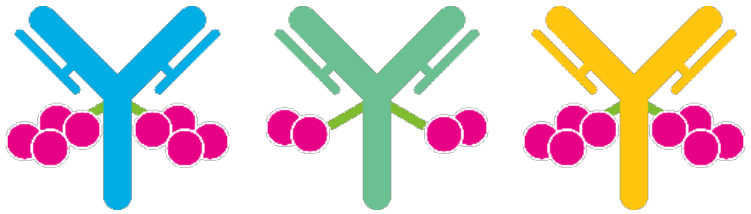
CEO Mission: Realize 2025 Vision

◆Become world's No. 1 ADC company

◆Enhance global development and commercial capabilities

◆Expand investments

- Focusing R&D investments primary on 3 ADCs
- Invest more than 100.0 Bn JPY in CMC and manufacturing



DS-8201　DS-1062　U3-1402

Realize 2025 Vision
"Global Pharma Innovator with Competitive Advantage in Oncology"

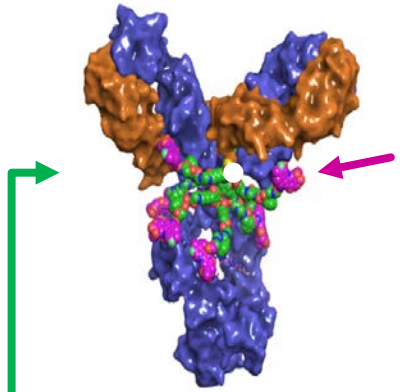
Seven ADC Assets and Major Innovations

Seven ADC Assets

Clinical Stage

Project (Target)	Potential indications	Discovery	Pre-clinical	Phase 1	Pivotal/ approved
DS-8201 (HER2)	Breast, Gastric NSCLC CRC				
U3-1402 (HER3)	Breast, NSCLC				
DS-1062 (TROP2)	NSCLC				
DS-7300 (B7-H3)	Solid tumors				
DS-6157 (GPR20)	GIST				
DS-6000 (undisclosed)	Renal, Ovarian				
DS-3939 (TA-MUC1)	Solid tumor				

Seven Major Innovations



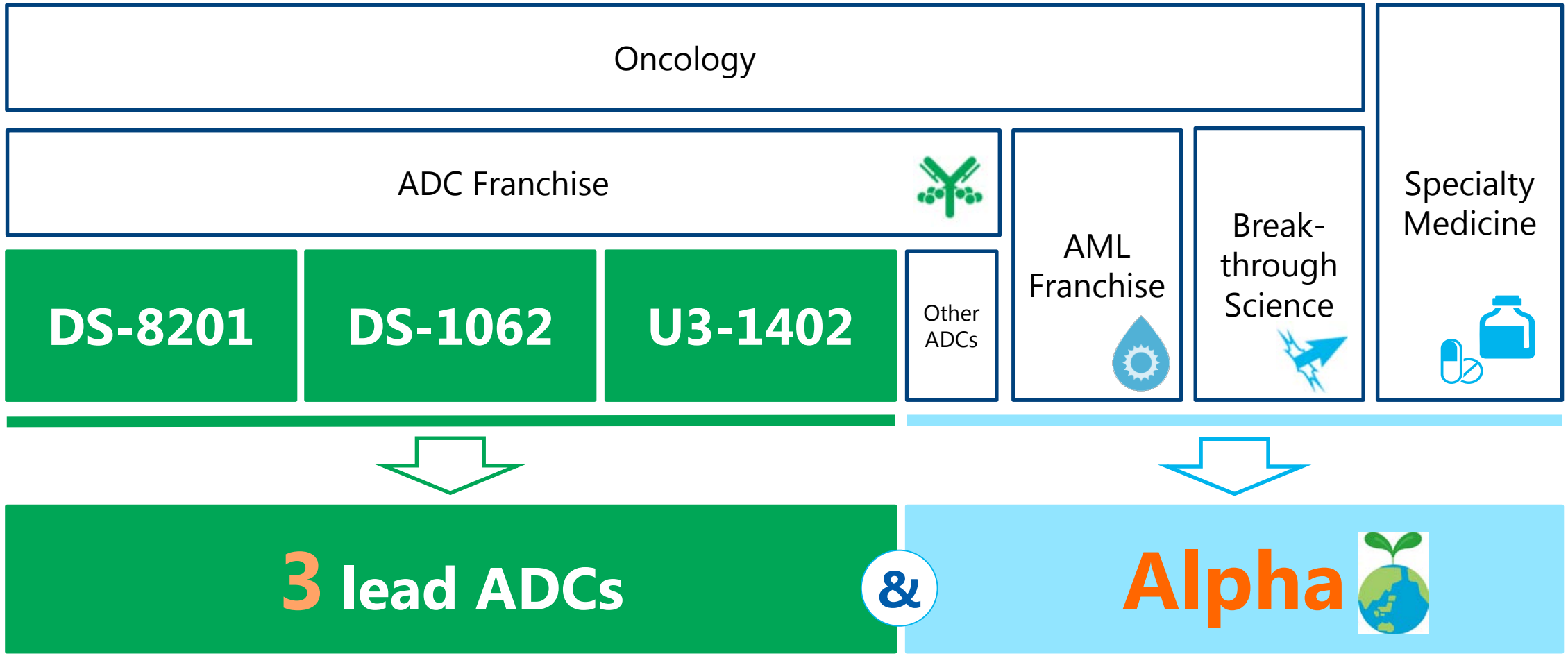
Payload

- Novel cytotoxic MOA
- 10X more potent vs SN38
- High cell membrane cross-penetration for bystander effect, killing neighboring tumor cells
- Short systemic half-life

Linker

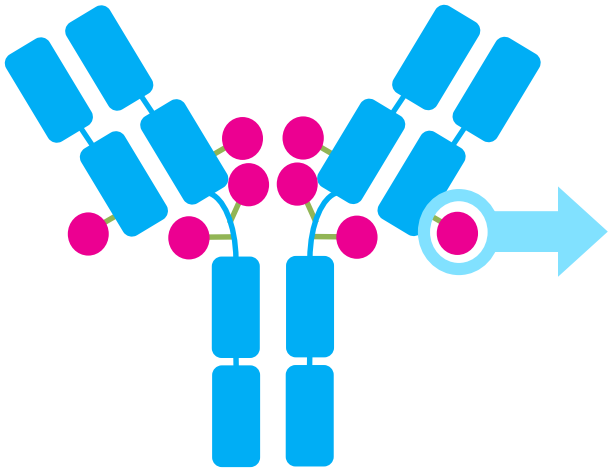
- High stability, sparing non-cancerous tissue from toxicity
- Selectively cleaved by lysosomal enzymes that are upregulated in tumor cells
- Capability to accomodate a High number of payloads per antibody (DAR, drug antibody ratio)

New R&D Focus: 3 and Alpha

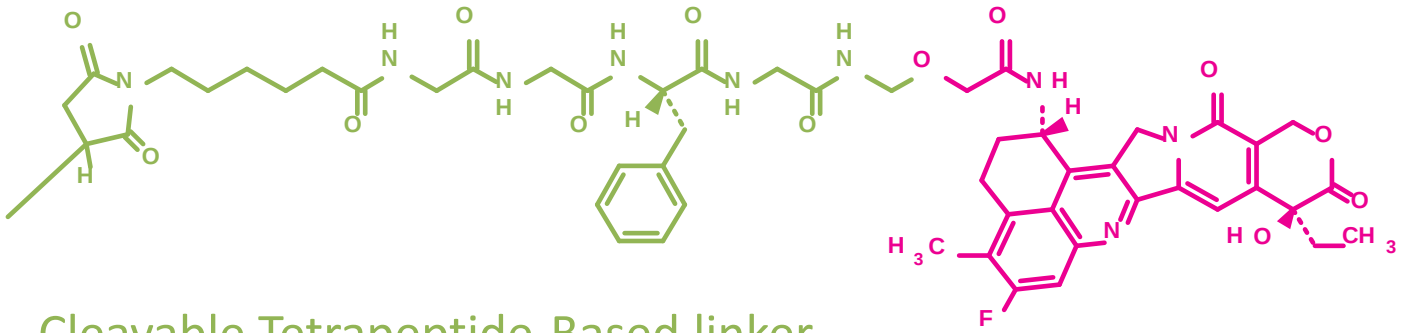


DS-8201: Anti-HER2-ADC

Humanized anti-HER2 IgG1 mAb



DAR ≈ 8



Cleavable Tetrapeptide-Based linker

Topoisomerase I Inhibitor payload (DXd)

ENHERTU®: Now Launched in U.S.

DS-8201: Remarkable speed to approval

2015 2016 2017 2018 2019

First Patient **September 2015**

BLA: August 2019

Approval: December 20, 2019

Launched

~ Four Years

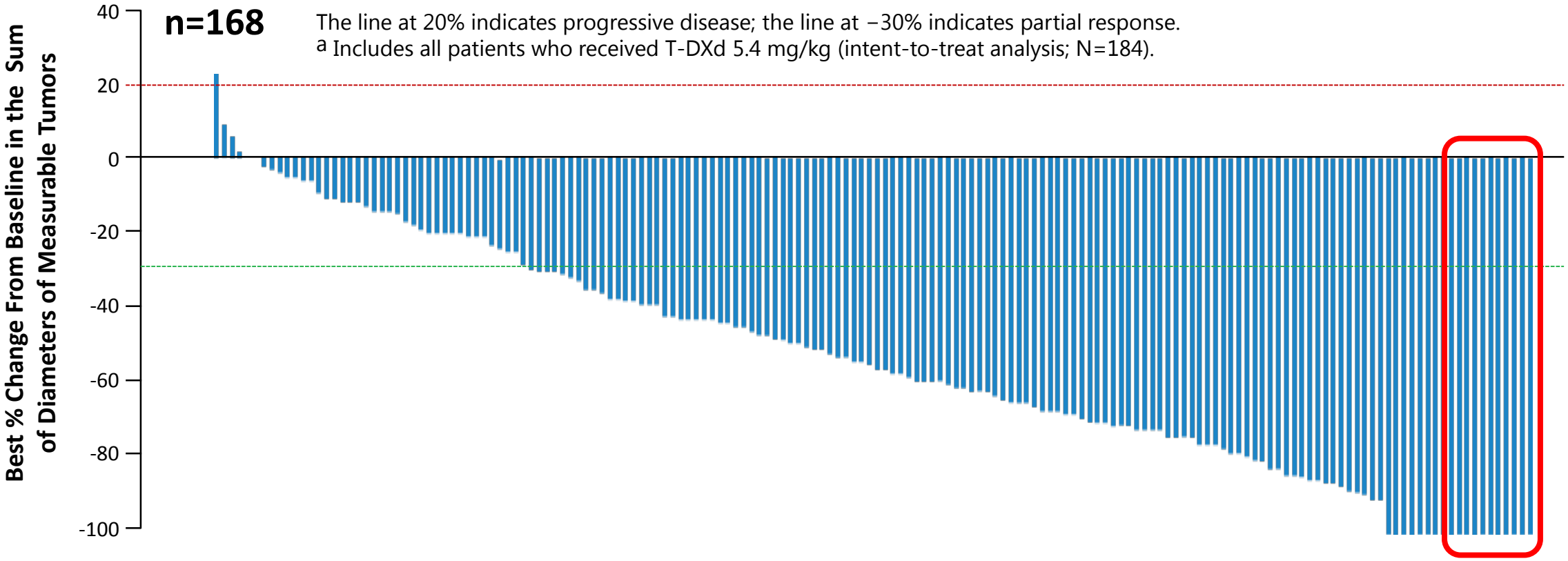
ENHERTU® (fam-trastuzumab deruxtecan-nxki), a HER2 directed antibody drug conjugate (ADC), is indicated for the treatment of adult patients with unresectable or metastatic HER2 positive breast cancer who have received two or more prior anti-HER2-based regimens in the metastatic setting. This indication is approved under accelerated approval based on tumor response rate and duration of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in a confirmatory trial. ENHERTU is approved with a Boxed WARNING for Interstitial Lung Disease (ILD)/pneumonitis and Embryo-Fetal Toxicity.

DS-8201: Best Change in Tumor Size

Presented at SABCS 2019

Daiichi-Sankyo

- **Confirmed ORR: 60.9%**[a] (95% CI, 53.4%–68.0%)
- **11 CRs**



The line at 20% indicates progressive disease; the line at −30% indicates partial response.
[a] Includes all patients who received T-DXd 5.4 mg/kg (intent-to-treat analysis; N=184).

ENHERTU is approved with a Boxed WARNING for Interstitial Lung Disease (ILD)/pneumonitis and Embryo-Fetal Toxicity.
The data on this slide was presented at San Antonio Breast Cancer Symposium®, December 10-14, 2019

DS-8201: How Does it Compare?

These are not head to head comparison data

	Pertuzumab + trastuzumab + docetaxel (1L)[1]	T-DM1 (1L, failed study)[2]	T-DM1 (2L)[3]	T-DM1 (3L+)[4]	DS-8201[5]
mPFS	18.5m	14.1m	9.6m	6.2m	**16.4m**
DoR	20.2m	20.7m	12.6m	9.7m	**14.8m**
OS	56.5m	53.7m	30.9m	22.7m	**NE**
ORR	80%	60%	43.6%	31%	**60.9%**
Median prior Rx for adv. disease	0	0	1	4	**6** 100% prior T-DM1 66% prior pertuzumab

[1]CLEOPATRA (NEJM 2012), [2]MARIANNE (J Clin Oncol 2017), [3]EMILIA (NEJM 2012), [4]TH3RESA (Lancet Oncol 2017),
[5]Lancet Oncology, April 29, 2019, m: Month, NR:Not Reached

DS-8201: Strategic Collaboration with AstraZeneca

◆ Financial Consideration: **Up to $6.9 billion** in total*

Unique Science Daiichi-Sankyo | AstraZeneca *Extensive expertise in oncology*

Opportunity for strategic collaboration with excellent partner with a rich heritage in breast cancer

Accelerate building in-house oncology business infrastructure, while optimizing resources

Maximize product value oncology products
- Earlier penetration in global market
- Expand to new indications

* Incl. upfront payment, regulatory and other contingencies (max) and sales-related milestones (max)

DS-8201: Directional View of CDP

Breast	Lung	Gastric	CRC	Tumor Agnostic, I/O Combination, Multiple tumors, Others	Total
4 studies	**1** study	**2** studies	**1** study	**2** studies	**10** studies
16 studies	**7** studies	**5** studies	**6** studies	**9** studies	**43** studies

The Alliance Vision

Transform treatment for ***HER2*** **Tumors**

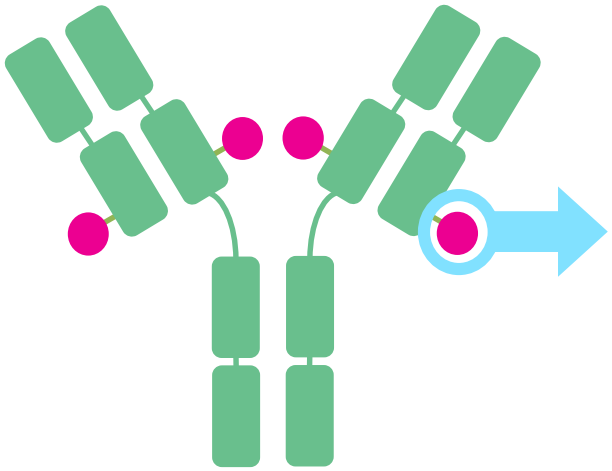
Our obligation to patients is beyond what one company can achieve alone.

DS-8201: Summary

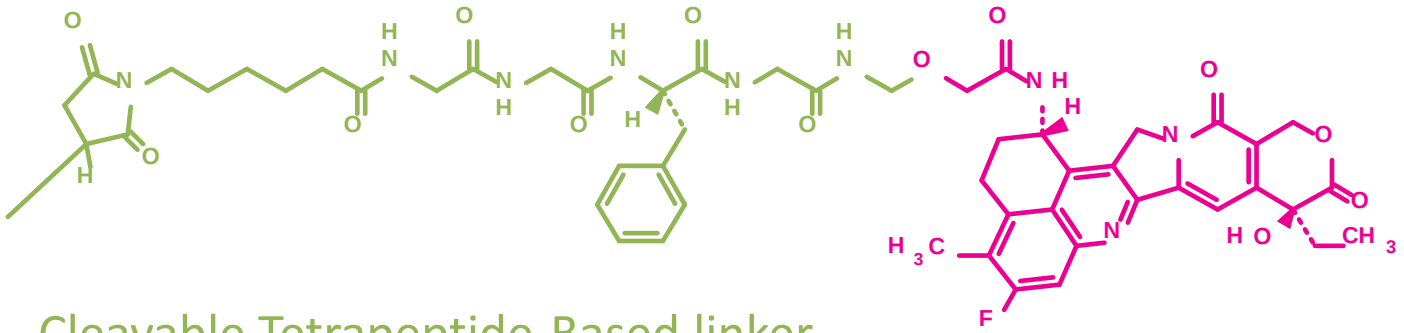
- **Launched in just 4 years** after initiating first in human trial in September 2015
- First and foremost, a significantly advanced **technological break through** product
  - It was designed to achieve best-in-class technology
  - It delivers unique practice-changing evidence
- We want to **maximize** the value of DS-8201 with **breadth & depth expansions**, and fully leverage the value of **our collaboration with AZ**
  - Accelerated and broadened geographical coverage
  - Expansion into multiple indications

DS-1062: Anti-TROP2-ADC

Humanized anti-TROP2 IgG1 mAb



DAR ≈ 4



Cleavable Tetrapeptide-Based linker

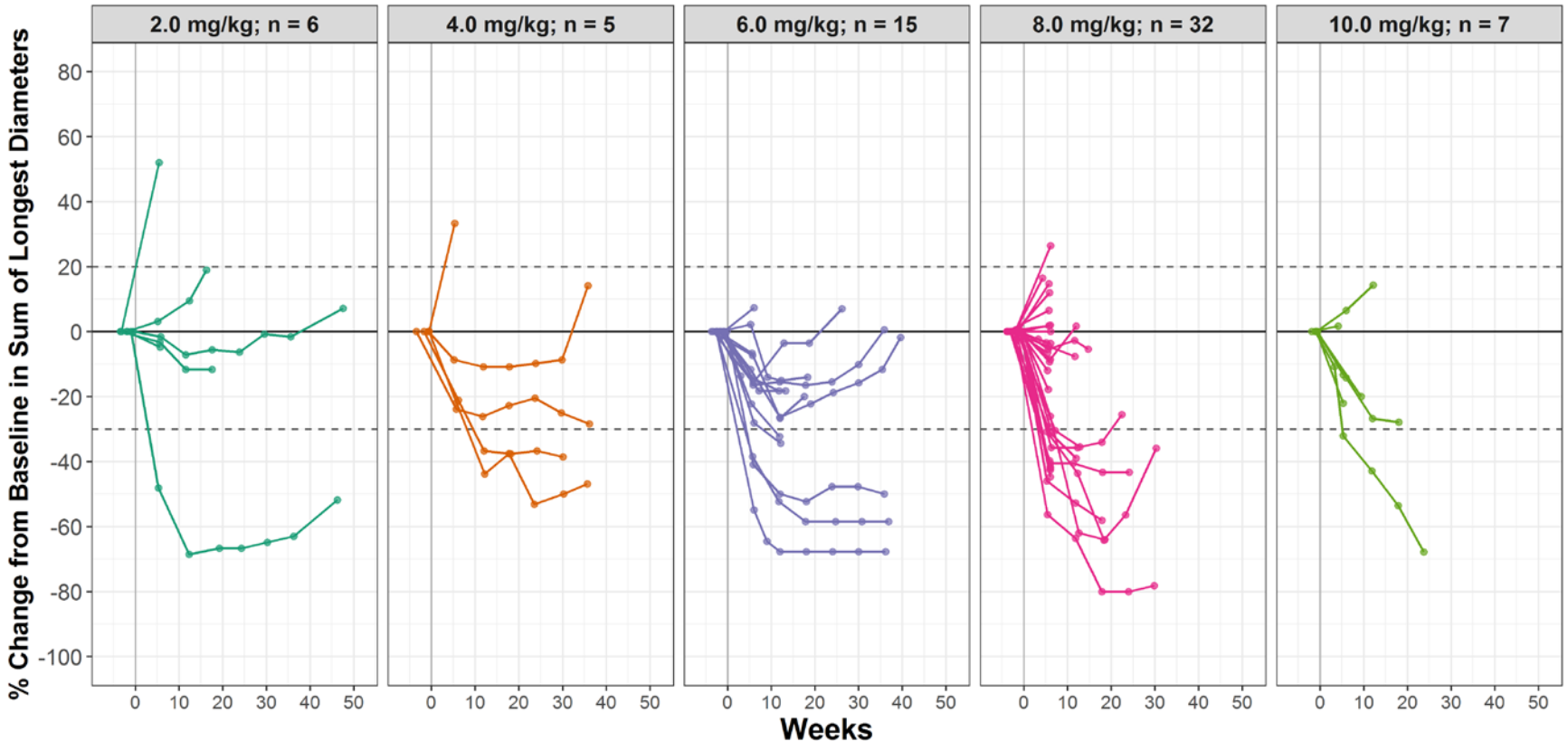
Topoisomerase I Inhibitor payload (DXd)

*Drug positions are not limited, ADC is mixture of regioisomer.

DS-1062: Phase 1 Recent Update | Efficacy* (as of Nov. 16 2019, preliminary data)

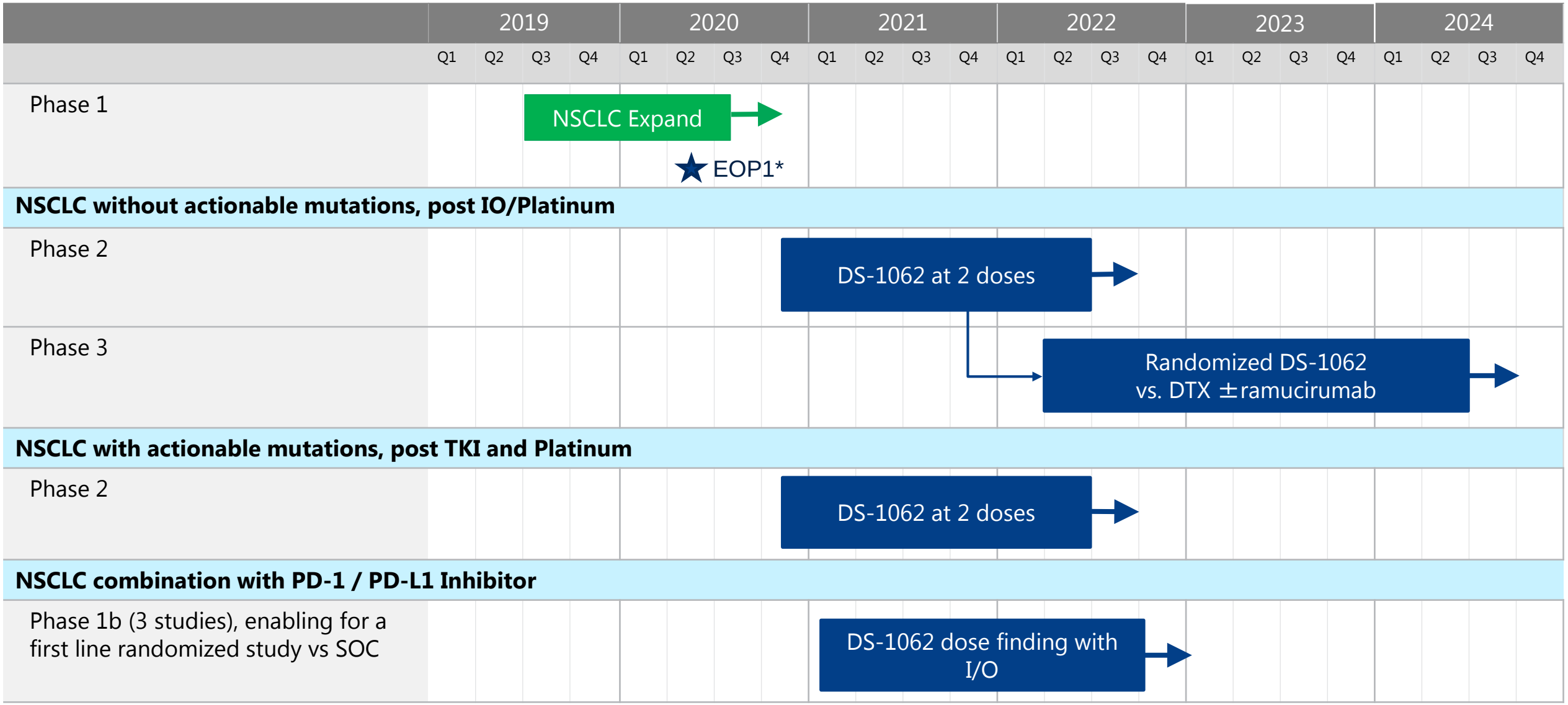
Dose dependent increase in tumor response in heavily pretreated, unselected NSCLC patients having progressed on standard of care, including immune checkpoint inhibitors, EGFR inhibitors, and ALK inhibitors

- 6/8 10mg/kg subjects discontinued quickly due to AEs
- 83% of patients received a prior immune check point inhibitor



*Source: Internal data on file at Daiichi Sankyo.

DS-1062: NSCLC Development Plan



Study Started Planned Study Start

All dates are approximates

* End of phase 1 study

DS-1062: Summary

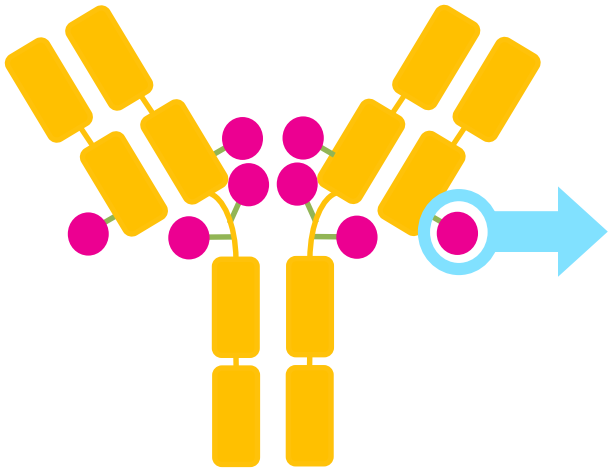
- **DS-1062** has **"drug-to-be"** characteristics
  - Maintains clear efficacy, dose response, durability and tolerability

- We aim to **swiftly and independently develop DS-1062**
  - Fast to market in late line NSCLC patient population
    - ✓ Set up **pivotal monotherapy phase 2 study**
      as soon as feasible: about second half of 2020

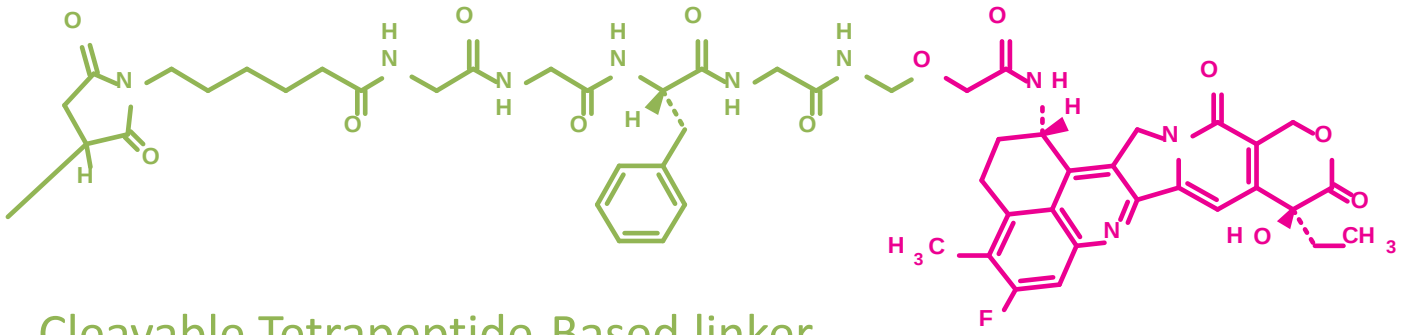
  - **Potential expansion into first line NSCLC (I/O Combo)** and indications with high TROP-2 level

U3-1402: Anti-HER3-ADC

Human anti-HER3
IgG1 mAb



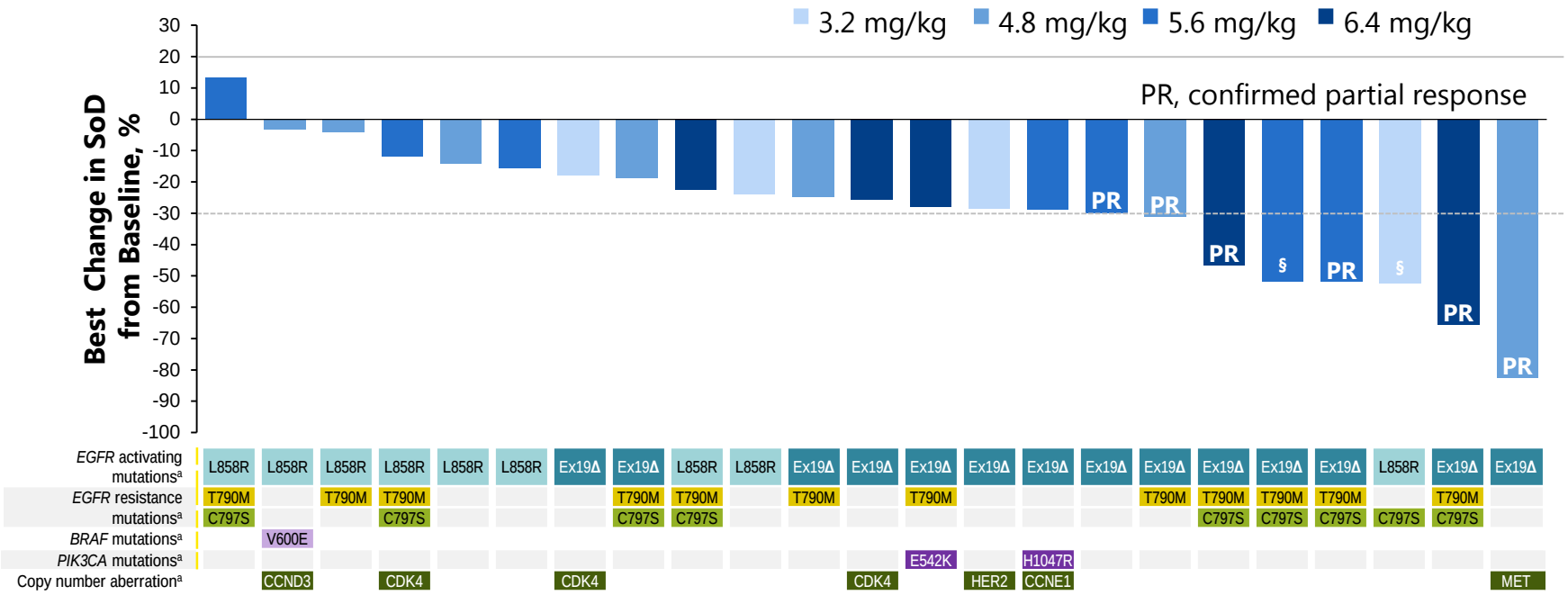
DAR ≈ 8



Cleavable Tetrapeptide-Based linker

Topoisomerase I Inhibitor payload
(DXd)

U3-1402: Antitumor Activity Across Diverse EGFR TKI Resistance Mechanisms



n = 23
Median follow-up: 4.5 months

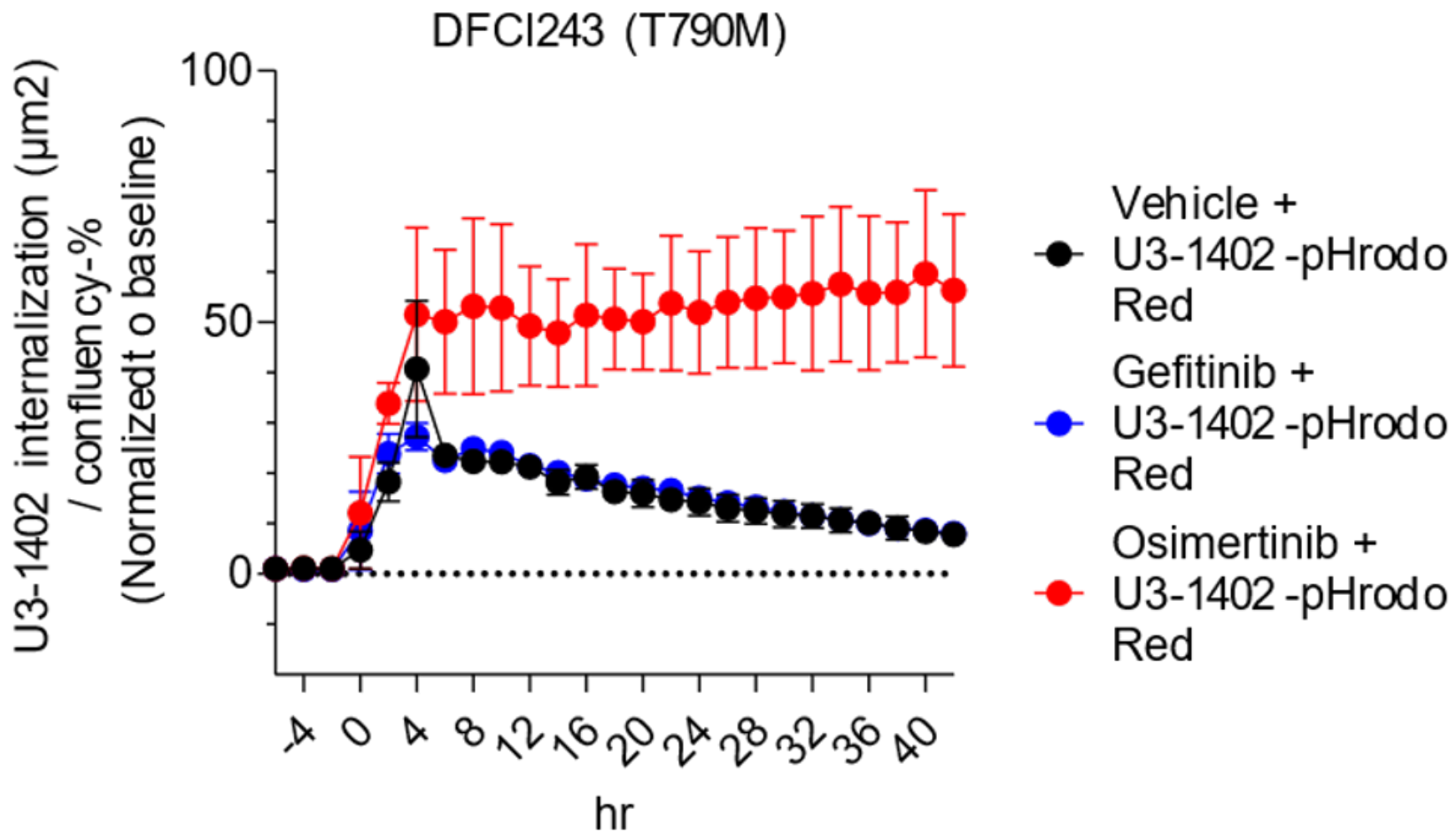
A phase 1 study of U3-1402 in NSCLC (NCT03260491). §2 patients had ≥ 30% reduction in SoD, which were not considered confirmed PRs; 1 experienced transient tumor size reduction and 1 had not yet been confirmed at data cutoff. [a]Performed centrally using Oncomine™ Comprehensive Assay v3 from formalin-fixed, paraffin-embedded tumor tissue. Results from local testing are included for patients where tissue was unavailable for central analysis. Additional mutations detected from cfDNA in blood collected prior to treatment with U3-1402 using GuardantOMNI assay are included. For cfDNA analysis, a minor allelic frequency of 1% was used as a threshold for detection of mutations. The copy number data from cfDNA are not shown.
cfDNA, cell-free DNA; EGFR, epidermal growth factor receptor; HER3, human epidermal growth factor receptor 3; PR, partial response; SoD, sum of diameters; TKI, tyrosine kinase receptor.

Source: Yu H et al., Abstract #MA21.06, WCLC 2019

Sustained Internalization Rate of U3-1402 in EGFRm Lung Cancer*

Monotherapy or in Combination with Osimertinib

Quantification of Internalization Over Time



*Data are preliminary

Courtesy of Dr. Pasi Janne, Dana Farber Cancer Institute

U3-1402: Summary

- **U3-1402** appears **effective in NSCLC**, adding to breast cancer activity previously reported

- We aim to **swiftly and independently develop U3-1402**
  - **Lung cancer**: EGFRm presents a clear opportunity
    - ✓ HER3 consistently expressed and internalized post TKI
    - ✓ **Combination with osimertinib** will be pursued
  - **Colorectal** and **Prostate** cancers: Phase 2 studies planned

DS-8201: Interstitial Lung Disease (ILD)

Presented at SABCS 2019

Daiichi-Sankyo

Patients who received 5.4 mg/kg of DS-8201 (N=184)

Preferred Term, n (%)	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Any Grade/ Total
Interstitial lung disease	5 (2.7)	15 (8.2)	1 (0.5)	0	4 (2.2)	**25 (13.6)**

Drug related; ILD was determined by the Independent ILD Adjudication Committee based on 44 preferred terms.

Among the 25 total events:

- Median time to investigator-reported onset was 193 days (range, 42-535 days)
- 13 of 20 patients with grade ≥2 ILD received corticosteroids
- 7 patients recovered, 2 were recovering, 12 were either outcome unknown or not followed until resolution, and 4 died
- Of the 4 fatal cases, onset was from 63-148 days, 3 received steroids as part of treatment, and death occurred 9-60 days after ILD diagnosis

Recommendations: Monitor for symptoms. Hold T-DXd and start steroids as soon as ILD is suspected

ILD, interstitial lung disease.

The data on this slide was presented at San Antonio Breast Cancer Symposium®, December 10-14, 2019

Investigator Safe Use Campaign for ILD Detection & Management

Goal: Drive ILD awareness, detection, and management

Daiichi-Sankyo | AstraZeneca

- Comprehensive education of MSLs
- Develop tools for MSLs to use in proactive direct communication with treating physicians

Develop internal understanding & external communication plans

HCPs

- Prioritize investigators with patients on treatment
- Ensure continuous education and 'top of mind' status, through numerous outlets (in-person, online)

Give HCPs tools to reduce ILD severity and improve management

Resources for Patients

- Educate patients around risk of ILD and need to self-monitor for symptoms

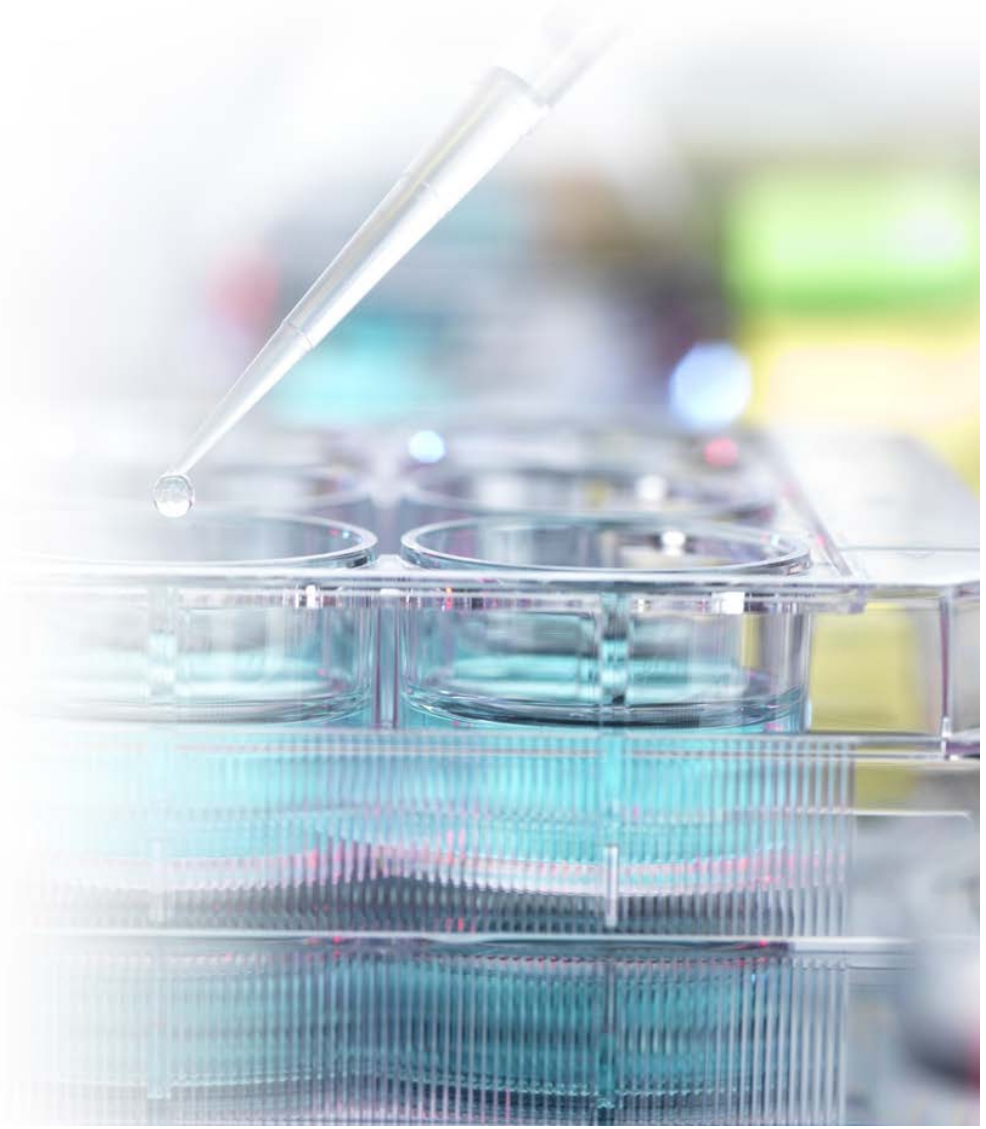
Drive awareness and give patients tools to support detection & management

1 Overview of Daiichi Sankyo

2 R&D Focus

3 Upcoming Events and News

4 Key Takeaways



Upcoming Events

Jan. 2020	FY2019 Q3 financial results announcement
Apr. 2020	FY2019 Q4 financial results announcement
May 2020	ASCO 2020
Jul. 2020	FY2020 Q1 financial results announcement
Aug. 2020	WCLC 2020

Upcoming News

DS-8201

HER2 Positive mBC Pivotal Phase 2 Study – DESTINY-Breast01

- Japan: NDA submitted and accepted on September 9, 2019
- EU: MAA submission planned for 1H FY2020

HER2 Positive mGC Pivotal Phase 2 Study – DESTINY-Gastric01

- Japan and South Korea: TLR anticipated for 4Q FY2019

ASCO 2020 Planned Presentations

- DESTINY-Gastric01 Results
- Colorectal Phase 2
- NSCLC Phase 2
- Breast/Bladder – Nivolumab Combo – Phase 1

Upcoming News

DS-1062

ASCO 2020 Planned Presentation

- NSCLC Phase 1 Expansion Update

U3-1402

WCLC 2020 Planned Presentation

- NSCLC Phase 1 Expansion Update

Reestablish Mid-to-Long-Term Vision

- **In parallel with the next five-year business plan development, reestablish mid-to-long-term vision beyond 2025**

1 Overview of Daiichi Sankyo

2 R&D Focus

3 Upcoming Events and News

4 Key Takeaways

Key Takeaways

- **Current business is solid**
- **ADC assets** empower us to **pursue further growth** in the near future
- Daiichi Sankyo will **deliver ADC assets to as many patients as possible as fast as we can**

Contact address regarding this material

Daiichi Sankyo Co., Ltd.

Corporate Communications Department

TEL: +81-3-6225-1126

Email: DaiichiSankyoIR@daiichisankyo.co.jp