

Daiichi Sankyo Company, Limited
Kitasato Daiichi Sankyo Vaccine Co., Ltd.

**Announcement Regarding the Post-evaluation Result for
the Project of H5N1 Influenza Vaccine
(the Initiative to Build Development and Production Capacity
- the Japanese Ministry of Health, Labour and Welfare)**

TOKYO, Japan (April 25, 2014) - Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) announced in August 2011 that the Group company, Kitasato Daiichi Sankyo Vaccine Company Limited (hereafter, Kitasato Daiichi Sankyo Vaccine), had been selected for the Japanese Ministry of Health, Labour and Welfare's cell culture vaccine production facility capacity building grant, which is a part of the Ministry's second initiative for H5N1 vaccine development and production capacity building. Subsequently, Kitasato Daiichi Sankyo Vaccine engaged in preparations to build a scheme to supply vaccines by the end of March 2014.

However, as was previously announced on March 6, due to a decline in vaccine yields during the purification process, the original goal of creating a supply scheme by March 31 was unable to be achieved and this fact was reported to the Assessment Committee of the Health Ministry's Initiative to Build Development and Production Capacity for H5N1 Influenza Vaccines. The Assessment Committee has now concluded its post-evaluation, and in accordance with this result, it has been confirmed that Kitasato Daiichi Sankyo Vaccine continues with the initiative and work towards the goal of building a scheme capable of supplying vaccines for 40 million people in 6 months.

Although Kitasato Daiichi Sankyo Vaccine completed the preparation of a production facility and acquired approval for the manufacture and sale of the H5N1 influenza vaccine, the company received a "C" (major problems) evaluation from the Assessment Committee due to being unable to complete a production scheme for the required capacity of vaccine supply by March 2014. Taking the post-evaluation result of the Assessment Committee into account, the Health Ministry has decided to let Kitasato Daiichi Sankyo Vaccine to continue with the initiative in order to fulfill the remaining unattained quota of approximately 20 million people. In addition, Kitasato Daiichi Sankyo Vaccine is to pay a delinquency charge until the initial target is attained.

Daiichi Sankyo and Kitasato Daiichi Sankyo Vaccine will take the results of the evaluation in earnest and will carry out a thorough investigation into the production process followed by the implementation of improvements in processes. The Daiichi Sankyo Group pledges to contribute to the improvement of the health of Japan by creating a scheme that can swiftly provide a sufficient amount of vaccine at pandemic.

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