

For Immediate Release

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**Daiichi Sankyo Concludes Basic Agreement for Transfer of Daiichi Sankyo Propharma Akita  
Plant and Decides Reorganization of Japanese Supply Chain Subsidiaries**

Tokyo, Japan (July 31, 2014) - DAIICHI SANKYO COMPANY, LIMITED (hereafter Daiichi Sankyo) today announced that it has reached a basic agreement with Alfresa Pharma Corporation (hereafter Alfresa Pharma) for the transfer of the Akita plant owned by its subsidiary DAIICHI SANKYO PROPHARMA CO., LTD. (hereafter DSPP) over to Alfresa Pharma as below.

Furthermore, although Daiichi Sankyo already revealed its plan to reorganize three of its subsidiaries into two companies in the announcement “Daiichi Sankyo to Reorganize Japanese Supply Chain Subsidiaries and Integrate Odawara Plant” dated October 1, 2012, since the plan has now been fixed details are also included below.

1. Transfer of DSPP Akita plant

1) Objective of Transfer

The Daiichi Sankyo Group currently owns 5 API plants in Japan, but as a result of a comprehensive inspection focused on building a globally competitive production system it was concluded that transferring the Akita plant to a company outside the Group would be the best way to realize its qualities of high technological and production capacity.

The recipient of the transfer, Alfresa Pharma, is a pharmaceutical production company under the Alfresa Holdings Corporation (hereafter Alfresa HD) which mainly produces dosage forms. It is investing in a plan to expand the scale of pharmaceutical production and increase revenue. Based on this plan, Alfresa Pharma is aiming to strengthen its production business, and following transference the Akita plant is expected to be the focal point of API production.

## 2) Method of Transfer

In September 2014 a new 100% subsidiary company of Daiichi Sankyo (name TBC, hereafter Akita new company) will be established, and this Akita new company will take over all work relating to the Akita plant. Subsequently, on April 1, 2015 (date TBC), all stock of the Akita new company will be transferred to Alfresa Pharma. Meanwhile, workers at the Akita plant will in principle continue to work as employees of the Akita new company. Furthermore, after the transfer of stock, Daiichi Sankyo will continue production of its products entrusted to the Akita new company, using the same equipment and quality assurance system as before.

## 3) Overview of companies

Trade name	DAIICHI SANKYO PROPHARMA CO., LTD.
Head office	3-5-1, Nihonbashi Honcho, Chuo-ku, Tokyo, Japan
Plants	Akita, Onahama, Tatebayashi, Hiratsuka, Takatsuki
Capital	100million yen (100% owned by Daiichi Sankyo)
Representative	Tsutomu Shimizu, President
Sales	63.8 billion yen (fiscal year ending March 2014)
Employees	Approximately 1,400 (as of April 2014)
Main businesses	Manufacture, contract manufacture, purchase and sale, import and export of pharmaceuticals

DAIICHI SANKYO PROPHARMA CO., LTD., Akita Plant	
Location	1-10-1, Mukaiyama, Akita, Akita, Japan
Area	260,000 m <sup>2</sup>
Start of operations	1981
Plant manager	Tatsuya Sato
Employees	Approximately 100 (as of April 2014)
Production capability	API for pharmaceuticals 300 tons/year

## Overview of Alfresa HD and Alfresa Pharma

Trade name	Alfresa Holdings Corporation
Head office	1-1-3 Otemachi, Chiyoda-ku, Tokyo, Japan
Established	September 29, 2003
Capital	18.5 billion yen
Representative	Denroku Ishiguro, President
Sales	2,504.5 billion yen (fiscal year ending March 2014)
Employees	10,936
Main businesses	Management of subsidiaries conducting sale, manufacture, import and export of pharmaceuticals, clinical trial reagents, medical equipment, implements, etc.

Trade name	Alfresa Pharma Corporation
Head office	2-2-9 Kokumachi, Chuo-ku, Osaka, Japan
Established	December 24, 1939
Capital	1 billion yen (100% owned by Alfresa HD)
Representative	Kenichiro Iwatani, President
Sales	26.7 billion yen (fiscal year ending March 2014)
Employees	660
Main businesses	Manufacture, sales, import/export of pharmaceuticals, diagnostic medicine, medical equipment, etc.

#### 4) Schedule

- Sep. 2014    Planned establishment of Akita new company (name TBC)
- Nov. 2014    Planned conclusion of agreement for transfer of company stock
- Apr. 2015    Company division takes effect, transfer of stock and start of operations (planned)

#### 5) Effect on Business Results

Information regarding effect on business results will be announced at a later date.

## 2. Reorganization of Daiichi Sankyo Supply Chain Subsidiaries

### 1) Reorganization Plan

Daiichi Sankyo is reorganizing three of its Japanese supply chain subsidiaries (DSPP, DAIICHI SANKYO CHEMICAL PHARMA CO., LTD. (DSCP) and DAIICHI SANKYO LOGISTICS CO., LTD. (DSLGL)) into two companies by April 2015. The surviving two companies will be DSCP, with API production function, and DSPP, with dosage forms production and logistics function.

In accordance with this reorganization, the Onahama and Tatebayashi API production plants currently owned by DSPP will be taken over by DSCP. In addition, DSLGL will be merged into DSPP.

### 2) Overview of new Daiichi Sankyo Supply Chain Subsidiaries (2 companies, as of April 1, 2015)

#### API production company overview

Trade name	DAIICHI SANKYO CHEMICAL PHARMA CO., LTD.
Head office	3-5-1, Nihonbashi Honcho, Chuo-ku, Tokyo, Japan

Plants	Hiratsuka plant (4-4-8, Nishiyawata, Hiratsuka, Kanagawa, Japan)
	Odawara plant (477, Takada, Odawara, Kanagawa, Japan)
	Onahama plant (389-4, Izumimachi Shimokawa Aza Otsurugi, Iwaki, Fukushima, Japan)
	Tatebayshi plant (2716 - 1, Chiyodamachi Oaza Akaiwa Aza Kurakake, Oura, Gunma, Japan)
Capital	50 million yen (100% owned by Daiichi Sankyo)
Main businesses	Manufacture and contract manufacture of API and intermediates for pharmaceuticals

#### Dosage production/logistics company overview

Trade name	DAIICHI SANKYO PROPHARMA CO., LTD.
Head office	3-5-1, Nihonbashi Honcho, Chuo-ku, Tokyo, Japan
Plants	Hiratsuka plant (1-12-1, Shinomiya, Hiratsuka, Kanagawa, Japan)
	Takatsuki plant (4-38, Aketacho, Takatsuki, Osaka, Japan)
Logistics Center	Tokyo Logistics Center (5-1, Asahi, Yoshikawa, Saitama, Japan)
	Osaka Logistics Center (4-38, Aketacho, Takatsuki, Osaka, Japan)
Capital	100 million yen (100% owned by Daiichi Sankyo)
Main businesses	Manufacture and contract manufacture, purchase and sale, import and export, as well as storage and delivery of pharmaceuticals