For Immediate Release

Company name: DAIICHI SANKYO COMPANY, LIMITED Representative: Joji Nakayama, Representative Director, President and CEO (Code no.: 4568, First Section, Tokyo Stock Exchange) Please address inquiries to Noriaki Ishida, Corporate Officer, Vice President, Corporate Communications Department Telephone: +81-3-6225-1126 <u>http://www.daiichisankyo.com</u>

Daiichi Sankyo Announces Organizational Restructuring as of April 1, 2015

Tokyo, Japan (February 24, 2015) – Daiichi Sankyo Company, Limited, today announced the following organizational changes taking place from April 1, 2015.

1. Daiichi Sankyo Co., Ltd.

(1) Corporate Function

The current "4 Division Structure" shall change to a "3 Division Structure," consisting of "Corporate Strategy Division," "Corporate Management Division," and "General Affairs & Human Resources Division," abolishing "Legal Affairs & CSR Division," with a view to developing comprehensive and consistent corporate strategies and ensuring smooth management of the Daiichi Sankyo Group. The "Secretariat Department" and "Internal Audit Department" are to be placed in direct report to the President & CEO as robust supporting functions to top management. The internal audit function of Daiichi Sankyo Healthcare Co., Ltd. is to be transferred to the "Internal Audit Department" for unification of the Group's internal audit functions.

(2) Sales & Marketing Organization

"Japan Company" is to be abolished for further reinforcement of the prescription pharmaceutical business and to enable swift decision-making and efficient management. The "Sales & Marketing Division" is to be placed in direct report to the President & CEO and two Japan Company functions, "Japan Business Management Department" and "Business Intelligence Division," are to be abolished. The functions of "External Affairs Department," "Medical Affairs Department," and "Product Information Management Department," which currently belong to "Business Intelligence Division," shall be transferred to the relevant divisions/departments. The current 16 sales branches are to be consolidated into 14 branches with a view to organizing a more efficient marketing structure. "Kita Kanto Branch" and "Koshinetsu Branch" shall be consolidated into a newly established "Kanetsu Branch," while "Kyoto Branch" and "Hokuriku Branch" shall be consolidated into a single "Kyoto Branch".

(3) Vaccine Business Organization

The operation of the "Vaccine Business Strategy Department" is to be consolidated into Kitasato Daiichi Sankyo Vaccine Co., Ltd. with the aim of centralizing the management base, while the "Vaccine Business Intelligence Division" and "Vaccine Business Strategy Department" shall be abolished. A "Vaccine Business Oversight Department," which is in charge of external alliances and so on, shall be newly established.

(4) R&D Organization

The functions of project portfolio management shall be integrated into the "Global Project Management Department," which is in charge of R&D project management. The "R&D Administration & Support Department" is to be renamed "R&D General Affairs & Human Resources Department" and the "Japan Development Oversight Function" is to be renamed "Development Function"

(5) Supply Chain Organization

The current functions of "Supply Chain Planning Department" are to be divided into "Supply Chain Planning Department" and "Supply Chain Management Department." The "Supply Chain Planning Department" shall focus on planning and developing strategies for the whole Daiichi Sankyo Group's supply chain business. The supply and demand and production management function is to be transferred to a newly established "Supply Chain Management Department." The "Supply Chain Technology Department," "Procurement Department," and the production technology management of the supply chain functional companies (i.e. Daiichi Sankyo Propharma Co., Ltd. and Daiichi Sankyo Chemical Pharma Co., Ltd.) are to be merged in a newly established "Supply Chain Technology & Procurement Department." An "Engineering Department" is to be established to consolidate the engineering functions, including coordination of facilities for production and investigational drugs, which are currently placed separately in the supply chain functional companies, the Pharmaceutical Technology Division, and Kitasato Daiichi Sankyo Vaccine Co., Ltd.

(6) Quality & Safety Management Organization

The functions of "Pharmacovigilance Department" and "Medical Affairs Department" are to be reorganized; newly established "Safety and Risk Management Department" shall take over staff function and "Pharmacovigilance Department" shall take over promotion function.

2. Daiichi Sankyo Espha Co., Ltd.

(1) Corporate function

The "Corporate Management Department" is to be renamed "Corporate Business Management Department".

(2) Sales & Marketing Division

The function of distribution channel management and dispensed drug company relations is to be transferred from the "Sales Planning Department" to a newly established "Sales & Promotion Department".

3. Kitasato Daiichi Sankyo Vaccine Co., Ltd.

(1) Corporate Strategy Division

The "Corporate Strategy Division" shall be newly established to take over the functions of strategy development, business management, and project management from Daiichi Sankyo Co., Ltd. The "Corporate Administration Department" shall be placed under the division along with the newly established "Corporate Planning Department" and "Project Management Department".

(2) R&D Division

The function of new vaccine discovery shall be reinforced by transferring the vaccine research function from Daiichi Sankyo Co., Ltd. With the aim of reinforcing the functions of CMC research

function, strategy development, and regulatory affairs, and in order to realize steady promotion of the Cell Culture-Based Influenza Vaccine Process Project, "Clinical Development & Regulatory Affairs Department," "Vaccine Research Laboratories," "CMC Research Laboratories," and "Cell Culture-Based Influenza Vaccine Process Development Department" will be placed under the division.