For Immediate Release

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Daiichi Sankyo to Facilitate New Drug Discovery in 2015 through Collaborative Research and Grants

Tokyo, Japan (March 17, 2015) – Daiichi Sankyo Company, Limited (TSE: 4568; hereafter, Daiichi Sankyo) today announced its TaNeDS (<u>Ta</u>ke a <u>Ne</u>w challenge for <u>D</u>rug di<u>S</u>covery) collaborative drug discovery project for 2015. The company will select research partners for the project from among researchers based in Japan.

1. Background

Daiichi Sankyo is proactively promoting open innovation and the development of a competitive pipeline for the rapid and continuous creation of innovative new drugs. One aspect of this strategy is the collaborative research and grant program TaNeDS, which was launched in 2011 and has since received numerous research theme proposals from across Japan, with various projects currently ongoing. Daiichi Sankyo will continue the program in 2015, seeking further drug discovery research possibilities by casting a wide net to find research themes and technologies that will result in the discovery of new drugs. Furthermore, continuing on from 2013 and 2014, Daiichi Sankyo's wholly owned subsidiary, Daiichi Sankyo RD Novare Co., Ltd. (hereafter, RD Novare), is again joining TaNeDS to promote the development of technology platforms for the next generation.

2. Overview of TaNeDS

(1) Multi-entrance

The TaNeDS project will accept entries for a range of themes, including exploratory research, collaborative research, early-stage drug discovery and concepts for inventions. Themes covering all stages, from the initial phase of research to practical use, will be accepted. In order to attract a variety of entries, both individual researchers and groups will be welcomed.

(2) Multi-exit

In order to efficiently realize practical uses from research results, a number of outcomes are foreseen, including further investigations into discovered results, collaborative research on drug creation, and utilization of OiDE projects* aimed at fostering intellectual property or technologies from a business

viewpoint.

* Open innovation projects funded by the OiDE (Open innovation for the Development of Emerging technologies) fund, which is managed by Mitsubishi UFJ Capital.

3. Project overview

(1) How to apply

Just like in 2014, two project types, "Desired research themes by Daiichi Sankyo" and "Desired research themes by RD Novare," have been set up for 2015.

| Project type | | Project type | Duration* | Scope of funding (total) |
|--------------|--|---|--|--|
| A. | Daiichi Sankyo's Desired Research Themes | a. Drug discovery target verification | From signing of contract to March 31, 2017 | Up to 10 million yen |
| | | b. Drug discovery target investigation | Within 2 years from signing of contract | Up to 10 million yen |
| | | c. Drug discovery technology development/verification | From signing of contract to March 31, 2017 | Up to 10 million yen |
| | | d. Pharmaceutical technology | Within 1 or 2 years from signing of contract | Up to 20 million yen (10 million yen/year) |
| В. | RD Novare's Desired Research Themes | Drug discovery and development technology platforms | From signing of contract to March 31, 2017 | Up to 5 million yen |

 $[{]m *Project}$ duration subject to change based on research.

Target project numbers: 18 for A, and 2 for B

A. Desired research themes by Daiichi Sankyo:

- a) Drug discovery target verification Research themes that will lead to the verification of new drug targets regarding elements found in exploratory/discovery research through methods including analysis of body functions and of pathology samples will be accepted.
- b) Drug discovery target investigation Research themes that will lead to the discovery/identification of new drug targets based on unique research tools or ideas will be accepted.
- c) Drug discovery technology development/verification Research technology themes that help to revitalize or improve effectiveness of drug discovery research will be accepted.
- d) Pharmaceutical technology Research themes that will solve issues related to the pharmaceutical manufacturing process will be accepted.

Daiichi Sankyo will determine if feasibility studies with Daiichi Sankyo researchers (preliminary collaborative research or collaborative research) should be conducted based on proposed themes. Accepted themes will be selected for continuation based on results after the research period comes to a close.

B. Desired research themes by RD Novare:

Research themes that will lead to the development of novel technology platforms related to drug discovery and development will be accepted. Scientists at RD Novare work together on lead technologies being researched academically by applicants to establish leading edge technology platforms and biological evaluation methods.

- (2) Desired research themes
- A. Desired research themes by Daiichi Sankyo
- a) Drug discovery target verification
- i. Oncology
- ii. Other disorders
- iii. Vaccines
- b) Drug discovery target investigation
- iv. Oncology
- v. Other disorders
- vi. Vaccines
- c) Drug discovery technology development/verification
- vii. Biologics
- viii. DDS
- ix. Pathological model/unique cell-based assays/vital imaging
- x. in silico models related to drug effect estimates/pathological clarification
- xi. ADME (Drug Absorption, Distribution, Metabolism, Excretion)
- xii. Drug safety
- xiii. Measuring technology related to biomarker
- xiv. Vaccines
- d) Pharmaceutical technology
- xv. New synthetic technology
- xvi. Biomedicine safety technology
- xvii. Chemical compounds/drug analysis technology

B. Desired research themes by RD Novare

Drug discovery and development technology platform research:

High-throughput-screening, bacteria-therapy, technology platform related to ADME protein-production platform and structure-based-drug-discovery.

*For more information about the TaNeDS program, please visit the Daiichi Sankyo corporate website: http://www.daiichisankyo.co.jp/corporate/rd/taneds/

(3) Who is eligible?

Researchers from universities and public research institutions who can conduct research in Japan.

(4) Schedule

Application period: May 18 to June 15, 2015 First selection period: June 16 to July 31, 2015

Second selection period: August 1 to September 30, 2015

Contract negotiation: From October 1, 2015 Start of research: Upon completion of contract

Profile of DAIICHI SANKYO RD NOVARE CO., LTD.

| Capitalization | 50 million yen | | |
|------------------------|---|--|--|
| Date of establishment | October 3, 2006 | | |
| Location | Tokyo, Japan | | |
| President | Hideyuki Haruyama | | |
| Number of employees | Around 300 | | |
| Core business overview | Custom production of research materials and intermediates for drug discovery and development Contract assay development and quantitative and/or qualitative analysis of drug substances. Technology based drug discovery support and alliance. Consultation for the evaluation and application of the novel technological platform for drug discovery. Contract clinical development. | | |