

Corporate Governance

The Daiichi Sankyo Group is working to secure legal compliance and management transparency, and to strengthen the oversight of management and the conduct of operations in addition to creating a management structure that can respond speedily and flexibly to changes in the business environment. We place great importance on building a corporate governance structure that is responsive to the trust that our stakeholders, especially our shareholders. Up to this point, we have taken the following initiatives while conducting a self-evaluation of the Board of Directors (refer to P95) to strive for the increased functionality and effectiveness of the Board of Directors to reinforce our corporate governance.

Daiichi Sankyo will continue to implement initiatives to enhance its corporate governance systems going forward.

Initiatives to reinforce corporate governance

<p>2005 Appointed Members of the Board (Outside) (four out of ten members are Members of the Board (Outside))</p> <p>Established Audit & Supervisory Board (two out of four members are Members of the Audit & Supervisory Board (Outside))</p> <p>Introduced Corporate Officer System</p>	<p>2014 Prescribed specific criteria on the judgment of independence of outside officers</p> <p>All members of the Nomination Committee and Compensation Committee (comprised by the Member of the Board (Outside))</p>
<p>2007 Established Nomination Committee and Compensation Committee (the majority is comprised of Members of the Board (Outside))</p> <p>Introduced a share remuneration-type stock option plan</p>	<p>2016 Implemented and achieved compliance with all principles of Japan's Corporate Governance Code</p> <p>2017 Increased the number of Members of the Audit & Supervisory Board (Outside) by one (three out of five members are Members of the Audit & Supervisory Board (Outside))</p> <p>Introduced a share remuneration-type stock option plan</p> <p>2018 Received the "Winner Company" award for "Corporate Governance of the Year@ 2017"</p>

Characteristics of Daiichi Sankyo's Corporate Governance

- To clarify the management responsibility of Members of the Board and reinforce their oversight of management and the conduct of operations, their terms of office are set at one year, and four out of our nine Members of the Board are Members of the Board (Outside).
- To ensure management transparency, nomination of candidates for Member of the Board and Corporate Officer and compensation thereof are deliberated on by the Nomination Committee and the Compensation Committee, respectively, which are established as voluntary committees. These committees consist of at least three Members of the Board, of whom Members of the Board (Outside) form a majority, and are chaired by a Member of the Board (Outside). At the moment, both committees are comprised entirely of Members of the Board (Outside).
- For audits on legal compliance and soundness of management, the Company has adopted an Audit and Supervisory Board system and established the Audit and Supervisory Board, which is comprised of five members, a majority of which are Members of the Audit and Supervisory Board (Outside).
- The Company prescribes specific criteria on the judgment of independence of outside officers and basic matters regarding execution of duties by Members of the Board and Members of the Audit and Supervisory Board.
- The Company employs a Corporate Officer system which contributes to appropriate and swift management decision-making and the conduct of operations.

Response to Japan's Corporate Governance Code

The Company has complied with and implemented all of the Principles of the Corporate Governance Code, which came into force in June 2015.

We understand and respect the objectives and spirit of the code

and emphasize the importance of the underlying principles of corporate governance, and are continually pursuing improvements in our corporate governance systems based on the code.

Nomination Committee

Chairperson: Noritaka Uji, Member of the Board (Outside)
Members: Hiroshi Toda, Naoki Adachi, and Tsuguya Fukui, Members of the Board (Outside)
Observer: Tateshi Higuchi, Member of the Audit and Supervisory Board (Outside)

The Nomination Committee has been established to deliberate on matters required for the nomination of Members of the Board and Corporate Officers at the request of the Board of Directors and to contribute to the enhancement of management transparency. In fiscal 2017, meetings were held five times, in April, September, November, December and in January 2018, to discuss matters required for nominating candidate Members of the Board and Corporate Officers, and plan to train successors of the President and CEO and Senior Corporate Adviser and Corporate Adviser system, as well as other matters.

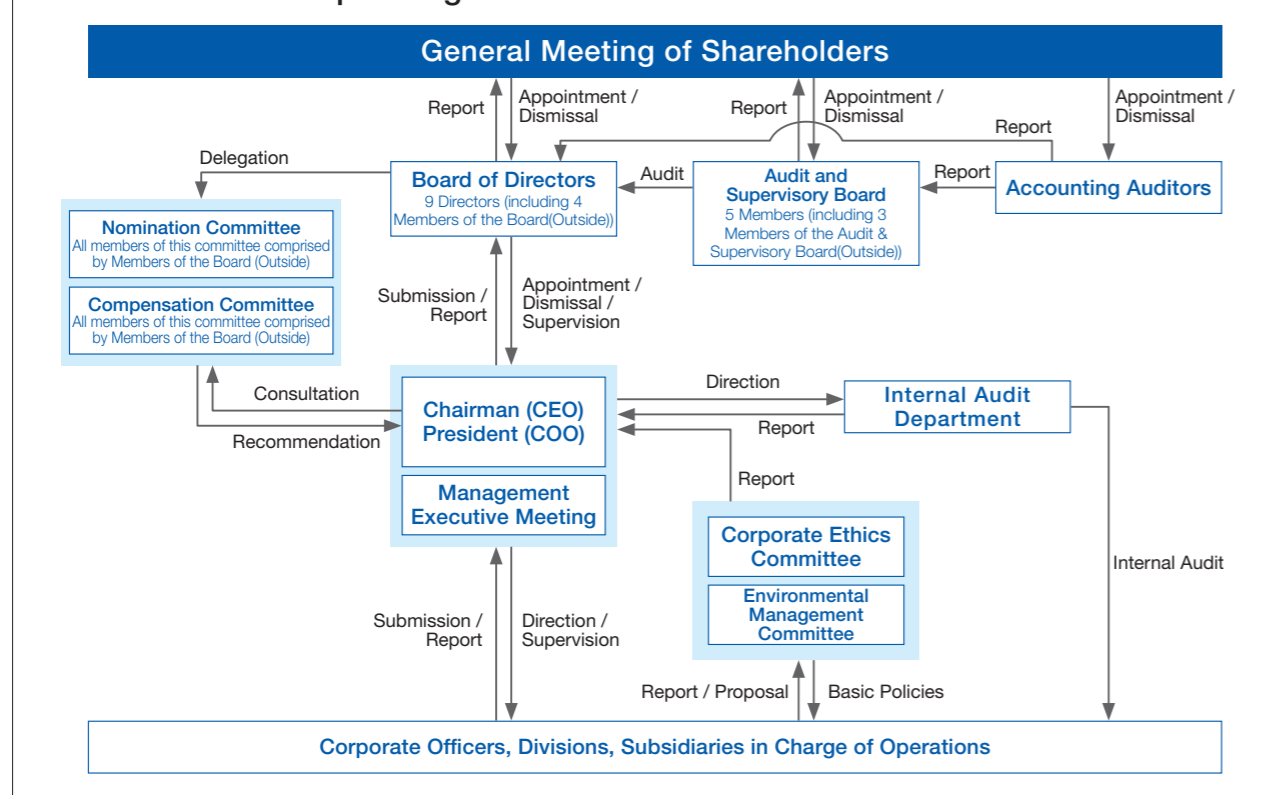
Policies and Procedures for Appointment and Nomination of Candidates for Members of the Board and Members of the Audit and Supervisory Board

- The candidates for Members of the Board shall meet the requirements of being appropriate candidates with respect to term of office and age and of being suitably competent of performing timely and accurate judgment, looking at the changes in the business environment while paying serious attention to the continuance of management policies, etc.
- The candidates for Members of the Board shall meet the requirements that there shall always be Members of the

Board (Outside) included to strengthen decision-making functions based on various perspectives and to strengthen the function of supervising business execution.

- When appointing candidates for Members of the Board, the Board of Directors shall appoint the candidates after they have been sufficiently deliberated on by the Nomination Committee, in which Members of the Board (Outside) form a majority.
- The candidates for Members of the Audit and Supervisory Board shall be examined prudently concerning their suitability as Members of the Audit and Supervisory Board, such as whether they can fulfill their duties, ensuring their independence from the Representative Directors, Members of the Board, and Corporate Officers.
- The candidates for Members of the Audit and Supervisory Board (Outside), in addition to meeting the aforementioned requirements, shall be confirmed to have no problems according to specific criteria relating to the judgment of independence.
- When appointing the candidates for Members of the Audit and Supervisory Board, the Board of Directors shall appoint the candidates after the relevant proposal has been sufficiently verified and agreed to by the Audit and Supervisory Board.

Overview of the corporate governance structure



(Note) In addition to relations shown in the Corporate Governance Structure, coordination such as report to Audit and Supervisory Board by Internal Audit Department etc. is made appropriately.

Compensation Committee

Chairperson: Hiroshi Toda, Member of the Board (Outside)
Members: Noritaka Uji, Naoki Adachi, and Tsuguya Fukui, Members of the Board (Outside)
Observer: Sayoko Izumoto, Member of the Audit and Supervisory Board (Outside)

The Compensation Committee has been established to deliberate on necessary matters related to policies on compensation of Members of the Board and Corporate Officers at the request of the Board of Directors and contribute to the enhancement of management transparency. In fiscal 2017, meetings were held a total of three times, in April and May 2017 and in February 2018, to discuss matters related to bonuses for Members of the Board and Corporate Officers, restricted stocks remuneration, and revisions to directors' remuneration, as well as other matters.

Basic Design of Remuneration to Members of the Board and Members of the Audit and Supervisory Board

- Remuneration to Members of the Board is designed to provide remuneration that contributes to maximize corporate value. Specifically, in addition to a basic remuneration, performance based bonuses serving as short-term incentive and restricted stocks remuneration serving as long-term incentive are adopted.
- Performance based bonuses serving as short-term incentives are determined by the degree of achievement of a single fiscal year measured by adopting revenue, operating profit margin and profit attributable to owners of the Company as the relevant indices.
- The restricted stocks remuneration, which is a long-term incentive, annually grants company stock with transfer restrictions of three to five years as a general rule. Having Members of the Board maintain their shareholdings offers incentives for the sustainable improvement of our

company's values. It also aims to develop more shared values with our shareholders.

- The level of remunerations is set aiming to provide medium to high level of remunerations in the industrial sector, referring to the levels of other companies learned from the surveys of external specialist institutions.
- In order to ensure that Members of the Board (Outside) and Members of the Audit and Supervisory Board adequately perform their role, which is oversight of management, short-term and long-term incentives are not provided and only basic remuneration is granted.

Determination of Procedures for Remuneration to Members of the Board and Members of the Audit and Supervisory Board

- The General Meeting of Shareholders has approved basic remuneration of Members of the Board at a maximum limit of 450 million yen per fiscal year and a total amount of restricted stocks remuneration to be granted to Members of the Board at a maximum limit of 140 million yen per fiscal year. Performance based bonuses are approved by the General Meeting of Shareholders for each relevant fiscal year.
- The General Meeting of Shareholders has approved a basic, fixed remuneration to Members of the Audit and Supervisory Board, which shall be the only remuneration they receive, at a maximum limit of 120 million yen per fiscal year.
- The Compensation Committee, in which Members of the Board (Outside) form a majority, sufficiently deliberates on matters that involve establishing the remuneration system for Members of the Board and Corporate Officers and setting criteria thereof, examining and reviewing levels of remuneration for each position, confirming the results of performance based bonuses, and allocating restricted stocks-remuneration.

Remuneration for Members of the Board and Member of the Audit and Supervisory Board for Fiscal 2017

Classification	Members of the Board		Members of the Audit and Supervisory Board		Total	
	Payment recipients (number of persons)	Amount paid (millions of yen)	Payment recipients (number of persons)	Amount paid (millions of yen)	Payment recipients (number of persons)	Amount paid (millions of yen)
Fees (annual amount) (Of which Members of the Board (Outside) and Members of the Audit and Supervisory Board (Outside))	10 [4]	412 [60]	5 [3]	117 [42]	15 [7]	529 [102]
Members of the Board bonuses (Excluding Members of the Board (Outside) and Members of the Audit and Supervisory Board)	6	106	–	–	6	106
Restricted stocks remuneration (Excluding Members of the Board (Outside) and Members of the Audit and Supervisory Board)	6	92	–	–	6	92
Total (Of which Members of the Board (Outside) and Members of the Audit and Supervisory Board (Outside))	10 [4]	609 [60]	5 [3]	117 [42]	15 [7]	725 [102]

Fiscal 2017 Evaluation of Board of Directors

Daiichi Sankyo conducts a self-evaluation of the Board of Directors every year in order to recognize the current status of the functions and effectiveness of the Board of Directors and to implement improvements. The method and results of the 2017 Evaluation of the Board of Directors are as follows.

Method of Evaluation of Board of Directors

The Company determines the self-evaluation items and contents including the items to evaluate Members of the Board itself with reference to the principle and supplementary principle associated with general principle 4, "Roles and Responsibilities of the Board," of Japan's Corporate Governance Code. All Members of the Board self-evaluated the roles and responsibilities, operation and composition of the Board of Directors, and the improvement status compared to the previous fiscal year's self-evaluations by selecting grades and answering using free descriptions. In addition, the analysis results and the details were reported to the Board of Directors. Furthermore, the Evaluation of the Board Directors works to grasp the current assessments and issues of the Board of Directors and the Members themselves. Actions toward improvement are taken towards issues identified through this evaluation, and this improvement also becomes a criterion for the next evaluation, which allows for the continuous improvement of the Board of Directors functions and effectiveness.

Results of the Evaluation of the Board of Directors

The evaluation of the Board of Directors conducted in fiscal 2017 concluded that the Board of Directors of the Company—its roles and responsibilities, operation and composition—is functioning appropriately and that the overall effectiveness of the Board of Directors has been ensured.

Furthermore, the following has been verified to be effective in reinforcing the previous year's issue, "strengthening management oversight of the Board of Directors": (1) A place for information sharing on important agenda outside of the Board of Directors has been established, resulting in increasingly fulfilling deliberations, and (2) Having timely and appropriate themes as matters for reporting.

Based on the evaluation from fiscal 2017, the Company will strive to improve the functions and effectiveness of the Board of Directors by continuously implementing improvement related to the operation of the Board of Directors in order to ensure more robust and in-depth discussions at meetings of the Board of Directors.

TOPICS

Selected as "Winner Company" for the "Corporate Governance of the Year® 2017"

"Corporate Governance of the Year®" is a government growth strategy that awards corporations that have successfully made sound medium-to-long term growth applying corporate governance.

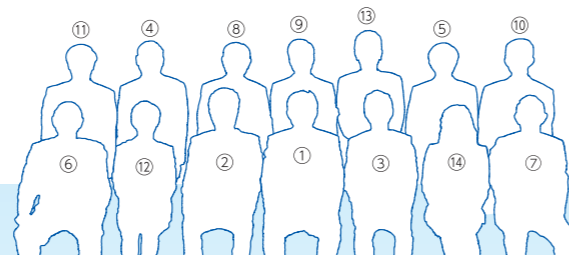
In 2017, our activities toward governance which included the past three-year results, having three or more external members of the board, and the fact we have a Nomination Committee and Compensation Committee were highly regarded, resulting in our company being selected as "Winner Company" from approximately two thousand corporations in the First Section of the Tokyo Stock Exchange. The judges' review said, "Daiichi Sankyo is a company that 'does what needs to be done' when it comes to corporate governance. The company implements both defensive and offensive governance."



Mr. Yoshihiko Miyauchi, Chairman, Japan Association of Corporate Directors, and Mr. George Nakayama, Chairman and CEO

At the awards ceremony, Mr. Nakayama, our CEO, commented on this time's award, "This commendation is one that recognizes our business operations, corporate governance activities, and the management and employees. It is a great honor for not only our management, but for our employees as well." He further said, "We will continue to make efforts for further recognition."

Introduction of Members of the Board and Members of the Audit and Supervisory Board



Members of the Board

1 Representative Director, Chairman and CEO **George Nakayama**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1979 Entered Suntory Limited ("Suntory")
 2000 Director of Suntory
 2002 President of Daiichi Suntory Pharma Co., Ltd.
 2003 Resigned as Director of Suntory
 2003 Member of the Board of Daiichi Pharmaceutical Co., Ltd. ("Daiichi")
 2006 Member of the Board, Vice President of Corporate Strategy Department of Daiichi
 2007 Corporate Officer, Vice President of Europe/US Business Management Department of the Company
 2009 Executive Officer, Vice President of Overseas Business Management Department of the Company
 2010 Executive Vice President, President of Japan Company of the Company
 2010 Representative Director, President and CEO of the Company
 2017 Representative Director, Chairman and CEO of the Company (to present)

2 Representative Director, Member of the Board, President and COO **Sunao Manabe**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1978 Entered Sankyo Company, Limited ("Sankyo")
 2005 Vice President, Medicinal Safety Research Laboratories of Sankyo
 2007 Vice President, Medicinal Safety Research Laboratories of the Company
 2009 Corporate Officer, Vice President of Global Project Management Department, R&D Division of the Company
 2011 Corporate Officer, Head of Group HR & CSR of the Company
 2012 Corporate Officer, Vice President of Corporate Strategy Department, Corporate Strategy Division of the Company
 2014 Executive Officer, President of Japan Company and Head of Business Intelligence Division of the Company
 2014 Member of the Board, Executive Officer, President of Japan Company and Head of Business Intelligence Division of the Company
 2015 Member of the Board, Senior Executive Officer, In Charge of Global Sales & Marketing of the Company
 2016 Member of the Board, Executive Vice President, Head of General Affairs & Human Resources Division, and Medical Affairs Division of the Company
 2016 Representative Director, Member of the Board, Executive Vice President, Head of General Affairs & Human Resources Division, and Medical Affairs Division of the Company
 2017 Representative Director, Member of the Board, President and COO of the Company (to present)

3 Representative Director, Member of the Board, Executive Vice President and CFO **Toshiaki Sai**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1979 Entered Daiichi Pharmaceutical Co., Ltd.
 2007 Vice President, Management System Department of the Company
 2008 Vice President, Corporate Communications Department of the Company
 2010 Corporate Officer, Vice President of Corporate Communications Department of the Company
 2012 Corporate Officer, Vice President of Global Brand Strategy Department, Corporate Strategy Division of the Company
 2014 Executive Officer, Vice President of Corporate Strategy Department, Corporate Strategy Division of the Company
 2015 Senior Executive Officer, Head of Corporate Strategy Division of the Company
 2015 Member of the Board, Senior Executive Officer, Head of Corporate Strategy Division of the Company
 2017 Member of the Board, Senior Executive Officer, Head of Global Brand Strategy Division of the Company
 2018 Member of the Board, Executive Vice President and CFO, Head of Corporate Strategy & Management Division of the Company
 2018 Representative Director, Member of the Board, Executive Vice President and CFO, Head of Corporate Strategy & Management Division of the Company (to present)

4 Member of the Board, Senior Executive Officer **Katsumi Fujimoto**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1980 Entered Sankyo Company, Limited ("Sankyo")
 2005 Vice President, Development CMC Planning Department of Sankyo
 2007 Vice President, CMC Planning Department, Pharmaceutical Technology Division of the Company
 2011 Corporate Officer, Vice President, CMC Planning Department, Pharmaceutical Technology Division of the Company
 2011 Corporate Officer, Head of Pharmaceutical Technology Division of the Company
 2014 Executive Officer, Head of Pharmaceutical Technology Division of the Company
 2015 Executive Officer, Head of Supply Chain Division of the Company
 2016 Senior Executive Officer, Head of Supply Chain Division of the Company
 2016 Member of the Board, Senior Executive Officer, Head of Supply Chain Division of the Company (to present)

5 Member of the Board, Senior Executive Officer **Toshiaki Tojo**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1980 Entered Daiichi Pharmaceutical Co., Ltd.
 2010 Vice President, Supply Chain Technology Department, Supply Chain Division of the Company
 2011 Corporate Officer, Vice President, Supply Chain Technology Department, Supply Chain Division of the Company
 2011 Corporate Officer, Vice President, Supply Chain Planning Department, Supply Chain Division of the Company
 2013 Corporate Officer, Head of Quality and Safety Management Division of the Company
 2014 Executive Officer, Head of Quality and Safety Management Division of the Company
 2016 Senior Executive Officer, In charge of Vaccine Business of the Company
 2016 Member of the Board, Senior Executive Officer, In charge of Vaccine Business of the Company (to present)

(Material Concurrent Positions)
 •Representative Director and President of Kitasato Daiichi Sankyo Vaccine Co., Ltd. (consolidated subsidiary company of the Company)

6 Member of the Board (Outside) **Noritaka Uji**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1973 Entered Nippon Telegraph and Telephone Public Corporation
 1999 Director, Senior Vice President, Advanced Information Network Services Sector of NTT DATA Corporation ("NTT DATA")
 2000 Director, Senior Vice President, Corporate Strategy Planning Department of NTT DATA
 2001 Director, Senior Vice President, Industrial System Sector of NTT DATA
 2002 Director, Senior Vice President, Enterprise Business Sector of NTT DATA
 2003 Managing Director, Executive Vice President, Enterprise Systems Sector and Enterprise Business Sector of NTT DATA
 2005 Representative Director, Executive Officer of NTT DATA
 2007 Representative Director, Senior Executive Vice President, Nippon Telegraph and Telephone Corporation ("NTT")
 2012 Adviser of NTT
 2014 Member of the Board (Outside) of the Company (to present)

(Material Concurrent Positions)
 •Outside Director of Yokogawa Electric Corporation
 •Chairman of Japan Institute of Information Technology
 •Honorary President of Japan Telemarketing Association
 •Visiting Professor of Center for Global Communications, International University of Japan

7 Member of the Board (Outside) **Hiroshi Toda**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1975 Entered Nomura Securities Co., Ltd.
 1991 President of Nomura Bank (Switzerland) Limited
 1997 Director, Head of Financial Market of Nomura Securities Co., Ltd.
 2000 Senior Managing Director, Head of Investment Banking of Nomura Securities Co., Ltd.
 2001 Director of Nomura Holdings, Inc. and Senior Managing Director, Head of Global Wholesale of Nomura Securities Co., Ltd.
 2003 Deputy President and Chief Operating Officer of Nomura Holdings, Inc. and Deputy President and Chief Operating Officer of Nomura Securities Co., Ltd.
 2008 Vice Chairman of Nomura Securities Co., Ltd.
 2009 Resigned as Vice Chairman of Nomura Securities Co., Ltd.
 2010 Ambassador extraordinary and plenipotentiary to Greece
 2014 Member of the Board (Outside) of the Company (to present)

(Material Concurrent Positions)
 •Outside Director (Part Time) of Yusen Logistics Co., Ltd.

8 Member of the Board (Outside) **Naoki Adachi**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1962 Entered Toppan Printing Co., Ltd. ("Toppan")
 1993 Director, General Manager of Commercial Printing Subdivision, Commercial Printing Division of Toppan
 1995 Director, General Manager of Commercial Printing Division of Toppan
 1995 Managing Director, General Manager of Commercial Printing Division of Toppan
 1996 Managing Director, General Manager of Commercial Printing Division; Head of Finance Instruments and Securities Division of Toppan
 1997 Senior Managing Director, General Manager of Commercial Printing Division; Head of Finance Instruments and Securities Division of Toppan
 1998 Senior Managing Director, In Charge of Corporate Sales & Marketing; Head of Finance Instruments and Securities Division and Commercial Printing Division of Toppan
 1998 Representative Executive Vice President, In Charge of Corporate Sales & Marketing; Head of Finance Instruments and Securities Division and Commercial Printing Division of Toppan
 2000 President & Representative Director of Toppan
 2010 Chairman & Representative Director of Toppan (to present)
 2015 Member of the Board (Outside) of the Company (to present)

(Material Concurrent Positions)
 •Chairman & Representative Director of Toppan Printing Co., Ltd.
 •Director of Toppan Forms Co., Ltd.
 •Outside Director of Toyo Ink SC Holdings Co., Ltd.

9 Member of the Board (Outside) **Tsuguya Fukui**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1992 Professor, Department of General Medicine of Saga Medical School Hospital
 1994 Professor, Department of General Medicine of Kyoto University Hospital
 1999 Professor, Department of Clinical Epidemiology, Kyoto University Graduate School of Medicine
 2000 Professor, Department of Clinical Epidemiology, Professor, Department of Health Informatics, Dean, School of Public Health, Kyoto University Graduate School of Medicine
 2001 Professor, Department of Clinical Epidemiology, Professor, Department of Health Informatics, Director, EBM Collaborative Research Center, School of Public Health, Kyoto University Graduate School of Medicine
 2004 Chief of staff, Department of Internal medicine, Vice President, St. Luke's International Hospital
 2005 President of St. Luke's International Hospital (to present)
 2012 Chairperson of the Board of Trustees of St. Luke's College of Nursing (currently, St. Luke's International University)
 2015 Member of the Board (Outside) of the Company (to present)
 2016 President of St. Luke's International University (to present)

(Material Concurrent Positions)
 •President of St. Luke's International University
 •President of St. Luke's International Hospital
 •Executive Director of Japan Hospital Association
 •President of The Japan Medical Library Association

Members of the Audit and Supervisory Board

10 Member of the Audit and Supervisory Board **Hideyuki Haruyama**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1980 Entered Sankyo Company, Limited ("Sankyo")
 2003 Vice President, IT Management Department of Sankyo
 2004 Corporate Officer, Head of Research Division and Vice President of IT Management Department of Sankyo
 2005 Corporate Officer, Head of Research Division of Sankyo
 2007 Corporate Officer, Vice President of R&D Planning & Management Department of the Company
 2010 Corporate Officer, In charge of Research, R&D Division of the Company
 2011 President, Daiichi Sankyo RD Novare Co., Ltd. ("Novare")
 2015 Member of the Board of Novare
 2015 Member of the Audit and Supervisory Board of the Company (to present)

11 Member of the Audit and Supervisory Board **Kazuyuki Watanabe**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1978 Entered Daiichi Pharmaceutical Co., Ltd. ("Daiichi")
 2006 General Manager, Secretariat Department of Daiichi
 2007 Vice President, General Affairs Department of the Company
 2012 Vice President, External Affairs Department, Business Intelligence Division, Japan Company of the Company
 2014 Corporate Officer, Vice President of External Affairs Department, Business Intelligence Division, Japan Company of the Company
 2015 Corporate Officer, In charge of External Affairs of the Company
 2015 Member of the Audit and Supervisory Board of the Company (to present)

12 Member of the Audit and Supervisory Board (Outside) **Sayoko Izumoto**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1976 Joined Tohmatu Awoki & Co. (currently "Deloitte Touche Tohmatsu LLC")
 1979 Registered as Certified Public Accountant
 1995 Partner of Tohmatu & Co. (currently "Deloitte Touche Tohmatsu LLC")
 2007 Member of Business Accounting Council, Financial Services Agency
 2015 Member of Information and Communications Council, Ministry of Internal Affairs and Communications (to present)
 2016 Representative, Izumoto Certified Public Accountant Office (to present)
 2017 Member of Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications (to present)
 2017 Member of the Audit and Supervisory Board (Outside) of the Company (to present)

(Material Concurrent Positions)
 •Member of Business Accounting Council, Financial Services Agency
 •Member of Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications
 •Representative of Izumoto Certified Public Accountant Office
 •External Audit and Supervisory Board Member of Freund Corporation
 •Outside Director of Hitachi Transport System, Ltd.

13 Member of the Audit and Supervisory Board (Outside) **Tateshi Higuchi**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1978 Entered National Police Agency
 2007 Deputy Director General for Policy Evaluation and Deputy Director General of National Police Agency
 2008 Chief of Personnel and Training Bureau of Tokyo Metropolitan Police Department
 2009 Deputy Superintendent General and Acting Chief of Personnel and Training Bureau of Tokyo Metropolitan Police Department
 2010 Chief of Community Safety Bureau of National Police Agency
 2011 Superintendent General
 2014 Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of the Union of Myanmar
 2018 Member of the Audit and Supervisory Board (Outside) of the Company (to present)

(Material Concurrent Positions)
 •Adviser of Sompō Japan Nipponkoa Insurance Inc.

14 Member of the Audit and Supervisory Board (Outside) **Yukiko Imazu**

Career Summary, Positions, Assignments, and Material Concurrent Positions

1996 Entered Anderson Móri (currently, Anderson Móri & Tomotsune)
 2005 Partner of Anderson Móri & Tomotsune (to present)
 2007 Associate Professor of Keio University Law School
 2014 Director of Ishibashi Foundation (to present)
 2018 Member of the Audit and Supervisory Board (Outside) of the Company (to present)

(Material concurrent positions)
 •Partner of Anderson Móri & Tomotsune
 •Director of Ishibashi Foundation

Messages from Members of the Board (Outside) and Members of the Audit and Supervisory Board (Outside) (Independent Directors)



Noritaka Uji
Member of the Board (Outside)
(Independent Director)

There is a clear need for management systems capable of furnishing a quick and flexible response to changes in the operating environment and a Board of Directors' structure that sufficiently incorporates outside viewpoints. I therefore feel responsibility to live up to expectations in this regard as a Member of the Board (Outside).

Over the medium term, Daiichi Sankyo will need to overcome the challenges presented by the loss of exclusivity for some of its products. This period will be an incredibly important time for transformation to build foundations for future growth to ensure that the Company can continue growing. This topic was discussed when formulating the 5-year business plan. Responding to changes and striving toward achieving the vision, even when faced with dramatic changes in internal and external operating environments, will be of utmost importance. Based on this belief, I will work to implement this plan while incorporating the perspective of "aggressive governance."

I am committed to offering viable advice and suggestions based on my experience as a manager in the information and communication industry and the insight gained through this experience, thereby contributing to more lively discussions among the Board of Directors. At the same time, from my outside standpoint, I will strive to facilitate effective corporate governance with regard to such areas as formulating strategies, conducting appropriate investments for future growth, and selecting members of the management team.

I also think it is important for Daiichi Sankyo to utilize the advances in information and communication technology for the operation, so that we can contribute to the enrichment of quality of life around the world.

Message as Chairperson of the Nomination Committee

The Nomination Committee is an advisory committee delegated by the Board of Directors. The primary roles of this committee are to maintain transparency while making proposals for the appointment and dismissal of Members of the Board and Corporate Officers. As the Chairperson of the Nomination Committee, I have been leading discussions from the perspective of the ongoing growth of Daiichi Sankyo and the qualities required of its management. The new management team led by CEO Nakayama and COO Manabe kicked off in fiscal 2017. In the midst of the difficult operating environment, I will continue to examine measures to further strengthen the Company's management team, including evaluating the management team, realizing a more diverse and younger team of Corporate Officers, and cultivating candidates for future management positions, in order to support the ongoing growth of Daiichi Sankyo.



Hiroshi Toda
Member of the Board (Outside)
(Independent Director)

Circumstances surrounding the pharmaceutical industry are growing increasingly severe, causing other competitors to initiate new actions. I understand that Daiichi Sankyo's management is in the midst of a period that is growing ever more challenging. During this period, management will need to undertake a bold transformation to a new business model, build global business operation systems, and tackle other tasks. Of course, this means that the number of important management decisions to be made by Chairman and CEO Nakayama, President and COO Manabe, and other members of the executive team will continue to increase steadily. In this challenging period, I will aspire to go about my duties as a Member of the Board (Outside) based on an in-depth understanding of Daiichi Sankyo's mission, strategies, corporate culture, and history. In addition, I will make sure not to forget the perspective of ensuring that the Company's fiduciary duty and accountability duties toward shareholders are being fulfilled.

Japan's Corporate Governance Code states that one of the responsibilities of the Board of Directors is "setting the broad direction of corporate strategy." To help accomplish this objective, I hope to facilitate lively discussion among the Board of Directors regarding the structure of the pharmaceutical industry and nature of competition therein, analyses of risks anticipated in future business activities, measures to improve corporate value, and other matters. I thereby aim to contribute to the setting of directives based on which we will articulate profit plans and capital policy, present targets for profitability and capital efficiency, and provide explanations with respect to the allocation of management resources and specific measures that will be taken in order to achieve the plans and targets.

Message as Chairperson of the Compensation Committee

I am the Chairperson of the Compensation Committee, an advisory committee delegated by the Board of Directors. The main goal of this committee is to create systems that offer compensation in line with the responsibilities of each Member of the Board and Corporate Officer in order to lift their motivation, thereby improving performance. At the same time, we engage in discussions to examine the possibility of implementing measures to reinforce the link between compensation for Members of the Board and Corporate Officers and the Company's performance based on the perspective of shareholders.

Given the rising need for management to be conducted from a global perspective, our next step must be to move ahead with the development of a single, uniform standard for determining the compensation of Members of the Board and Corporate Officers in Japan and overseas.



Naoki Adachi
Member of the Board (Outside)
(Independent Director)

I firmly believe a company should have a strong social presence that is trusted and respected by society. As a business executive, I remind officers and employees of this need at every opportunity. To grow beyond being a company that simply pursues earnings growth to become a company that earns the respect of all of its stakeholders, the construction and implementation of an appropriate corporate governance system is of the utmost importance. However, there is no such thing as the "right" corporate governance system. Rather, companies must find the system that is best suited to maximizing their particular corporate value and the value for their shareholders while cautiously monitoring changes in social conditions. Based on this perspective, I hope to help contribute to the ideal corporate governance system for Daiichi Sankyo.

Furthermore, I view my role as a Member of the Board (Outside) that is also an independent director to help ensure the soundness of the Company to the greatest degree possible. Calling upon the insight I have gained through my interactions with various companies over my long career as well as during my time as a corporate manager, I will proactively swap opinions with other Members of the Board while striving to assist Daiichi Sankyo's management.



Tsuguya Fukui
Member of the Board (Outside)
(Independent Director)

I see my role as voicing opinions at meetings of the Board of Directors from the perspectives of transparency and impartiality in order to ensure that Daiichi Sankyo practices good compliance according to Japan's Corporate Governance Code, pays due heed to the interests of shareholders, employees, and other stakeholders, and makes swift and bold decisions.

In modern society, pharmaceutical companies are responsible for identifying substances worthy of development from the patients' perspective; verifying safety and effectiveness using the very essence of modern science and technology including biomedicine, pharmacy, and chemistry; and promptly delivering them to medical institutions. Fulfilling this responsibility has resulted in a lower death rate from disease, a better quality of life (QOL), and improved human well-being (happiness and peace). Looking back over the approximately forty years since I became a doctor, there are countless diseases, including cancer, leukemia, myocardial infarction, apoplexy, and rheumatoid arthritis, for which survival rates and QOL have improved dramatically.

Taking pride in my noble, honorable job that is to protect precious lives, I hope to help further increase the corporate value of Daiichi Sankyo.



Sayoko Izumoto
Member of the Audit and Supervisory Board (Outside) (Independent Auditor)

I have had auditing experience in various industries and business categories over the years as a certified public accountant. It has been one year since I took the post as a Member of the Audit and Supervisory Board of the Company. I have asked myself whether I could fulfill my duties for the past year in my new position as an Outside Member of the Audit and Supervisory Board who is responsible for auditing the company's financial statements from the outside and whose position is opposite of the corporate managers and auditors. Under these circumstances as well as different auditing methods, I have decided to accompany full-time Members of the Audit and Supervisory Board to plants, laboratories and branch offices to get a firm grasp on the actual company.

Daiichi Sankyo has been taking a major step toward its 2025 Vision of becoming a "Global Pharma Innovator with competitive advantage in oncology." Initiatives towards realizing this Vision involve a great amount of R&D investments and business development activities. For this purpose, precise accounting and information disclosure are crucial. The Corporate Governance Code specifies "Companies should recognize that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics is a strength that supports their sustainable growth". Thus, companies should promote diversity of personnel and diverse perspectives. I would like to leverage my experience and strive towards ensuring credibility of stakeholders including employees, clients, suppliers and local communities.



Tateshi Higuchi
Member of the Audit and Supervisory Board (Outside) (Independent Auditor)

I assumed my position as a Member of the Audit and Supervisory Board (Outside) after being appointed at the 13th Ordinary General Meeting of Shareholders held on June, 2018. I greatly appreciate your support. For the last four years until this spring, I have been a Japanese ambassador in Myanmar, which has recently transitioned to civilian rule, and have worked on various initiatives toward the country's overall democracy and economic growth. One of the activities there was establishment and operation of the Yangon Stock Exchange. Currently, measures to increase the number of listed enterprises and investors are being taken, but the promotion and thorough implementation of corporate governance has proved to be a major issue. In order to make great strides in economy, sustainable growth and improvement of corporate values based on the application of corporate governance is essential.

The Company's management has been diligently tackling issues to resolve various business challenges toward achieving its 5-year business plan. As a Member of the Audit and Supervisory Board (Outside), I will make every effort to ensure legal compliance and transparent management by auditing this progress from a viewpoint of legality and appropriateness. Furthermore, Daiichi Sankyo holds many domestic and overseas Group companies. I will strive to ensure sound management that lives up to stakeholder expectations by auditing internal control systems while cooperating with internal audit divisions, accounting auditors and auditors from Group companies to secure appropriate business practices as a corporate group.



Yukiko Imazu
Member of the Audit and Supervisory Board (Outside) (Independent Auditor)

As an attorney, I have so far been engaged in corporate legal affairs and corporate governance, especially focusing on labor and employment issues. Recently, there has been a trend towards the increasing importance of transparency of, and compliance with, the company management. Moreover, any company is now required to review the work styles of individual employees with the enactment of the laws related to work style reform. Under these circumstances, I will make my best efforts toward contributing to quality corporate governance of the Company that lives up to society's expectations, considering the reason why I have been appointed as a Member of the Audit and Supervisory Board (Outside) of the Company.

The Company has created a lofty goal called the "2025 Vision", and is progressing with transformation towards realizing this goal. If a company attempts to change something, it gives rise to risks as well as chances at the same time. Swift administrative decision-making is also required to select and implement a plan among many methods within time constraints. A Member of the Audit and Supervisory Board (Outside) who is also an attorney is always expected to work towards increasing corporate values and offering peace of mind to stockholders by expressing objective audit opinions on a neutral stance all the time based on a legal mentality in order to avoid unnecessary legal disputes and prevent damages to corporate value. The pharmaceutical industry is a highly specialized one—however, I will strive to maintain the business integrity and soundness of the Company with the aim of sustainable future growth.