

History of Daiichi Sankyo—Path to the Merger

Daiichi Sankyo was born out of the merger of Sankyo Co., Ltd., and Daiichi Pharmaceutical Co., Ltd., two drug discovery-oriented companies with histories spanning roughly a century. From the 1980s onward, both companies proceeded to expand their operations globally while developing and launching new products. *Pravastatin*, *levofloxacin* and *olmesartan* became blockbuster drugs* on the global market.

* New drugs whose annual peak sales exceed ¥100 billion (or \$1 billion).

Meanwhile, these companies maintained a strong presence for a long time in the Japanese market through their honest and trustworthy sales activities. The two companies' histories of placing focus on science, expanding global business from early phases and progressing as Japan's leading companies have led to creating the current Daiichi Sankyo.

History of Sankyo

Sankyo started its journey by commercializing compounds created through its fermentation, extraction of biological materials from plants and animals, and other biotechnologies such as *taka-diastase*, *adrenaline* and *orizanin*. In the years that followed, it built upon its biotechnology research to create numerous antibiotic drugs.

Another innovative pharmaceutical developed by applying Sankyo's biological fermentation technologies was *pravastatin*, a early statin compound that was created by Sankyo and that revolutionized medicines in the world as an antihyperlipidemic agent.

As for organic synthesis technologies, this company created *loxoprofen* and *olmesartan*, both best-in-class drugs.



1899

Founded as Sankyo Shoten through a joint investment by businessmen Matasaku Shiobara (pictured to the left), Shojiro Nishimura, and Genjiro Fukui and launched digestive enzyme *taka-diastase*



1902

Launched *adrenalin* (Product name: *Adrenalin*), the world's first adrenal cortex hormone agent to be extracted successfully



1910

Dr. Umetaro Suzuki, who became Sankyo's scientific adviser, made the world's first discovery of vitamin B1 (*orizanin*) in rice bran and established a foundation for the theory of vitamins



1913

Changed company name from Sankyo Shoten to Sankyo Co., Ltd., and appointed Dr. Jokichi Takamine as its first president



1951

Launched *Lulu* cold medicine



1986

Launched *loxoprofen* (Product name: *Loxonin*), an anti-inflammatory analgesic



1989

Launched *pravastatin* (Product name: *Mevalotin*), a globally groundbreaking antihyperlipidemic agent



2002

Launched global product *olmesartan* (Product names: *Olmetec* and *Benicar*), an antihypertensive agent (Japanese launch took place in 2004)

History of Daiichi Pharmaceutical

Daiichi Pharmaceutical began its advance by using its organic synthesis technologies to realize the domestic production of *salvarsan*, a pioneering chemotherapeutic drug. This company also commercialized *tranexamic acid*, which is once again garnering attention for its antiplasmin effects (hemostasis and anti-inflammatory effects), and succeeded in developing and launching *ticlopidine*, which opened the door for antiplatelet therapies in the cardiovascular field.

Levofloxacin, which could be seen as a masterpiece in the field of synthetic antibacterial agents, left a mark on the history of not only Japan but also the entire world with its broad spectrum of antibacterial activity.



1915

Founded as Arsemin Shokai by Dr. Katsuzemon Keimatsu and realized domestic production of *salvarsan*, a treatment for syphilis, which was a common disease in Japan at that time



1918

Changed company name to Daiichi Pharmaceutical Co., Ltd., and appointed Seinosuke Shibata as its first president



1921

Launched *adrenaline* (Product name: *Bosmin*), a vasoconstriction, hemostasis, and asthma medicine that became its longest-lasting product



1965

Launched *tranexamic acid* (Product name: *Transamin*), an antiplasmin medicine



1981

Launched *ticlopidine* (Product name: *Panaldine*), an antiplatelet product



1985

Launched *ofloxacin* (Product name: *Tarivid*), a broad-spectrum oral antibacterial agent



1993

Launched *levofloxacin* (Product name: *Cravit*), a broad-spectrum oral antibacterial agent



Daiichi-Sankyo

2005

Daiichi Sankyo Co., Ltd., established through merger of Sankyo Co., Ltd., and Daiichi Pharmaceutical Co., Ltd.

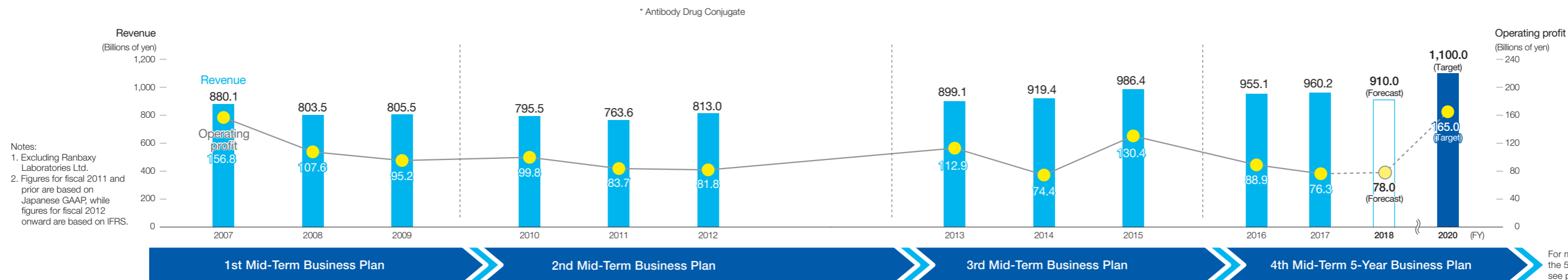
2007

Start of new Daiichi Sankyo Group

History of Daiichi Sankyo – Road After the Merger

Carrying on the century-long strength in science & technology forged by its predecessors, Daiichi Sankyo continues its quest to create innovative pharmaceuticals. We have been successful in growing *olmesartan* and *edoxaban*, the fruits of our predecessors' efforts and expertise in science & technology, into major global products. The ADC* franchise, which will be key to the future of Daiichi Sankyo, is also built upon these strengths using the biotechnologies of Sankyo in the antibody portion of these drugs and the synthesis technologies of Daiichi Pharmaceutical in the linker and drug payload portions.

Moreover, we are committed to maintaining a corporate governance structure that always fits with the times as we build upon our global systems together with our robust, global pool of talent. In Japan, the honest and trustworthy activities of our medical representatives have continued to be highly appreciated for a long time. As a result of that, our domestic pharmaceutical revenue claimed the No. 1 spot for two consecutive years since fiscal 2016. Looking ahead, we will further strengthen our presence in Japan by furnishing wide-ranging responses to diverse medical needs through our four businesses of innovative pharmaceuticals, generic, vaccine and over-the counter (OTC) - related businesses.



		1st Mid-Term Business Plan	2nd Mid-Term Business Plan	3rd Mid-Term Business Plan	4th Mid-Term 5-Year Business Plan	
Overview of initiatives under mid-term business plans		Maximization of synergies and expansion of growth foundation <ul style="list-style-type: none"> Focus on thrombosis, cancer and diabetes fields Maximize sales of <i>olmesartan</i> franchise Introduced Ranbaxy into Group in 2008 	Advancement of global hybrid business model <ul style="list-style-type: none"> Focus on thrombosis, cardiovascular-metabolics, and cancer fields Expand operating foundations in Japan Conduct frontline and backyard collaboration with Ranbaxy 	Promotion of measures toward sustainable growth beyond LOE <ul style="list-style-type: none"> Focus on thrombosis, cardiovascular-metabolics, and cancer fields Divest and liquidate Ranbaxy over period from April 2014 to April 2015 Return to innovative business 	Transformation toward 2025 Vision <ul style="list-style-type: none"> Grow beyond FY2017 LOE Establish a foundation of sustainable growth 	
Launches of new products		Japan <i>Loxonin Tape</i> US <i>AZOR</i> US <i>Effient</i> Europe <i>Sevikar</i> Europe <i>Effient</i>	Japan <i>Loxonin Gel</i> Japan <i>Rezaltas</i> Japan <i>Inavir</i> Japan <i>NEXIUM</i> Japan <i>Memary</i>	Japan <i>LIXIANA</i> Japan <i>RANMARK</i> Japan <i>TENELIA</i> US <i>TRIBENZOR</i> Europe <i>Sevikar HCT</i>	Japan <i>PRALIA</i> Japan <i>Effient</i> US <i>Injectafer</i> US <i>SAVAYSA</i> US <i>MOVANTIK</i>	Japan <i>VIMPAT</i> US <i>MorphaBond</i>
Important management decisions	In-licensed products	Japan <i>Denosumab</i> US <i>Tivantinib</i> (Development discontinued) Europe <i>Tivantinib</i> (Development discontinued)	Japan <i>NEXIUM</i>	US <i>CL-108</i> (License returned) Japan <i>VIMPAT</i> , <i>FluMist</i> Global <i>TS23</i> (License returned)	Japan <i>Heartcel</i> Japan Nine biosimilars Japan <i>Axicabtagene ciloleucel</i>	
	Acquisition	Europe U3 Pharma GmbH Global Ranbaxy Laboratories Ltd.	US Bethlehem Plant, Plexxikon Inc.	US Ambit Biosciences Corp. Japan Im Co., Ltd.	Japan <i>Four authorized generics</i> US <i>MorphaBond</i> US <i>RoxyBond</i>	
	Business expansion Restructuring	Europe Expansion in Turkey and Ireland US Expansion in Puerto Rico	Japan Start of generic business Japan Start of vaccine business Japan Close of Osaka Plant Japan Sale of Shizuoka Plant	Japan Sale of Akita Plant Japan US Europe Restructuring in Japan, the United States, and Europe Global Divestment of Ranbaxy to Sun Pharmaceutical Industries Ltd. Global Completion of sale of Sun Pharmaceutical shares	Europe US Restructuring of operations in Europe and the United States Japan Decision to close the Hiratsuka Plant of Daiichi Sankyo Chemical Pharma Co., Ltd. US Sale of Bethlehem Plant of Daiichi Sankyo, Inc. Europe Closure of U3 Pharma GmbH in Germany Others Decision to close Daiichi Sankyo India Pharma Private Ltd. Japan Decision to close Asubio Pharma Co., Ltd.	
ESG		G Set term of Members of the Board as one year, four out of 10 Members of the Board are Members of the Board (Outside) G Established Nomination Committee and Compensation Committee (comprised of Members of the Board (Outside)) G Established Audit & Supervisory Board (two out of four Members of the Audit & Supervisory Board are Members of the Audit & Supervisory Board (Outside)) G Introduced Corporate Officer System E S G First time for inclusion in FTSE4Good ^{*1} ; inclusion continues thereafter E S G First time for inclusion in Dow Jones Sustainability Indices ^{*2} (Asia Pacific); inclusion continues thereafter	E S G Revision of DAIICHI SANKYO Group Corporate Conduct Charter E S Participation in United Nations Global Compact S Start of "Daiichi Sankyo Presents Family Tie Theater" program S Establishment of Daiichi Sankyo Kusuri Museum S Commencement of mobile healthcare field clinic services in developing countries	G Prescribed specific criteria on the judgment of independence of outside officers G Implemented and achieved compliance with all principles of Japan's Corporate Governance Code S Participation in the Global Health Innovative Technology (GHIT) Fund S Receipt of first-prize UCDA Award 2015 ^{*3} for Daiichi Sankyo's Value Report 2015 S Establishment of Daiichi Sankyo Group Individual Conduct Principles	G Increased number of Members of the Audit & Supervisory Board (Outside) by one (three out of five Members of the Audit & Supervisory Board are Members of the Audit & Supervisory Board (Outside)) G Introduced restricted share-based remuneration plan G Selected for the winner of the Corporate Governance of the Year [®] 2017 ^{*4} E S G First time for inclusion in Dow Jones Sustainability Indices (World Index) in 2017 S Participation in the Access Accelerated initiative ^{*5} S Acquired 2018 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category)—White 500 for the first time S Acquired the Highest Grade of Eruboshi Certification for Promoting Women's Participation and Advancement in the Workplace (2018)	

For more information on the 5-year business plan, see pages 42 to 55.

2025 Vision
Global Pharma Innovator with Competitive Advantage in Oncology

*1 Index compiled by FTSE Russell recognizing companies that engage in responsible corporate activities
 *2 Index compiled by S&P Dow Jones Indices LLC and RobecoSAM AG recognizing companies that exhibit sustainability

*3 Award for communication design
 *4 An award for companies hosted by the Japan Association of Corporate Directors, which supports corporations that have achieved and maintained medium to long-term growth
 *5 Initiative through which pharmaceutical companies work together with The World Bank Group and the Union for International Cancer Control to improve non-communicable diseases prevention, diagnosis, and treatment options in low-income and lower-middle income countries