Period Covered
The IR Report 2015 covers the period from April 1, 2014 to March 31, 2015 (fiscal 2014) and also contains information for the period from April 2015 onward.

Precautions for future prospects
This report contains future prospects, such as the Company’s plan, strategy, and business performance. These prospects are based on our conclusions from information that is currently available. Therefore, please be advised that the actual business performance will be influenced by various risks and uncertainties and could achieve different results from these prospects. Examples of factors that could influence future prospects are including, but are not limited to, the economic environment, competition, related laws, change in product development circumstances, or fluctuation of exchange rates that surround the Company’s business domain.
Our Mission

To contribute to the enrichment of quality of life around the world through the creation of innovative pharmaceuticals, and through the provision of pharmaceuticals addressing diverse medical needs.

Values and Judgmental Standard to Fulfill Our Mission

Our Values and Commitments

Innovation “Our Imperative”

1. To create first-in-class and best-in-class drugs
2. To take a global perspective, and respect local values
3. To foster intellectual curiosity and strategic insight

Integrity “Our Strength”

4. To provide the highest quality medical information
5. To provide a stable supply of top-quality pharmaceutical products
6. To be an ethical, trusted, and respectful partner

Accountability “Our Culture”

7. To be accountable for achieving our goals
8. To demonstrate professionalism, respect for others and teamwork

Corporate Slogan

Passion for Innovation. Compassion for Patients.”
CONTENTS

1 Introduction
   1 Management Team
   3 Fiscal 2014 Performance Highlights
   5 Performance Trend and Major Products

7 Message from the CEO
   The CEO discusses the business environment of the pharmaceuticals industry and Daiichi Sankyo’s new business direction.

17 Corporate Governance
   17 Policy and Structure
   18 Basic Policy on Establishing Internal Control Structure
   20 Independent Outside Directors and the Criteria
   22 Members of the Board

23 Data Section
   23 Historical Data
   25 Major Products
   27 Company Information

For the latest information and details on the Company’s investor relations, please refer to the “Investor Relations” page via the “Media & Investors” tab on the Company’s corporate website.

- Quarterly Results
- IR Material
- Financial Highlights etc.

http://www.daiichisankyo.com Home > Media & Investors > Investor Relations
Management Team (as of June 22, 2015)

Members of the Board and Members of the Audit & Supervisory Board

Tsuguya Fukui, MD., MPH, Ph.D.

Hiroshi Toda

Naoki Adachi

Noritaka Uji

Toshiaki Sai
Senior Executive Officer
Head of Corporate Strategy Div.

Kazunori Hirokawa,
MD., Ph.D.
Representative Director
Executive Vice President
Head of Corporate Management Div.

Takeshi Ogita,
Ph.D.
Senior Executive Officer
Vaccine Business

Joji Nakayama
Representative Director
President and CEO

Sunao Manabe,
DVM, Ph.D.
Senior Executive Officer
Global Sales & Marketing

Yuki Sato
Representative Director
Executive Vice President
Head of General Affairs
& Human Resources Div.

Kazuyuki Watanabe

Hideyuki Haruyama,
Ph.D.

Yutaka Katagiri

Members of the Board (Outside)

Members of the Board

Members of the Audit & Supervisory Board (Outside)

Members of the Audit & Supervisory Board

Career summaries of Members of the Board and Members of the Audit & Supervisory Board are presented on Pages 20-22.
Global Management Structure

CEO
Joji Nakayama

Business Development
Stuart Mackey

Secretariat Dept.
Ryoji Nagasaka

General Counsel
Yoshihiro Aoyagi

Internal Audit Dept.
Ryoichi Watanabe

Corporate Strategy Unit
Toshiaki Sai
- Corporate Strategy Dept.
- Business Development & Licensing Dept.
- Intellectual Property Dept.

Corporate Management Unit
Kazunori Hirokawa, MD., Ph.D.
- Corporate Business Management Dept.
- Finance & Accounting Dept.
- Corporate Communications Dept.
- IT Strategy Dept.
- CSR Dept.

General Affairs & Human Resources Unit
Yuki Sato
- Human Resources Dept.
- General Affairs & Procurement Dept.
- Legal Affairs Dept.

Global Sales & Marketing
Sunao Manabe, DVM, Ph.D.

Vaccine Business Unit
Takeshi Ogita, Ph.D.

R&D Unit
Glenn Gormley, Ph.D.

Pharmaceutical Technology Unit
Naoyuki Kishi, Ph.D.

Supply Chain Unit
Katsumi Fujimoto, Ph.D.

Quality & Safety Management Unit
Toshiaki Tojo, Ph.D.

Sales & Marketing Unit (Japan)
Satoru Kimura

ASCA*2 Company
Shuji Handa

Daiichi Sankyo, Inc. (DSAC*)
Ken Keller

Daiichi Sankyo Europe GmbH
Jan Van Ruymbeke, MD.

Luitpold Pharmaceuticals, Inc.
Mary Jane Helenek

Daiichi Sankyo Healthcare Co., Ltd.
Yoshiki Nishii

DSAC : Daiichi Sankyo, Inc. Administrative & Commercial Operations
ASCA : Asia, South & Central America
Fiscal 2014 Performance Highlights
(The Ranbaxy Group was excluded from the scope of consolidation in fiscal 2014 and is classified as a discontinued operation. The figures for fiscal 2013 have been restated in the same way as those for fiscal 2014.)

Revenue

| Japan (including vaccines and OTC drugs) | -7.8 |
| Daichi Sankyo, Inc. (US) | -14.1 |
| Luitpold Pharmaceuticals, Inc. (US) | +12.7 |
| Daichi Sankyo Europe GmbH | -3.0 |
| Asia, South and Central America (ASCA) | +4.0 |
| Forex impact (USD, EUR, others) | +28.5 |

FY2013 results: 899.1 billion yen
FY2014 results: 919.4 billion yen

The NHI price revision, consumption tax increase and increased prescribing of generics in Japan negatively impacted revenue growth. These factors were outweighed by growth in sales of mainstay products in Japan, Asia, South and Central America, and by the positive impact of currency movements.

Operating Profit

<table>
<thead>
<tr>
<th>Impact on profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Cost of sales</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
</tr>
<tr>
<td>SG&amp;A expenses</td>
</tr>
<tr>
<td>Special factors</td>
</tr>
</tbody>
</table>

FY2013 results: 112.9 billion yen
FY2014 results: 74.4 billion yen
Operating profit decreased owing to special factors amounting to ¥53.6 billion, including a ¥35.0 billion impairment of the commercial rights for the anticancer agent Zelboraf owned by consolidated subsidiary Plexikon Inc. and expenses of ¥13.9 billion associated with the restructuring of Group operations in Japan.

Profit from continuing operations

<table>
<thead>
<tr>
<th>Impact on profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
</tr>
<tr>
<td>Financial income/ expenses</td>
</tr>
<tr>
<td>Share of loss of investments accounted for using the equity method</td>
</tr>
<tr>
<td>Income taxes</td>
</tr>
</tbody>
</table>

FY2013 results: 65.8 billion yen
FY2014 results: 43.6 billion yen
Profit from continuing operations declined because of a net loss on impairment of the anticancer agent Zelboraf.

Exchange rates

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/JPY</td>
<td>100.24</td>
</tr>
<tr>
<td>EUR/JPY</td>
<td>134.38</td>
</tr>
<tr>
<td>INR/JPY</td>
<td>1.68</td>
</tr>
</tbody>
</table>
During fiscal 2014, Ranbaxy was excluded from the scope of consolidation due to its merger with Sun Pharma and is classified as a discontinued operation.

Profit from discontinued operations for fiscal 2014 includes a gain on the merger of subsidiary due to the Sun Pharma merger, merger-related expenses, profit/loss attributable to the Ranbaxy Group, consolidated adjustments and intercompany transactions.

<table>
<thead>
<tr>
<th>Profit from continuing operations</th>
<th>43.6 billion yen (down 33.8% year on year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit from discontinued operations</td>
<td>275.4 billion yen (-)</td>
</tr>
<tr>
<td>Profit attributable to owners of the Company</td>
<td>322.1 billion yen (up 428.6% year on year)</td>
</tr>
</tbody>
</table>

R&D expenses increased owing to R&D expenses associated with the restructuring of Group operations in Japan amounting to ¥4.4 billion and a foreign exchange impact amounting to ¥5.1 billion.

Dividends
The Company paid dividends of ¥60 per share for fiscal 2014. (Interim dividend of ¥30 + Year-end dividend of ¥30 = ¥60)

The Company will mark its 10th anniversary on September 28, 2015. To mark this anniversary, the Company plans to pay a commemorative dividend of ¥10 per share in addition to an ordinary dividend of ¥30 per share at the end of the second quarter. As a result, annual dividends for fiscal 2015 will be ¥70 per share, including ordinary dividends.

Major Drugs Approved in Fiscal 2014

- **Prasugrel (Japan)**
  Indication for ischemic heart diseases in patients undergoing percutaneous coronary intervention (PCI)

- **Edoxaban (US, Switzerland) (Additional indication in Japan)**
  Indication for reduction of the risk of stroke and systemic embolism in patients with non-valvular atrial fibrillation (NVAF), and for the treatment of venous thromboembolism (VTE)
Performance Trend and Major Products

Launched in: US and Europe in 2002, Japan in 2004
Generic name: olmesartan
Marketed in: Japan, US, Europe, ASCA

Launched in: US and Europe in 2009, Japan in 2014
Generic name: prasugrel
Marketed in: Japan, US, Europe

Launched in: Japan in 2011, US in 2015
Generic name: edoxaban
Marketed in: Japan, US

Launched in: Japan in 2011
Alzheimer’s disease treatment
Generic name: memantine
Marketed in: Japan
Launched in: Japan in 2011
Generic name: esomeprazole
Marketed in: Japan

Launched in: Japan in 2012
Type 2 diabetes mellitus inhibitor
Generic name: teneligliptin
Marketed in: Japan

Launched in: Japan in 2012
Treatment for bone complications
Generic name: denosumab
Marketed in: Japan

Launched in: Japan in 2013
Treatment for osteoporosis
Generic name: denosumab
Marketed in: Japan

Launched in: US in 2013
Anemia treatment
Generic name: ferric carboxymaltose injection
Marketed in: US

New 5-year business plan to be announced in March 2016
By concentrating on and returning to our innovative business, Daiichi Sankyo aims for continuous improvement of our corporate values.

Joji Nakayama
Representative Director, President & CEO
Challenging business environments have persisted owing to negative growth of the Japanese market as a consequence of government measures to promote usage of generics, together with stronger downward pressure on pricing in European market amid an economic downturn. In such circumstances, in fiscal 2014, we decided to divest Ranbaxy, our former Indian subsidiary, to be merged with Sun Pharma. In Japan, we executed operational restructuring for the first time since the establishment of Daiichi Sankyo. Furthermore, following deliberations on management’s direction on how the Group should advance, we decided to shift our focus from a “global hybrid business model,” under which we developed both our innovative and generic businesses worldwide, to a business model under which we will “concentrate on our innovative business.” Reflecting this decision, in April 2015, we sold all of the Sun Pharma shares that we obtained in return for Sun Pharma’s acquisition of Ranbaxy.

### Issues surrounding the pharmaceutical industry

The current pharmaceutical industry is confronted with various issues that can affect business conditions.

One issue is pressure on the industry from national pharmaceutical regulations in each country. Due to factors such as population aging in advanced countries and population growth in developing ones, the burden of social security expenditures at governments worldwide has been increasing, and therefore the pressure to lower prescription drug prices has also been increasing. This trend is particularly evident in Europe. One of the major issues that pharmaceutical companies encounter is securing R&D budgets for new innovative drugs in the face of such regulatory pricing trends.

Another major issue is the increasing difficulty of proprietary drug development, the lifeblood of the industry. Within the industry, while the chances of successfully creating and launching new drugs are now said to be a mere 30,000 to 1, a large amount of R&D budgets are required to fund the high costs of the lengthy, large-scale clinical trials needed to establish the safety of any new drugs. Even if a drug does make it through development, it will face competition from low-priced generics once it loses patent protection, which typically leads to a rapid loss of market share. We call this situation a “patent cliff.” The issue facing pharmaceutical companies is how to generate a continuous stream of innovative drugs to avoid falling off the patent cliff.

Pharmaceutical companies have a responsibility to ensure that their drugs are used appropriately by patients who need them. Developing a new drug is not the end of the process. At times, new events, including side effects, may become known after the launch of a drug. For pharmaceutical companies, it is necessary to report these new events to regulatory authorities without delay so that the information can be communicated to medical practitioners as appropriate. With such involvement, pharmaceutical companies have a responsibility to ensure that a variety of drugs, which meet diverse medical needs, are used appropriately by patients who need them.

Pharmaceutical companies have to address all of these issues and achieve sustainable growth, while fulfilling their social responsibility. To achieve growth beyond the patent cliff, pharmaceutical companies must expedite the process of development and enrich R&D pipelines to enable smooth transitions from core products to next-generation products.

### Management direction

The most significant issue facing Daiichi Sankyo is the impact of the loss of exclusivity (LOE) for our flagship product, olmesartan (antihypertensive agent). Our strategy for growth beyond the olmesartan LOE is to build up sales of our next blockbuster drug, edoxaban (anticoagulant), while maximizing the value of the stream of new products we have introduced in recent years. We are also working to enrich our R&D pipeline in order to create the next generation of core products.

While we have adjusted our management direction, the vision articulated in the last 5-year business plan remains unchanged: to become one of the leading companies to provide health/medical solutions globally. We are resolved to accomplish this vision by overcoming the financial impact of the olmesartan LOE.

In fiscal 2015, we are making a fresh start, based on the new management direction: concentrate on and return to the innovative business; prioritize investment in Japan, the U.S. and China; and enhance R&D capabilities. We will make a concerted effort to increase corporate value by thoroughly implementing this new direction.
Question 1:
What are the objectives and your thoughts on concentrating on and returning to the innovative business?

Our plan going forward is to pursue a global strategy that concentrates on the innovative business, an area where our strengths lie. In other words, we are returning to the stance that we had prior to the acquisition of Ranbaxy.

Generating a continuous stream of new drugs is in fact part of Daiichi Sankyo’s DNA. The creation of paradigm-shifting drugs such as pravastatin (antihyperlipidemic agent), levofloxacin (synthetic antibacterial agent), olmesartan, and edoxaban, as well as the development of these compounds into blockbuster drugs, truly demonstrate our strengths that lies in our DNA at Daiichi Sankyo. On the sales/marketing side, we have been comparable to global mega pharma and successful not only in Japan, but also overseas in the U.S. and Europe. Although olmesartan was the seventh drug to be launched in the U.S. in the angiotensin II receptor blocker (ARB) category, the product’s strong clinical efficacy and safety profile, along with our creativity in data collection, presentation, and marketing communications methods, we were able to foster it into the second-ranked product in terms of market share.

The most critical business issue that the Daiichi Sankyo Group currently faces is how to grow beyond the olmesartan LOE. It is essential that we concentrate our resources on the innovative business so that we can smoothly transition from our current core products to next-generation products. We plan to do this by enriching our R&D pipeline and developing and launching the products that will fuel the next phase of the Group’s growth.

Focusing on innovative drugs will not be an easy path by any means in view of the risks involved, but we believe we can continue delivering to patients the medicines they need by making a fresh start and deploying our core competences to maximum effect within the innovative business.
Question 2:
Why did you designate Japan, the U.S. and China as the three territories for prioritized investment? What are your goals in these markets?

The Daiichi Sankyo Group has a high presence and strong branding in its home market of Japan. We have already established a strong, flexible business platform. While we will focus on the innovative business globally, in Japan, we are pursuing a regional strategy that also involves developing operations in three segments: generics, OTC, and vaccines. In these segments, we are seeking to maximize value through the operations of Group subsidiaries Daiichi Sankyo Espha, Daiichi Sankyo Healthcare, Kitasato Daiichi Sankyo Vaccine, and Japan Vaccine. Concurrently, we are strengthening collaboration among the Group’s operations to address issues related to health and medicine in Japan.

In the innovative business, we have a substantial number of products in the growth phase in Japan, including NEXIUM (ulcer treatment), Memary (Alzheimer’s disease treatment), PRALIA (osteoporosis treatment), LIXIANA (generic name: edoxaban), and Efient (antiplatelet agent). Using our domestic network of 14 sales offices, we have continuously provided medical practitioners with a stream of accurate safety information quickly. As a result of that, we have been highly evaluated by them. Moreover, we have shown that we can leverage opportunities to generate additional growth from the in-licensed products such as NEXIUM and TENELIA (type 2 diabetes mellitus treatment). That is a part of the reason why we have also successfully in-licensed the epilepsy treatment lacosamide from UCB Biopharma. Building on these strengths, we plan to continue prioritizing investment in the Japanese market with the aim of becoming the No. 1 pharmaceutical company in Japan in terms of both market share and reputation, which includes such factors as the deep trust that medical practitioners have in Daiichi Sankyo and the fulfillment of our corporate social responsibility.

High presence and strong branding
Strong and flexible business platform
Strong product portfolio with many products in the growth phase
Deep trust from medical practitioners

No. 1 Pharmaceutical Company

Second-largest market and a huge expansion in the innovative market
Established business platform, geographical advantage
Expand the business platform to achieve annual sales of US$1 billion

Largest market
Source of the global standard for therapy
Established business platform

Growth by establishing core therapeutic areas
US

As the world’s largest pharmaceutical market, the U.S. is the source of cutting-edge medical science and innovation. Novel therapeutic approaches are typically first established in the U.S. before they are accepted as standard practice in other parts of the world, and thus the country’s importance is self-evident. One of our group companies in the U.S., Daiichi Sankyo, Inc., has established its strong business platform through the promotion of olmesartan, Welchol (hypercholesterolemia treatment/type 2 diabetes mellitus treatment), and Effient (antiplatelet agent). To achieve sustained growth in the U.S. by building on this business platform and alleviate the future impact from the olmesartan LOE, we will work to swiftly maximize the value of edoxaban, which was launched in the U.S. under the brand name SAVAYSA in February 2015. In addition, we will also continue to promote investment in the U.S. with the aim of establishing the Group’s new core therapeutic areas.

For example, in August 2014, we in-licensed CL-108 (combination drug for the treatment of pain and opioid-induced nausea and vomiting (OINV)) from the U.S.-based Charleston Laboratories. We have secured exclusive marketing rights for this drug in the U.S. Currently, a phase 3 study is underway, and we expect to launch CL-108 during fiscal 2016. Although opioids are widely prescribed for patients who want to control general pain in the U.S., many of those patients suffer from OINV and that compels them to stop taking them. We see tremendous potential for CL-108 because its formulation is optimized to reduce the side effects of OINV. It has also been reported that around 40% of patients taking opioid medications for the treatment of chronic pain suffer from constipation, and about half of whom fail to gain relief from over-the-counter laxatives. In April 2015, we began co-promotion with AstraZeneca of MOVANTIK, a first-in-class product for the treatment of opioid-induced constipation (OIC). We believe this is another product with significant market potential. Furthermore, we also have another potential pain product in phase 3 study called mirogabalin (α2δ ligand). We are prioritizing investment in these products as a core franchise to establish a presence in the therapeutic area of pain.

In addition, at another U.S. subsidiary, Luitpold Pharmaceuticals Inc., we plan to continue investing in the market for iron injections and grow this area into another core therapeutic area, by building on the leading share of Venofer and expanding early sales of its new product, Injectafer.

China

China, which is already the world’s second-largest market for pharmaceuticals, is particularly attractive because the projected future growth of the middle class implies a huge future expansion in the market for innovative pharmaceuticals. With its geographical proximity to Japan, the Daiichi Sankyo Group has its own development, manufacturing and sales infrastructures in China, and has developed business in that country over the decades. Going forward, we will focus on the further expansion of our drug pipeline in China. Besides olmesartan and edoxaban, which we expect to introduce in China in due course, we are looking to the in-licensed drugs and the Japanese long-listed products as the principal products to cultivate the market. Our target goal is to increase annual sales in China to the U.S. $1 billion mark by expanding the business platform in China. To that end, we will continue to invest in China while paying due attention to country risk and compliance risk.

Other regions

In Europe, business environments remain challenging in light of ongoing reductions in drug prices. We plan to make the necessary investment in the region in order to maintain growth of the business platform that the Group has already established there, based on assessment of the cost-effectiveness of each such investment. We will also consider investing in regions elsewhere, if we identify compelling and attractive opportunities.
Question 3:
What areas will Daiichi Sankyo focus on in R&D?
What measures are you taking to enhance R&D capabilities?

To date, we have focused the Group's R&D efforts on generating best-in-class or first-in-class products within the designated core therapeutic areas of cardiovascular & metabolic, oncology, and the frontier. Going forward, we will reinforce our R&D efforts primarily in areas where we have invested and where our expertise has developed.

We designated oncology as one of the core therapeutic areas in 2010. Having subsequently invested resources into oncology research, we have seen a good return on that investment in terms of the number of compounds in phase 1 studies. Our challenge going forward will be to realize the potential of these compounds as quickly as possible, to identify and promote development of promising drugs, and to increase the number of drugs in late-stage clinical trials. In October 2014, we acquired Ambit Biosciences Corporation, a U.S.-based biopharmaceutical company, and its investigational compound quizartinib. We are developing quizartinib for the treatment of acute myeloid leukemia (AML) in patients who have certain genetic mutations. We have received fast-track designation from the U.S. Food and Drug Administration (FDA) for quizartinib, and our expectation is that this will be an essential project as we continue to build a powerful R&D pipeline in the oncology area. In May 2015, we initiated a phase 3 study of our compound PLX3397 for the treatment of giant cell tumor of the tendon sheath. This drug is also being used in a collaborative clinical trial with U.S.-based Merck to investigate its effectiveness in combination with Merck’s anti-PD-1 antibody (immune checkpoint inhibitor). We have high expectations for both of these projects.

In the cardiovascular & metabolic area, where we have accumulated a wealth of research expertise, we are trying to broaden our pipeline of potential first-in-class projects. In particular, in the field of thrombosis, where we have developed antiplatelet agents and anticoagulants, we are also seeking to develop drugs with a mechanism of action that could enable blood clots to be dissolved. We will continue to strive to broaden our product lineup in this particular area.

In the frontier category, we have enhanced research for unique mechanism-based research themes, rather than simply focus on specific areas of disease. To this end, we are promoting various collaborative R&D projects with academic institutions in the U.S. and Japan. For example, in March 2014, we started a joint research initiative with Dr. Stanley Prusiner, who won a Nobel Prize for his discovery of prions at the Institute for Neurodegenerative Diseases (IND) of the University of California, San Francisco (UCSF). In this collaborative endeavor, we are achieving certain levels of results on development of novel therapeutics and molecular diagnostics for Alzheimer’s, Parkinson’s, and other neurodegenerative diseases. We are also focusing on generating potential compounds for development going forward. In terms of advanced medical technology, we are involved in the fields of regenerative medicine and cell-based therapies. We will also continue to work to develop the next generation of biopharmaceuticals.

Upgrading the skills of those in charge of R&D is of course a necessary element in the successful development of these various compounds, but it is important as well not to discount the value of serendipity – an ability to capture the idea generated from a sudden inspiration. Accordingly, we will continue to try to stimulate innovation across national and organizational boundaries by promoting open innovation and collaborative R&D.
### Major R&D Pipelines (As of May 2015)

<table>
<thead>
<tr>
<th>Therapeutic area</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cardiovascular-Metabolic</strong></td>
<td>Conduct trials on healthy volunteers* to assess safety of drug, including side-effects</td>
<td>Conduct trials on a small group of patient volunteers to assess safety, efficacy, dosage and administration regimen</td>
<td>Conduct trials on a large number of patient volunteers to assess safety and efficacy in comparison with existing drugs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-8312 (Hypertriglyceridemia)</td>
<td>DS-8500 (JP) (Diabetes / GPR119 agonist)</td>
<td>Prasugrel (US) (CS-747 / sickle cell disease / antiplatelet agent)</td>
<td>Edoxaban (EU/Others) (DU-176b / VTE / oral factor Xa inhibitor)</td>
</tr>
<tr>
<td><strong>Oncology</strong></td>
<td>U3-1565 (US/JP) (Anti-HB-EGF antibody)</td>
<td>Patritumab (US/EU) (U3-1287 / anti-HER3 antibody)</td>
<td>Tivantinib (US/EU) (ARQ 197 / HCC / MET inhibitor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-3032 (US/JP) (MDM2 inhibitor)</td>
<td></td>
<td>Vemurafenib (US/EU) (PLX4032 / melanoma adjuvant / BRAF inhibitor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PLX7486 (US) (FMS / TRK inhibitor)</td>
<td></td>
<td>Quizartinib (US/EU) (AC220 / AML / FLT3-ITD inhibitor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-8895 (JP) (Anti-EPHA2 antibody)</td>
<td></td>
<td>PLX3397 (US/EU) (TGCT / FMS / KIT / FLT3-ITD inhibitor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-8273 (US) (Anti-DR5 antibody)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-6051 (US) (NTRK / ROS1 inhibitor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-5573 (JP) (Anti-B7-H3 antibody)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PLX9486 (US) (KIT inhibitor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-3801 (Chronic constipation / GPR38 agonist)</td>
<td>Lananimivir (US/EU) (CS-8958 / anti-influenza / out-licensing with Biota)</td>
<td>Mirogabalin (JP/Asia) (DS-5565 / DPNP / α2δ ligand)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DS-1501 (Osteoporosis / Anti-Siglec-15 antibody)</td>
<td></td>
<td>Denosumab (JP) (AMG162 / rheumatoid arthritis / anti-RANKL anti-body)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hydromorphone (JP) (DS-7113 / cancer pain / opioid μ-receptor regulator)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CHS-0214 (JP) (Etanercept BS / rheumatoid arthritis / TNFα inhibitor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>GL-108 (US) (Acute pain / opioid μ-receptor regulator)</td>
<td></td>
</tr>
</tbody>
</table>

* Patient volunteers may be included depending on the tests.
Question 4:  
How will you grow beyond the olmesartan LOE? How confident are you of overcoming this patent cliff?

We are harnessing all resources of the Group to mitigate the impact of the impending LOE for olmesartan. We already have implemented several measures, as follows. First, we are focusing on developing edoxaban globally as the Group’s flagship product.

We received approval for edoxaban in Japan in September 2014 for the additional indications of prevention of ischemic stroke and systemic embolism in patients with non-valvular atrial fibrillation (NVAF), and the treatment and recurrence prevention of venous thromboembolism (VTE) [deep vein thrombosis (DVT) and pulmonary thromboembolism]. We began selling 60mg tablets for these indications in December 2014.

In the U.S., we received approval for edoxaban in January 2015 for reduction of stroke risk in NVAF and for the treatment of VTE. The product was launched in February 2015 under the brand name SAVAYSA. Unique and compelling clinical profile of SAVAYSA as simple once-daily administration, less stroke / SEE and less major bleeds can help establish its position in the competitive market of anticoagulants. We are targeting less major bleeds can help establish its position in the competitive market of anticoagulants.

In addition to edoxaban, we have implemented a number of other measures.

In Japan, we have a broad lineup of products with strong growth potential over the mid to long term. In addition, we have in-licensed lacosamide from UCB and expect to launch this product in fiscal 2016. We aim to secure the top share in the Japanese market by maximizing these products.

In the U.S., we are steadily developing our business in pain therapies, which includes MOVANTIK, which we are co-promoting with AstraZeneca; CL-108 introduced from Charleston Laboratories and now under joint development; and mirogabalin, which is undergoing phase 3 study. The pain category is gradually increasing its in number, and is quickly turning into a core therapeutic area for Daiichi Sankyo, after cardiovascular and metabolic.

Additionally, Injectfer, is being marketed by Luitpold Pharmaceuticals Inc. and is set to become another major product in the market for prescription iron supplements after Venofer. We expect strong sales growth in this market. Establishing a trusted presence in core therapeutic areas in the U.S. promises to help make a significant contribution to the future profits and growth.

Selection and concentration are also key words as we look to create highly productive operating structures across the Group. We are looking at various approaches for boosting productivity while reducing costs.

By promoting and accelerating initiatives in the areas that I have outlined, we aim to overcome financial impact of the olmesartan LOE and grow beyond it.

Overview of edoxaban (AF/VTE) filing & approval

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Asia/South and Central America (ASCA)</td>
<td>Filed 60mg</td>
</tr>
<tr>
<td></td>
<td>Brazil</td>
<td>Filed</td>
</tr>
<tr>
<td></td>
<td>South Korea</td>
<td>Filed</td>
</tr>
<tr>
<td></td>
<td>Taiwan</td>
<td>Filed</td>
</tr>
<tr>
<td></td>
<td>US</td>
<td>Filed (additional indication)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approved (additional indication)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launched</td>
</tr>
<tr>
<td></td>
<td>EU</td>
<td>Filed (additional indication)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approved (additional indication)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launched</td>
</tr>
<tr>
<td></td>
<td>Switzerland</td>
<td>Filed (additional indication)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approved (additional indication)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launched</td>
</tr>
</tbody>
</table>

Grow beyond the olmesartan LOE

- **Global**: Launch of edoxaban and maximize its potential as a flagship product
- **Japan**: Achieve No. 1 market share by maximizing new products
  - Effient, L004A4, Memary, NEXIUM, denosumab, etc.
  - Lacosamide
- **US**: Rapid growth of new products and establishment of core therapeutic areas
  - MOVANTIK, CL-108
  - Injectfer
- **Boosting productivity while reducing costs**: Selection and concentration
Question 5: How do you plan to utilize the funds generated through the sale of Sun Pharma shares?

In April 2015, we sold all of the Sun Pharma shares that we had obtained in return for the merger of Ranbaxy with Sun Pharma. We plan to invest the funds realized from that sale in growing areas that can contribute to Daiichi Sankyo’s profits, while at the same time partly returning value directly to shareholders.

With regard to investing in growing areas, we will focus investments on making edoxaban a flag-ship product, as well as enhancing our R&D capabilities over the mid to long term. For instance, this could include investing in the oncology area, or in efforts to speed up R&D of in-house projects with high potential to drive future earnings growth. Alternatively, we could look at investing in new pipeline acquisitions.

In this regard, we are looking at acquiring new products that could help us overcome the financial impact of the olmesartan LOE in the short term. If we identify potential acquisitions that fit our business direction, and if the timing is right, we will take action without waiting for the scheduled announcement of our next 5-year business plan in March 2016.

As far as returns to shareholders, we have announced the acquisition of our own shares up to 50 billion yen and will consider additional ways of returning value in the future as well.

Question 6: Can you provide the outline of the new 5-year business plan which you will develop?

We are developing a new 5-year business plan for the period of fiscal 2016 to fiscal 2020 to reveal our new management direction.

In that plan, we will present a strategy for securing net sales of 1 trillion yen and an operating profit of 100 billion yen in fiscal 2017 and overcome the financial impact of the olmesartan LOE, as well as our plan for achieving speedier growth from fiscal 2018 onward. The plan will also include measures to enhance our profit generation capabilities, reinforce R&D, and increase shareholder value, as well as include a greater ROE-oriented management focus.

We will announce the new plan in March 2016.

Utilization of funds generated through the sale of Sun Pharma shares

Invest in growing areas
- Investment on making edoxaban a flag-ship product
- Enhance R&D capabilities over the mid to long term
  - Enhance oncology area
  - Speed up R&D
  - Acquire new pipeline projects

Return to shareholders
- Acquisition of our own shares etc.

Revenue: 1 trillion yen
Operating profit: 100 billion yen
In conclusion

We face a tough challenge as olmesartan approaches LOE, but Sun Pharma’s merger with Ranbaxy and our sale of Sun Pharma shares have allowed us to make a fresh start and return to our original areas of expertise and strength. While it requires considerable time to create new drugs, we are convinced that we can generate a stream of attractive products and deliver them to patients in need. We are confident that this will also enhance our corporate value for our stakeholders.

The Daiichi Sankyo Group aspires to help people who are afflicted by disease. In 2015, the tenth anniversary of the establishment of the Group, we are determined to achieve our aspirations by creating and providing innovative pharmaceuticals, which has long been our core competence.

I appreciate the continued understanding and support of all of our stakeholders.

June 2015

Joji Nakayama
Representative Director, President & CEO
Corporate Governance

Policy and Structure

The Daiichi Sankyo Group’s management structure is designed to swiftly and flexibly address changes in the business environment. At the same time, we strive to ensure legal and regulatory compliance and management transparency while strengthening oversight of management and company operations.

We have established a Nomination Committee and a Compensation Committee, which are discretionary organs. Members of the Board (Outside) comprise a majority of the membership of each of these committees. By introducing outside perspectives into the deliberations of the Board of Directors, we aim to ensure sound corporate management.

While continually strengthening corporate governance, Daiichi Sankyo strives to maximize shareholder value based on sustainable growth.

Characteristics of Daiichi Sankyo’s Corporate Governance

- The term of office of Members of the Board is one year. Four Members of the Board out of ten are Members of the Board (Outside).
- A Nomination Committee and a Compensation Committee, discretionary organs each of which is chaired by a Member of the Board (Outside), are established.
- Specific criteria for the judgment of independence of Members of the Board (Outside) and Members of the Audit & Supervisory Board (Outside) and basic matters regarding execution of duties by Members of the Board have been clarified.
- A Corporate Officer System is employed to contribute to appropriate and swift decision-making by the management and execution of operations.

Overview of the corporate governance structure

The Nomination Committee deliberates on nomination of Members of the Board and Corporate Officers at the request of the Board of Directors so that management transparency is secured.

The Nomination Committee consists of at least three Members of the Board, of whom Members of the Board (Outside) form a majority, and is chaired by a Member of the Board (Outside).

Nomination Committee

| Members | Chairperson: Noritaka Uji, Member of the Board (Outside) |
| Members: Hiroshi Toda, Member of the Board (Outside); Naoki Adachi, Member of the Board (Outside); Tsuguya Fukui, Member of the Board (Outside) |

Requirements for Candidates for Member of the Board

- The Board of Directors Regulations specify that, in addition to their personal qualities, knowledge, insight, experience, etc., candidates for Member of the Board are required to be appropriate in terms of the period of their service, age, etc. so that they are capable of making appropriate decisions in a timely manner in light of change in the business environment while respecting continuity of management policies etc.
- Based on the deliberations by the Nomination Committee, the Board of Directors selects candidates satisfying the criteria and proposes the matter at the General Meeting of Shareholders.

Criteria for Independence of Members of the Board (Outside) and Members of the Audit & Supervisory Board (Outside)

- On March 31, 2014, the Board of Directors and the Audit & Supervisory Board established by their resolutions the “Criteria for Independence of Members of the Board (Outside) and Members of the Audit & Supervisory Board (Outside).”
- In order to ensure there be no conflict of interest with general shareholders of the Company, specific criteria for attributes that provide grounds for independent judgment are stipulated from various perspectives.

Independence of a candidate or his or her immediate family members

Independence of a candidate or his or her immediate family members from the following related parties:

- Business partners
- Major shareholders
- Accounting auditor
- Listed companies where an executive officer of the Company serves as a Member of the Board or a Member of the Audit & Supervisory Board

See page 21 for the full text of the “Criteria for Independence as Member of the Board (Outside) / Member of the Audit & Supervisory Board (Outside).”

- The Company emphasizes substantial independence, and has confirmed the independence of all four Members of the Board (Outside) and two Members of the Audit & Supervisory Board (Outside) in light of the Company’s criteria for independence in addition to the criteria for independence specified by the Tokyo Stock Exchange. Thus, the Company has designated all six members as Independent Members of the Board or Independent Members of the Audit & Supervisory Board.
Compensation Committee

The Compensation Committee deliberates on policy on compensation of Members of the Board and Corporate Officers at the request of the Board of Directors so that management transparency is secured.

The Compensation Committee consists of at least three Members of the Board, of whom Members of the Board (Outside) form a majority, and is chaired by a Member of the Board (Outside).

Members
Chairperson: Hiroshi Toda, Member of the Board (Outside)
Members: Noritaka Uji, Member of the Board (Outside); Naoki Adachi, Member of the Board (Outside); Tsuguya Fukui, Member of the Board (Outside)

Basic Design of Remuneration for Members of the Board

- Remuneration for Members of the Board is designed such that it contributes to maximizing of corporate value. Specifically, in addition to the fixed basic remuneration, the Company grants performance-linked bonuses as short-term incentives and share remuneration-type stock options to provide long-term incentives.
- In order to ensure that Members of the Board (Outside) and Members of the Audit & Supervisory Board exercise a sufficient supervisory function over the management, the Company pays only basic remuneration without short- or long-term incentives.

Procedures for Determining Remuneration for Members of the Board and Members of the Audit & Supervisory Board

- Payment of basic remuneration to Members of the Board up to 450 million yen per year and granting of share remuneration-type stock options to Members of the Board in the total amount up to 140 million yen per year have been approved by the General Meeting of Shareholders. Payment of performance-linked bonuses requires approval by the General Meeting of Shareholders for the relevant fiscal year.
- Payment of remuneration for Members of the Audit & Supervisory Board, which consists only of basic remuneration, up to 120 million yen per year has been approved by the General Meeting of Shareholders.

Remuneration for Members of the Board for fiscal 2014

<table>
<thead>
<tr>
<th>Classification</th>
<th>Members of the Board</th>
<th>Members of the Audit &amp; Supervisory Board</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Members</td>
<td>Amount of remuneration (million yen)</td>
<td>Number of Members</td>
</tr>
<tr>
<td>Remuneration (annual amount) (Outside Members)</td>
<td>13 (6)</td>
<td>386 (60)</td>
<td>6 (4)</td>
</tr>
<tr>
<td>Bonuses to Members of the Board excluding Members of the Board (Outside) and Members of the Audit &amp; Supervisory Board</td>
<td>6</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Share remuneration-type stock option remuneration (excluding Members of the Board (Outside) and Members of the Audit &amp; Supervisory Board)</td>
<td>6</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Total (Outside Members)</td>
<td>13 (6)</td>
<td>555 (60)</td>
<td>6 (4)</td>
</tr>
</tbody>
</table>

Basic Policy on Establishing Internal Control System

Concerning systems for ensuring compliance with laws and regulations and the Company’s Articles of Incorporation in the execution of duties by Members of the Board and other systems for securing appropriateness of duties, the Company resolved the basic policies to establish such systems at the Board of Directors’ Meeting held on April 28, 2015, which are effective from May 1, 2015, as follows.

A Systems for Ensuring Compliance with Laws and Regulations and the Company’s Articles of Incorporation in the Execution of Duties by Members of the Board

i) The Company shall establish a compliance system by stipulating Daiichi Sankyo Group Corporate Conduct Charter, Daiichi Sankyo Group Principles of Individual Behavior, etc. as the code of conduct for Members of the Board and employees and setting up a meeting body, including outside experts.

ii) The Company shall appoint Members of the Board (Outside) for strengthening and enhancing the supervisory function over management.

B Systems Regarding the Retention and Management of Information Relating to the Execution of Duties by Members of the Board

i) The Company shall establish information security systems, and properly retain and manage information relating to the execution of duties by Members of the Board, including the minutes of the Board of Directors, in accordance with laws, ordinances and internal regulations of the Company.

C Rules and Other Systems for Risk Management

i) The Company shall stipulate various internal regulations to establish risk management systems.

ii) The Internal Audit Department shall audit the status of operation of the systems mentioned above.

D Systems for Ensuring the Efficient Execution of Duties by Members of the Board

i) The Company shall form a Management Executive Meeting—consisting of Members of the Board excluding Members of the Board (Outside), and executives appointed by the President who are responsible for the main regions, corporate bodies and functions—that shall deliberate on important matters for strategic decision-making by the President. The Company shall also set up an approval system as a means of decision-making.

ii) The Company shall introduce a Corporate Officer System in consideration of speedy decision-making and execution of duties.
Systems for Ensuring Compliance with Laws and Regulations and the Company's Articles of Incorporation in the Execution of Duties by Employees

i) The Company shall establish a compliance system by stipulating Daiichi Sankyo Group Corporate Conduct Charter, Daiichi Sankyo Group Principles of Individual Behavior, etc. as the code of conduct for Members of the Board and Members of the Audit & Supervisory Board and employees and by setting up a meeting body, including outside experts.

ii) Vice Presidents and executives responsible for the main regions, corporate bodies and functions who receive orders from the President shall manage duties in their charge and supervise, manage and direct members of their business units in accordance with the Global Management Regulations, the Organizational Management Regulations and other Company rules.

iii) Each of the functions related to the improvement of systems concerning personnel management, risk management, etc. shall communicate policies to manage and guide each department.

iv) The Internal Audit Department shall execute internal audit of the status of compliance with laws and regulations, and the Articles of Incorporation and internal regulations.

Systems for Ensuring the Proper Operation of the Group, Consisting of the Company and Its Subsidiaries

i) The Company shall establish Global Management Regulations and Internal Control System Establishment Regulations to clarify the management control system of the Daiichi Sankyo Group, and communicate management policies, etc. to Group companies and put systems in place for receiving reports on management and financial results from the boards of Group companies.

ii) The Company shall establish Group Company Management Regulations to clarify responsibilities and authority of each Group company.

iii) The Company shall establish Risk Management Promotion Regulations to develop the Daiichi Sankyo Group risk management system.

iv) The Company shall establish Daiichi Sankyo Group Principles of Individual Behavior, etc. and inculcate them in Group companies. In addition, the Company shall establish the Group's compliance promotion system and ensure that Group companies are fully aware of such system.

v) The Company shall establish Internal Control Regulations on Financial Reporting and ensure the reliability of financial reporting by properly implementing those regulations.

vi) The Company shall establish Internal Audit Regulations and execute internal audit of Group companies.

Systems Regarding Employees Assisting Members of the Audit & Supervisory Board in the Performance of their Duties when Members of the Audit & Supervisory Board Request that Such Employees be Appointed

i) The Company shall appoint full-time staffers to assist Members of the Audit & Supervisory Board in the performance of their duties.

Matters Regarding the Independence of the Employees Specified in the Preceding Paragraph (G) from Members of the Board and Ensuring of Effectiveness of Instructions by Members of the Audit & Supervisory Board

i) Full-time staff assisting Members of the Audit & Supervisory Board shall be independent of Members of the Board, and shall execute duties under the directions and orders of Members of the Audit & Supervisory Board.

ii) Personnel changes, performance appraisal, etc. of full-time staff assisting Members of the Audit & Supervisory Board shall require prior consent of the Audit & Supervisory Board.

Systems of Reporting to Members of the Audit & Supervisory Board of the Company by Members of the Board and Employees of the Company and Subsidiaries and Other Systems Regarding Reporting to Members of the Audit & Supervisory Board of the Company

i) The Company shall establish a system whereby Members of the Board who become aware of facts that could result in substantial damage to the Company shall immediately report such facts to Members of the Audit & Supervisory Board.

ii) Members of the Audit & Supervisory Board of the Company shall receive reports on the status of execution of duties from Members of the Board and employees of the Company as well as from Members of the Board and employees of Group companies.

iii) Members of the Audit & Supervisory Board of the Company shall attend the Management Executive Meeting and other important meetings.

iv) To verify process and details of approvals, the Company shall designate Members of the Audit & Supervisory Board as permanent recipients of approval document notification.

Other Systems for Ensuring the Effective Audit by Members of the Audit & Supervisory Board

i) Members of the Audit & Supervisory Board of the Company shall hold meetings with Representative Members of the Board on a regular basis to confirm management policies and exchange views concerning important issues related to auditing.

ii) Members of the Audit & Supervisory Board of the Company shall exchange information with Members of the Audit & Supervisory Board of Group companies and closely cooperate with them.

iii) Members of the Audit & Supervisory Board of the Company shall coordinate and exchange views with external auditors and the Internal Audit Department.

iv) The Company shall not treat unfairly any person who reports pursuant to Article I Paragraph ii or any person who reports in accordance with Daiichi Sankyo Group Principles of Individual Behavior, etc. due to the fact of such reporting.

v) The Company shall bear expenses that may be incurred in executing the duties of the Members of the Audit & Supervisory Board.

Basic Policy and Systems for Eliminating Antisocial Forces

i) The Company shall adopt a firm stance toward antisocial forces and organizations that threaten the order and safety of civil society. To prevent antisocial forces and organizations from being involved in the Company's management and to stop such forces and organizations from harming the Company, the Company shall stipulate, as its basic policy, in Daiichi Sankyo Group Corporate Conduct Charter, etc. the prohibition of relations with antisocial forces and organizations. In addition, the Company shall establish an organizational structure to that end, and strive to preclude relations with antisocial forces and organizations by means such as collecting information in cooperation with the police and other bodies, and conducting activities to train Members of the Board and other Officers and employees.
Independent Outside Directors and the Criteria

Members of the Board (Outside)

Noritaka Uji
Member of the Board (Outside) since 2014

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

Hiroshi Toda
Member of the Board (Outside) since 2014

- Jun. 1991: President of Nomura Bank (Switzerland) Limited
- Jun. 2003: Deputy President and Chief Operating Officer of Nomura Holdings, Inc. and Deputy President and Chief Operating Officer of Nomura Securities Co., Ltd.
- Apr. 2008: Vice Chairman of Nomura Securities Co., Ltd.
- Jul. 2010: Ambassador extraordinary and plenipotentiary to Greece
- Jun. 2014: Member of the Board (Outside) of the Company (to present)

Naoki Adachi
Member of the Board (Outside) since 2015

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

Tsuguya Fukui, MD., MPH, Ph.D.
Member of the Board (Outside) since 2015

- Jan. 1992: Professor, Department of General Medicine of Saga Medical School Hospital
- Mar. 1994: Professor, Department of General Medicine of Kyoto University Hospital
- Apr. 1999: Professor, Department of Clinical Epidemiology, Kyoto University Graduate School of Medicine
- Apr. 2000: Professor, Department of Clinical Epidemiology; Professor, Department of Health Informatics; and Dean, School of Public Health, Kyoto University Graduate School of Medicine
- Feb. 2001: Professor, Department of Clinical Epidemiology; Professor, Department of Health Informatics; Dean, School of Public Health; Director; and Head of EBM Collaborative Research Center, Graduate School of Medicine, Kyoto University
- Sep. 2004: Head of Department of Internal medicine and Vice President at St. Luke's International Hospital
- Apr. 2005: President of St. Luke's International Hospital (to present)
- Apr. 2012: Chairperson of the Board of Trustees of St. Luke's College of Nursing (St. Luke's International University) (to present)
- Jun. 2015: Member of the Board (Outside) of the Company (to present)
Members of the Audit & Supervisory Board (Outside)

Akiko Kimura
Member of the Audit & Supervisory Board (Outside) since 2014

Yutaka Katagiri
Member of the Audit & Supervisory Board (Outside) since 2014

Criteria for Independence as Member of the Board (Outside) / Member of the Audit & Supervisory Board (Outside)

1. A Member of the Board or a Member of the Audit & Supervisory Board shall be determined to be independent from the Company and may not have a conflict of interests with general shareholders of the Company unless any of the following categories applies to him or her:

   (1) A candidate or his or her immediate family member who:

   i) is or has been an Executive Officer, of the Company or sister company or subsidiary (referring to a director other than outside director, corporate officer, executive officer or other employee; provided, however, limited to those who are important persons in terms of relationship with immediate family members. The same shall apply hereafter); or

   ii) has received during any of the last three fiscal years more than ¥10 million in direct compensation for his or her services as a consultant, a specialist in law, accounting or tax, or a healthcare professional, etc. from the Company, other than compensation as member of the board or member of audit & supervisory board.

   * An "immediate family member" includes a person’s spouse, parents, children, siblings, grandparents, grandchildren, mothers and fathers-in-law, sons and daughters-in-law, spouses of siblings, grandchildren-in-law, and brothers and sisters-in-law. The same shall apply hereafter.

   (2) A candidate or his or her immediate family member who is or has been within the last ten years, an Executive Officer, of a corporation or other association that falls under the following items:

   i) Business relationship

   a) A company that has made payments to, or received payments from, the Group for products or services in an amount which, in any of the last three fiscal years, exceeds 2% of any of the companies’ consolidated gross revenues;

   b) A consulting firm, law firm, auditing firm, tax accounting firm or incorporated educational institution, etc. that receives remuneration from the Group exceeding 10% of its gross revenue in any of the last three fiscal years; or

   c) A lender from whom the Group obtained a loan of more than 10% of its consolidated total assets at the end of the fiscal year immediately before nomination.

   ii) Major shareholder

   A corporation or other legal entity that is a major shareholder of the Company or a corporation that the Company is a major shareholder of at the time of determining the independence. A major shareholder means a shareholder holding at least 10% of total shares outstanding of the company.

   iii) Recipient of charitable contributions

   An organization to which the Company’s discretionary charitable contributions in any of the last three fiscal years are more than ¥10 million and 2% of annual gross revenues of that organization or other associations.

   iv) Accounting auditor

   An audit firm that is or has been for the last three years an accounting auditor of the Group.

   v) Cross-directorship arrangement

   A listed company in which an Executive Officer of the Company is a current Member of the Board (Outside) or Member of the Audit & Supervisory Board (Outside).

   Even though any of the above apply to a candidate for member of the board / member of the audit & supervisory board (outside), when the Board of Directors or the Audit & Supervisory Board judge him or her to be ensured of independent after comprehensive review, it may be determined that he or she satisfies the criteria for independence as member of the board / member of the audit & supervisory board (outside).
Members of the Board

Directors

Joji Nakayama
Representative Director, President & CEO
Member of the Board since 2010
Major previous positions:
Vice President of Corporate Strategy Planning Dept., Overseas Business Management Dept., and President of Japan Company

Takeshi Ogita, Ph.D.
Senior Executive Officer, Vaccine Business
Member of the Board since 2009
Major previous positions:
Head of Pharmaceutical Technology Div., Vice President of the Global Project Management Dept., and Global Corporate Strategy Officer

Yuki Sato
Representative Director, Executive Vice President, Head of General Affairs & Human Resources Div.
Member of the Board since 2011
Major previous positions:
Vice President of Osaka Plant and Hiratsuka Plant, Head of Pharmaceutical Technology Div., and Head of Supply Chain Div.

Sunao Manabe, DVM, Ph.D.
Senior Executive Officer, Global Sales & Marketing
Member of the Board since 2014
Major previous positions:
Vice President of Global Project Management Dept., Corporate Strategy Dept., and President of Japan Company.

Kazunori Hirokawa, MD., Ph.D.
Representative Director, Executive Vice President, Head of Corporate Management Div.
Member of the Board since 2010
Major previous positions:
Vice President of Drug Safety Administration Dept., Head of R&D Div., and Head of Corporate Strategy Div.

Toshiaki Sai
Senior Executive Officer, Head of Corporate Strategy Div.
Member of the Board since 2015
Major previous positions:
Vice President of Management System Dept., Corporate Communications Dept., and Global Brand Strategy Dept.

Hideyuki Haruyama, Ph.D.
Member of the Audit & Supervisory Board
Member of the Audit & Supervisory Board since 2015
Major previous positions:
Vice President of IT Management Dept., R&D Planning Dept., and President of Daiichi Sankyo RD Novare Co., Ltd.

Kazuyuki Watanabe
Member of the Audit & Supervisory Board
Member of the Audit & Supervisory Board since 2015
Major previous positions:
Vice President of Secretariat Dept., General Affairs & Procurement Dept., and External Affairs Dept.

Yuki Sato
Representative Director, Executive Vice President, Head of General Affairs & Human Resources Div.
Member of the Board since 2011
Major previous positions:
Vice President of Osaka Plant and Hiratsuka Plant, Head of Pharmaceutical Technology Div., and Head of Supply Chain Div.

Kazunori Hirokawa, MD., Ph.D.
Representative Director, Executive Vice President, Head of Corporate Management Div.
Member of the Board since 2010
Major previous positions:
Vice President of Drug Safety Administration Dept., Head of R&D Div., and Head of Corporate Strategy Div.

Toshiaki Sai
Senior Executive Officer, Head of Corporate Strategy Div.
Member of the Board since 2015
Major previous positions:
Vice President of Management System Dept., Corporate Communications Dept., and Global Brand Strategy Dept.

Hideyuki Haruyama, Ph.D.
Member of the Audit & Supervisory Board
Member of the Audit & Supervisory Board since 2015
Major previous positions:
Vice President of IT Management Dept., R&D Planning Dept., and President of Daiichi Sankyo RD Novare Co., Ltd.

Kazuyuki Watanabe
Member of the Audit & Supervisory Board
Member of the Audit & Supervisory Board since 2015
Major previous positions:
Vice President of Secretariat Dept., General Affairs & Procurement Dept., and External Affairs Dept.
## Historical Data

### Financial Results

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>925.9</td>
<td>929.5</td>
<td>880.1</td>
<td>842.1</td>
<td>952.1</td>
<td>967.3</td>
<td>938.6</td>
</tr>
<tr>
<td>Overseas sales</td>
<td>307.2</td>
<td>356.7</td>
<td>358.6</td>
<td>373.2</td>
<td>482.3</td>
<td>489.7</td>
<td>469.0</td>
</tr>
<tr>
<td>Ratio of overseas sales to net sales (%)</td>
<td>33.2</td>
<td>38.4</td>
<td>40.7</td>
<td>44.3</td>
<td>50.7</td>
<td>50.6</td>
<td>50.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>154.7</td>
<td>136.3</td>
<td>156.8</td>
<td>88.8</td>
<td>95.5</td>
<td>122.1</td>
<td>98.2</td>
</tr>
<tr>
<td>Ratio of operating income to net sales (%)</td>
<td>16.7</td>
<td>14.7</td>
<td>17.8</td>
<td>10.6</td>
<td>10.0</td>
<td>12.6</td>
<td>10.5</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>87.6</td>
<td>78.5</td>
<td>97.6</td>
<td>(215.4)</td>
<td>41.8</td>
<td>70.1</td>
<td>10.3</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>158.7</td>
<td>170.6</td>
<td>163.4</td>
<td>184.5</td>
<td>196.8</td>
<td>194.3</td>
<td>185.0</td>
</tr>
<tr>
<td>Ratio of research and development expenses to net sales (%)</td>
<td>17.1</td>
<td>18.4</td>
<td>18.6</td>
<td>21.9</td>
<td>20.7</td>
<td>20.1</td>
<td>19.7</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>41.1</td>
<td>39.9</td>
<td>38.7</td>
<td>40.5</td>
<td>45.9</td>
<td>43.9</td>
<td>46.3</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>30.1</td>
<td>31.5</td>
<td>21.1</td>
<td>19.6</td>
<td>29.7</td>
<td>37.3</td>
<td>62.9</td>
</tr>
</tbody>
</table>

### Financial Position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>1,596.1</td>
<td>1,636.8</td>
<td>1,487.8</td>
<td>1,494.5</td>
<td>1,489.5</td>
<td>1,480.2</td>
<td>1,518.4</td>
</tr>
<tr>
<td>Net assets</td>
<td>1,237.5</td>
<td>1,272.1</td>
<td>1,244.5</td>
<td>888.6</td>
<td>889.5</td>
<td>887.7</td>
<td>832.7</td>
</tr>
</tbody>
</table>

### Per Share Information

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic net income per share (yen)</td>
<td>119.49</td>
<td>107.75</td>
<td>135.35</td>
<td>(304.22)</td>
<td>59.45</td>
<td>99.62</td>
<td>14.75</td>
</tr>
<tr>
<td>Net assets per share (yen)</td>
<td>1,696.97</td>
<td>1,740.26</td>
<td>1,730.09</td>
<td>1,226.04</td>
<td>1,215.62</td>
<td>1,206.12</td>
<td>1,143.52</td>
</tr>
<tr>
<td>Annual dividends per share (yen)</td>
<td>25</td>
<td>60</td>
<td>70</td>
<td>80</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

### Main Financial Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>7.3</td>
<td>6.3</td>
<td>7.8</td>
<td>(20.5)</td>
<td>4.9</td>
<td>8.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>77.5</td>
<td>77.5</td>
<td>83.6</td>
<td>57.7</td>
<td>57.4</td>
<td>57.4</td>
<td>53.0</td>
</tr>
<tr>
<td>Dividend on equity (DOE) (%)</td>
<td>2.9</td>
<td>3.5</td>
<td>4.0</td>
<td>5.4</td>
<td>4.9</td>
<td>5.0</td>
<td>5.1</td>
</tr>
<tr>
<td>Free cash flows</td>
<td>93.5</td>
<td>151.7</td>
<td>17.2</td>
<td>(335.4)</td>
<td>172.8</td>
<td>78.1</td>
<td>(32.5)</td>
</tr>
<tr>
<td>Average exchange rates (USD/JPY)</td>
<td>-</td>
<td>116.99</td>
<td>114.28</td>
<td>100.54</td>
<td>92.86</td>
<td>85.72</td>
<td>79.07</td>
</tr>
<tr>
<td>(EUR/JPY)</td>
<td>-</td>
<td>146.16</td>
<td>160.52</td>
<td>143.49</td>
<td>131.16</td>
<td>113.13</td>
<td>108.96</td>
</tr>
<tr>
<td>Number of employees</td>
<td>18,434</td>
<td>15,358</td>
<td>15,349</td>
<td>28,895</td>
<td>29,825</td>
<td>30,488</td>
<td>31,929</td>
</tr>
</tbody>
</table>
### Financial Results (Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2012*</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>994.7</td>
<td>1,118.2</td>
<td>919.4</td>
</tr>
<tr>
<td>Overseas revenue</td>
<td>483.2</td>
<td>585.7</td>
<td>392.4</td>
</tr>
<tr>
<td>Ratio of overseas revenue to revenue (%)</td>
<td>48.6</td>
<td>52.4</td>
<td>42.7</td>
</tr>
<tr>
<td>Operating profit</td>
<td>98.7</td>
<td>111.6</td>
<td>74.4</td>
</tr>
<tr>
<td>Ratio of operating profit to revenue (%)</td>
<td>9.9</td>
<td>10.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Profit attributable to owners of the Company</td>
<td>64.0</td>
<td>60.9</td>
<td>322.1</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>184.4</td>
<td>191.2</td>
<td>190.7</td>
</tr>
<tr>
<td>Ratio of research and development expenses to revenue (%)</td>
<td>18.5</td>
<td>17.1</td>
<td>20.7</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>45.3</td>
<td>51.5</td>
<td>42.0</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>65.1</td>
<td>49.2</td>
<td>36.3</td>
</tr>
</tbody>
</table>

### Financial Position

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>1,684.9</td>
<td>1,854.0</td>
<td>1,982.3</td>
</tr>
<tr>
<td>Total equity</td>
<td>938.5</td>
<td>1,007.5</td>
<td>1,307.0</td>
</tr>
</tbody>
</table>

### Per Share Information

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share (yen)</td>
<td>90.96</td>
<td>86.57</td>
<td>457.56</td>
</tr>
<tr>
<td>Equity per share attributable to owners of the Company (yen)</td>
<td>1,287.94</td>
<td>1,392.03</td>
<td>1,852.28</td>
</tr>
<tr>
<td>Annual dividends per share (yen)</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

### Main Financial Indicators

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity attributable to owners of the Company (ROE) (%)</td>
<td>7.4</td>
<td>6.5</td>
<td>28.2</td>
</tr>
<tr>
<td>Ratio of equity attributable to owners of the Company to total assets (%)</td>
<td>53.8</td>
<td>52.9</td>
<td>65.8</td>
</tr>
<tr>
<td>Ratio of dividends to equity attributable to owners of the Company (%)</td>
<td>4.9</td>
<td>4.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Free cash flows</td>
<td>20.4</td>
<td>(124.1)</td>
<td>121.5</td>
</tr>
<tr>
<td>Average exchange rates (USD/JPY)</td>
<td>83.11</td>
<td>100.24</td>
<td>109.94</td>
</tr>
<tr>
<td>(EUR/JPY)</td>
<td>107.15</td>
<td>134.38</td>
<td>138.78</td>
</tr>
<tr>
<td>Number of employees</td>
<td>32,229</td>
<td>32,791</td>
<td>16,428</td>
</tr>
</tbody>
</table>

### Environmental, Social, and Governance (ESG) Data

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions (t-CO2)</td>
<td>521,550</td>
<td>537,404</td>
<td>459,827</td>
</tr>
<tr>
<td>Energy consumption (thousand GJ)</td>
<td>8,616</td>
<td>8,847</td>
<td>8,186</td>
</tr>
<tr>
<td>Water withdrawals (thousand m³)</td>
<td>16,199</td>
<td>15,617</td>
<td>15,825</td>
</tr>
<tr>
<td>Number of Members of the Board (of whom number of outside members)</td>
<td>10 (4)</td>
<td>10 (4)</td>
<td>10 (4)</td>
</tr>
<tr>
<td>Number of Members of the Audit &amp; Supervisory Board (of whom number of outside members)</td>
<td>4 (2)</td>
<td>4 (2)</td>
<td>4 (2)</td>
</tr>
</tbody>
</table>

### Adoption of International Financial Reporting Standards (IFRS)

Daichi Sankyo and its consolidated subsidiaries ("the Group") adopted IFRS from fiscal 2013. Having considered what accounting and financial reporting standards would be best to contribute to the growth in corporate value through a concerted global business development program, Daichi Sankyo made this move mainly to diversify the Group's methods of fund procurement in global capital markets. (*Results for fiscal 2012 in compliance with IFRS are restated for comparison purposes.)*

### Main differences between Japanese GAAP and IFRS (presentation of accounts)

- **Revenue** under IFRS corresponds to "net sales" under Japanese GAAP.
- Profits generated in relation to operating activities are presented as "operating profit."
- The composition of this item under IFRS differs from "operating income" under Japanese GAAP. Under IFRS, operating profit includes non-financial items that would be presented under Japanese GAAP as "non-operating income," "non-operating expenses," "extraordinary income," or "extraordinary losses."
- IFRS does not apply the concept of "ordinary income."
- "Profit attributable to owners of the Company" under IFRS corresponds to "net income" under Japanese GAAP.
## Major Products
### Innovative Drugs

<table>
<thead>
<tr>
<th>Brand name (generic name)</th>
<th>Efficacy</th>
<th>Launched</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan [Daiichi Sankyo Co., Ltd.]</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olmetec (olmesartan)</td>
<td>antihypertensive agent</td>
<td>2004</td>
<td>Angiotensin II receptor blocker. Olmesartan blocks the vasoconstrictor effects of angiotensin II by selectively blocking the binding of angiotensin II to the angiotensin II receptor.</td>
</tr>
<tr>
<td>Rezaltas</td>
<td></td>
<td>2010</td>
<td>A combination of two antihypertensive drugs: calcium ion antagonist, azelnidipine, and an angiotensin II receptor blocker, olmesartan medoxomil.</td>
</tr>
<tr>
<td>Calblock (azelnidipine)</td>
<td>antihypertensive agent</td>
<td>2003</td>
<td>Calcium channel blocker. It inhibits functions of calcium channels on vascular smooth muscles and lowers blood pressure by causing vasodilation.</td>
</tr>
<tr>
<td>Loxonin (loxoprofen)</td>
<td>anti-inflammatory analgesic</td>
<td>1986</td>
<td>Nonsteroidal anti-inflammatory analgesic. Loxonin tablets and granule have a strong analgesic activity with lowered gastric side effects. Loxoprophen is a prodrug and is not metabolized in stomach but activated after absorption through small intestine. Other formulations such as a tape are also available as a part of a life cycle management.</td>
</tr>
<tr>
<td>Cravit (levofloxacin)</td>
<td>synthetic antibacterial agent</td>
<td>1993</td>
<td>New quinolone antibacterial agent offering strong antibacterial action and a broad antibacterial spectrum. Injectable preparation has been added as part of life-cycle management.</td>
</tr>
<tr>
<td>NEXIUM (esomeprazole)</td>
<td>ulcer treatment</td>
<td>2011</td>
<td>Proton pump inhibitor. Licensed from AstraZeneca. It suppresses gastric acid secretion.</td>
</tr>
<tr>
<td>Mevalotin (pravastatin)</td>
<td>antihyperlipidemic agent</td>
<td>1989</td>
<td>HMG-CoA reductase inhibitor (statin). It lowers blood cholesterol levels by inhibiting cholesterol synthesis in the liver.</td>
</tr>
<tr>
<td>Artist (carvedioli)</td>
<td>treatment for hypertension, angina pectoris and chronic heart failure</td>
<td>1993</td>
<td>Beta blocker. It selectively blocks beta-adrenergic receptors of sympathetic nerve.</td>
</tr>
<tr>
<td>Omnipaque (iopamidol)</td>
<td>contrast medium</td>
<td>1987</td>
<td>Nonionic contrast medium. Used to improve visibility of diagnostic X-ray imaging is inadequate.</td>
</tr>
<tr>
<td>Urief (silodosin)</td>
<td>treatment for dysuria</td>
<td>2006</td>
<td>Selective alpha 1A-adrenoceptor antagonist. It selectively blocks alpha 1A-adrenoceptors in the lower part of urinary tract. Compared with other alpha blockers, it causes side effects, such as orthostatic hypotension, less frequently.</td>
</tr>
<tr>
<td>Inavir (laninamivir)</td>
<td>anti-influenza treatment</td>
<td>2010</td>
<td>Neuraminidase inhibitor. It inhibits influenza viral proliferation. Treatment is completed with a single inhaled dosage.</td>
</tr>
<tr>
<td>LIXIANA (edoxaban)</td>
<td>anticoagulant</td>
<td>2011</td>
<td>Orally administered Factor Xa inhibitor. It is an anticoagulant that specifically, reversibly and directly inhibits the enzyme, Factor Xa, a clotting factor in the blood. Approved for the prevention of venous thromboembolism (VTE) in patients with lower limb orthopedic surgery.</td>
</tr>
<tr>
<td>TENELIA (teneligliptin)</td>
<td>type 2 diabetes mellitus inhibitor</td>
<td>2012</td>
<td>DPP-4 (dipeptidyl peptidase-4) inhibitor. It inhibits the activity of dipeptidyl peptidase-4 (DPP-4), an enzyme that inactivates incretin, which is a glucose-dependent insulin-releasing hormone excreted from the gastrointestinal tract, and thereby increases incretin concentration in blood and facilitates insulin release.</td>
</tr>
<tr>
<td>RANMARK (denosumab)</td>
<td>treatment for bone complications</td>
<td>2012</td>
<td>Human monoclonal antibody that binds to RANKL. A new and effective treatment option for treating bone disorders stemming from multiple myeloma and bone metastases from solid tumors.</td>
</tr>
<tr>
<td>PRALIA (denosumab)</td>
<td>treatment for osteoporosis</td>
<td>2013</td>
<td>Human monoclonal antibody that binds to RANKL. A subcutaneous injection for use once every six months as a novel treatment for osteoporosis.</td>
</tr>
<tr>
<td>Efient (prasugrel)</td>
<td>antiplatelet agent</td>
<td>2014</td>
<td>It inhibits platelet aggregation and reduces the incidence of artery stenosis and occlusion.</td>
</tr>
<tr>
<td>Brand name (generic name)</td>
<td>Efficacy</td>
<td>Launched</td>
<td>Remarks</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>US [Daiichi Sankyo Inc.]</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benicar</td>
<td>antihypertensive agent</td>
<td>2002</td>
<td>Benicar : Olmesartan</td>
</tr>
<tr>
<td>Benicar HCT</td>
<td></td>
<td>2003</td>
<td>Benicar HCT : Combination of olmesartan medoxomil and hydrochlorothiazide (diuretic)</td>
</tr>
<tr>
<td>AZOR (olmesartan)</td>
<td></td>
<td>2007</td>
<td>AZOR : Combination of olmesartan medoxomil and amlodipine besylate (calcium channel blocker)</td>
</tr>
<tr>
<td>TRIBENZOR</td>
<td></td>
<td>2010</td>
<td>TRIBENZOR : Triple combination of olmesartan medoxomil, hydrochlorothiazide, and amlodipine besylate</td>
</tr>
<tr>
<td>Welchol (colesevelam)</td>
<td>hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor</td>
<td>2000</td>
<td>Bile acid sequestrant. Marketed as a drug for treatment of hypercholesterolemia. Gained approval also for type 2 diabetes mellitus indication as part of life-cycle management.</td>
</tr>
<tr>
<td>Effient (prasugrel)</td>
<td>antplatelet agent</td>
<td>2009</td>
<td>It inhibits platelet aggregation and reduces the incidence of artery stenosis and occlusion.</td>
</tr>
<tr>
<td>SAVYSA (edoxaban)</td>
<td>anticoagulant</td>
<td>2015</td>
<td>Orally administered Factor Xa inhibitor. It is an anticoagulant that specifically, reversibly and directly inhibits the enzyme, Factor Xa, a clotting factor in the blood. Approved for indications to reduce the risk of stroke and systemic embolism (SE) in patients with non-valvular atrial fibrillation (NVAF) and for the treatment of venous thromboembolism (VTE) (deep vein thrombosis (DVT) and pulmonary embolism (PE)).</td>
</tr>
<tr>
<td><strong>US [Luitpold Pharmaceuticals, Inc.]</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injectafer (ferric carboxymaltose injection)</td>
<td>anemia treatment</td>
<td>2013</td>
<td>Effective for patients who have intolerance to oral iron or who have had unsatisfactory response to oral iron or who have non-dialysis-dependent chronic kidney disease.</td>
</tr>
<tr>
<td><strong>Europe [Daiichi Sankyo Europe GmbH]</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olmetec</td>
<td>antihypertensive agent</td>
<td>2002</td>
<td>Olmetec : Olmesartan</td>
</tr>
<tr>
<td>Olmetec Plus (olmesartan)</td>
<td>antihypertensive agent</td>
<td>2005</td>
<td>Olmetec Plus : Combination of olmesartan medoxomil and hydrochlorothiazide (diuretic)</td>
</tr>
<tr>
<td>Sevikar (olmesartan)</td>
<td>antihypertensive agent</td>
<td>2009</td>
<td>Sevikar : Combination of olmesartan medoxomil and amlodipine besylate (calcium channel blocker)</td>
</tr>
<tr>
<td>Sevikar HCT</td>
<td>antihypertensive agent</td>
<td>2010</td>
<td>Sevikar HCT : Triple combination of olmesartan medoxomil, hydrochlorothiazide, and amlodipine besylate</td>
</tr>
<tr>
<td>Effient (prasugrel)</td>
<td>antplatelet agent</td>
<td>2009</td>
<td>It inhibits platelet aggregation and reduces the incidence of artery stenosis and occlusion.</td>
</tr>
</tbody>
</table>

**Generic Drugs**

<table>
<thead>
<tr>
<th>Brand name (efficacy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan [Daiichi Sankyo Espha Co., Ltd.]</td>
</tr>
<tr>
<td>donepezil (alzheimer's disease treatment)</td>
</tr>
<tr>
<td>atorvastatin (anthyperlipidemic agent)</td>
</tr>
<tr>
<td>amlodipine (antihypertensive agent)</td>
</tr>
<tr>
<td>levofloxacin (synthetic antibacterial agent)</td>
</tr>
<tr>
<td>pioglitazone (type 2 diabetes mellitus inhibitor)</td>
</tr>
</tbody>
</table>

**OTC Drugs**

<table>
<thead>
<tr>
<th>Brand name (efficacy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan [Daiichi Sankyo Healthcare Co., Ltd.]</td>
</tr>
<tr>
<td>Lulu (combination cold remedy)</td>
</tr>
<tr>
<td>Daiichi Sankyo Ichoyaku (multi-ingredient digestive remedy)</td>
</tr>
<tr>
<td>Loxonin S (antipyretic analgesic)</td>
</tr>
<tr>
<td>Patecs (antiphlogistic analgesic for external use)</td>
</tr>
<tr>
<td>Transino (melasma treatment)</td>
</tr>
</tbody>
</table>

**Vaccines**

<table>
<thead>
<tr>
<th>Brand name (efficacy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan [Kitasato Daiichi Sankyo Vaccine Co., Ltd., Japan Vaccine Co., Ltd.]</td>
</tr>
<tr>
<td>ActHIB (haemophilus influenzae type b vaccine)</td>
</tr>
<tr>
<td>Rotarix (rotavirus vaccine)</td>
</tr>
<tr>
<td>Influenza HA Vaccine (seasonal influenza vaccine)</td>
</tr>
<tr>
<td>Live Attenuated Measles / Rubella Combined Vaccine (measles and rubella vaccine)</td>
</tr>
</tbody>
</table>
Company Information (as of March 31, 2015)

Company Profile

Company name: Daiichi Sankyo Co., Ltd.
Established: September 28, 2005
Business: Research and development, manufacturing, sales and marketing of pharmaceutical products
Paid-in capital: JPY50.0 billion

Fiscal year end: March 31
Number of consolidated subsidiaries: 55
Number of associated companies: 2

Number of employees: 16,428 (on a consolidated basis)

Europe
- Germany
- UK
- Ireland
- France
- Spain
- Portugal
- Italy
- Netherlands
- Belgium
- Austria
- Switzerland
- Turkey

Asia
- China
- South Korea
- Taiwan
- Hong Kong
- Thailand
- India

Japan
- Medical Representatives: 800

US
- Medical Representatives: 2,200

South & Central America
- Medical Representatives: 1,500

US
- Medical Representatives: 3,300

Japan
- Medical Representatives: 8,600

Europe
- Medical Representatives: 2,100

Asia
- Medical Representatives: 2,000

MR: Medical Representatives
Stock Information
Number of shares authorized 2,800,000,000
Number of shares issued 709,011,343
(including 4,983,171 treasury shares)
Number of shareholders 128,226

Distribution of Shareholders
Financial instruments firms 3.78%
Other corporations 6.32%
Individuals and others 20.29%
Foreign investors 27.03%
Treasury shares 0.70%
Financial institutions 41.88%

Notes for Investors
Share registrar Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081
Tel: 0120-232-711 (toll free)

Listed securities exchange
Common stock:
Tokyo Stock Exchange First Section (code number: 4568)
American Depositary Receipt (ADR): OTC

Major Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares Held</th>
<th>Shareholding Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>43,837</td>
<td>6.23</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>41,512</td>
<td>5.90</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>35,776</td>
<td>5.08</td>
</tr>
<tr>
<td>JP Morgan Chase Bank 385147</td>
<td>18,853</td>
<td>2.68</td>
</tr>
<tr>
<td>Trust &amp; Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.</td>
<td>14,402</td>
<td>2.05</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>11,413</td>
<td>1.62</td>
</tr>
<tr>
<td>Employee stock ownership of daichi sankyo group</td>
<td>10,952</td>
<td>1.56</td>
</tr>
<tr>
<td>Deutsche Bank Trust Company Americas ADR Dept Account</td>
<td>10,368</td>
<td>1.47</td>
</tr>
<tr>
<td>State Street Bank and Trust Company 505225</td>
<td>10,196</td>
<td>1.45</td>
</tr>
<tr>
<td>Mizuho Bank, Ltd.</td>
<td>8,591</td>
<td>1.22</td>
</tr>
</tbody>
</table>

Note: Treasury shares (4,983,171 shares) are not included in the computing of equity stake.
Period Covered
The IR Report 2015 covers the period from April 1, 2014 to March 31, 2015 (fiscal 2014) and also contains information for the period from April 2015 onward.

Precautions for future prospects
This report contains future prospects, such as the Company's plan, strategy, and business performance. These prospects are based on our conclusions from information that is currently available. Therefore, please be advised that the actual business performance will be influenced by various risks and uncertainties and could achieve different results from these prospects. Examples of factors that could influence future prospects are including, but are not limited to, the economic environment, competition, related laws, change in product development circumstances, or fluctuation of exchange rates that surround the Company's business domain.