

Press Release



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Daiichi Sankyo Announces Impairment Loss Related to Kitasato Daiichi Sankyo Vaccine

Tokyo, Japan (April 28, 2017) – Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) today announced that it will book an impairment loss on tangible fixed assets and intangible assets owned by its subsidiary, Kitasato Daiichi Sankyo Vaccine Co., Ltd. (hereafter, Kitasato Daiichi Sankyo Vaccine). Details are as follows.

1. Reason for loss

A decision was made to post an impairment loss on tangible fixed assets and intangible assets due to delays in the development of new products based on a conservative evaluation of near-term profitability.

2. Impact on consolidated financial results

Daiichi Sankyo will book an impairment loss of 21.9 billion yen in the consolidated financial results for fiscal 2016 (IFRS).

Daiichi Sankyo will strengthen the financial basis of Kitasato Daiichi Sankyo Vaccine with an additional investment of 40 billion yen, to be made by mid-June 2017, in order to guarantee a stable supply of high-quality vaccines and continue efforts to develop and release new products to the market.

Reference: Outline of Kitasato Daiichi Sankyo Vaccine

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| Company name | Kitasato Daiichi Sankyo Vaccine Co., Ltd. |
| Capital | 100 million yen |
| Established | April 2011 |
| Shareholders | Daiichi Sankyo Company, Limited (80%) Kitasato Institute (20%) |
| Location | Kitamoto City, Saitama Prefecture |
| Representative Director | Toshiaki Tojo |
| Employees | 475 |
| Business Description | Research, development, manufacture and sales of vaccines |