



Press Release

Company name: DAIICHI SANKYO COMPANY, LIMITED

Representative: Sunao Manabe, Representative Director, President and COO

(Code no.: 4568, First Section, Tokyo Stock Exchange)

Please address inquiries to Junichi Onuma

Vice President, Corporate Communications Department

Telephone: +81-3-6225-1126

<https://www.daiichisankyo.com>

Daiichi Sankyo Announces Update to H5N1 Influenza Vaccine National Project

Tokyo, Japan (May 17, 2019) – Daiichi Sankyo Company, Limited (hereafter, Daiichi Sankyo) announced today that the Company has been unable to fulfill its obligation to build a scheme to supply vaccines for 40 million people in the time allotted under the Japanese Ministry of Health, Labour and Welfare’s cell culture vaccine production facility capacity building project, which is a part of the Ministry’s second initiative for H5NI vaccine development and production capacity building grant. After being selected for the project, Daiichi Sankyo had been engaged in preparations to build a scheme to supply vaccines from August 2011 to March 31, 2019.

Daiichi Sankyo and its Group company, Kitasato Daiichi Sankyo Vaccine Co., Ltd., which was dissolved after its functions were transferred to Daiichi Sankyo or its Group company, Daiichi Sankyo Biotech Co., Ltd. (hereafter, Daiichi Sankyo Biotech) on April 1, 2019, reported in April 2014 that they were unable to achieve the original goal of creating a scheme by March 31, 2014, to supply the vaccines for 40 million people in six months. It was discovered in the development phase that higher doses are needed than expected when designing facilities, and they have addressed to increase the vaccination yield and improve the facilities. However, they have been unable to build a scheme capable of supplying vaccines for 40 million people in 6 months by March 31, 2019, the extended time limit for the initiative, and the scheme built is now capable of supplying vaccines for approximately 23 million people. Daiichi Sankyo sincerely apologizes for having been unable to build the required scheme in the timeframe allotted.

In addition to returning a part of the grant, Daiichi Sankyo Biotech will pay a delinquency charge. Daiichi Sankyo believes that assumed delinquency charges have been recorded in the previous fiscal years, and have minor impact on Daiichi Sankyo consolidated profit and loss in the fiscal year ending March 31, 2020.

Daiichi Sankyo and Daiichi Sankyo Biotech will make efforts toward maintaining and managing a scheme that will be fully capable of supplying the required quantity of H5NI influenza vaccine necessary for when a pandemic breaks out, and will contribute to the health of people in Japan.

About Daiichi Sankyo

Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address diversified, unmet medical needs of patients in both mature and emerging markets. With over 100 years of scientific expertise and a presence in more than 20 countries, Daiichi Sankyo and its 15,000 employees around the world draw upon a rich legacy of innovation and a robust pipeline of promising new medicines to help people. In addition to a strong portfolio of medicines for hypertension and thrombotic disorders, under the Group's 2025 Vision to become a "Global Pharma Innovator with Competitive Advantage in Oncology," Daiichi Sankyo research and development is primarily focused on bringing forth novel therapies in oncology, including immuno-oncology, with additional focus on new horizon areas, such as pain management, neurodegenerative diseases, heart and kidney diseases, and other rare diseases. For more information, please visit: www.daiichisankyo.com