Passion for Innovation.
Compassion for Patients.™

Daiichi-Sankyo

Top Management Presentation
Financial Results of FY2015

DAIICHI SANKYO CO., LTD

Joji Nakayama
President and CEO

May 12, 2016

Forward-Looking Statements

- Management strategies and plans, financial forecasts, future projections and policies, and R&D information that Daiichi Sankyo discloses in this material are all classified as Daiichi Sankyo's future prospects. These forward looking statements were determined by Daiichi Sankyo based on information obtained as of today with certain assumptions, premises and future forecasts, and thus, there are various inherent risks as well as uncertainties involved. As such, please note that actual results of Daiichi Sankyo may diverge materially from Daiichi Sankyo's outlook or the content of this material. Furthermore, there is no assurance that any forward-looking statements in this material will be realized. Regardless of the actual results or facts, Daiichi Sankyo is not obliged and does not have in its policy the duty to update the content of this material from the date of this material onward.
- Daiichi Sankyo takes reasonable care to ensure the accuracy of the content of this material, but shall not be obliged to guarantee the absolute accuracy, appropriateness, completeness and feasibility, etc. of the information described in this material. Furthermore, any information regarding companies, organizations or any other matters outside the Daiichi Sankyo Group that is described within this material has been compiled or cited using publicly available information or other information, and Daiichi Sankyo has not performed in-house inspection of the accuracy, appropriateness, completeness and feasibility, etc. of such information, and does not guarantee the accuracy thereof.
- The information described in this material may be changed hereafter without notice. Accordingly, this material or the information described herein should be used at your own judgment, together with any other information you may otherwise obtain.
- This material does not constitute a solicitation of application to acquire or an offer to sell any security in the United States, Japan or elsewhere.
- This material disclosed here is for reference purposes only. Final investment decisions should be made at your own discretion.
- Daiichi Sankyo assumes no responsibility for any damages resulting from the use of this material or its content, including without limitation damages related to the use of erroneous information.

Agenda

- **FY2015 Consolidated Results**
- **FY2016 Consolidated Forecast, Shareholder Returns**
- **Major Management Topics**
  - **Edoxaban**
  - **Daiichi Sankyo, Inc. (DSI)**
  - **R&D Topics**

FY2015 Consolidated Results

Overview of FY2015 Results

(JPY Bn)

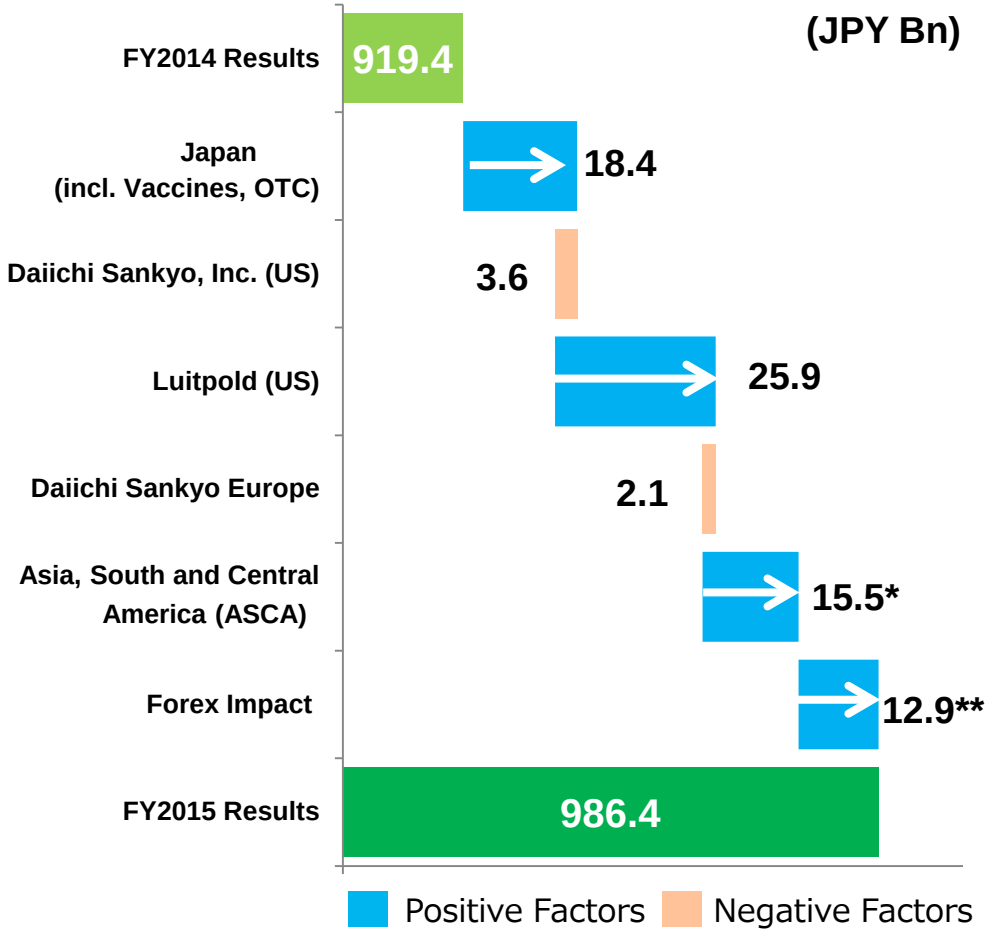
	FY2014 Results*	FY2015 Results	YoY
Revenue	**919.4**	**986.4**	+7.3% **+67.1**
Cost of Sales	**323.1**	**318.6**	**-4.5**
SG&A Expenses	**331.2**	**328.8**	**-2.4**
R&D Expenses	**190.7**	**208.7**	**+18.0**
Operating Profit	**74.4**	**130.4**	+75.2% **+56.0**
Profit before Tax	**79.9**	**122.4**	**+42.5**
Profit attributable to owners of the Company	**46.5**	**82.3**	+77.1% **+35.8**

Currency Rate	USD/JPY	109.94	120.14	+10.20
	EUR/JPY	138.78	132.57	-6.21

*FY2014 Results have been restated and indicated as only the values for continuing operations.

Revenue

Increased by 67.1 JPY Bn
due to the growth of Luitpold, Japan and ASCA with Forex



Japan

Positive :	Nexium	+13.1	Lixiana	+9.4
	Teneria	+9.0	Memary	+5.6
	Pralia	+5.1	Efient	+4.2
	Ranmark	+2.2		
Negative :	Cravit	-9.5	Artist	-3.0
	Mevalotin	-2.7	Inavir	-2.6

Global (excl. Forex Impact)

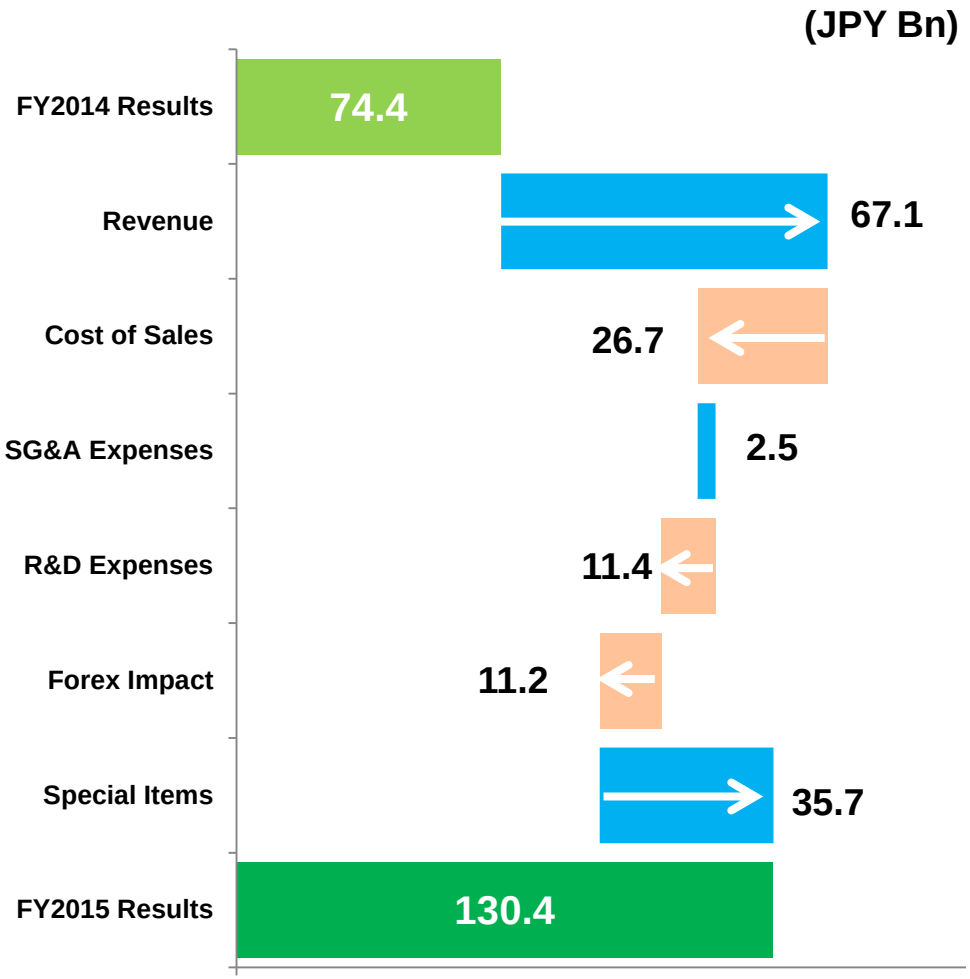
Daiichi Sankyo, Inc. :	Olmesartan	-4.4
	Welchol	-3.1
	Effient	+1.4
	Movantik	+1.8
Luitpold :	Injectafer	+9.4
Daiichi Sankyo Europe :	Olmesartan	-3.5
	Lixiana	+1.6

*7.7bn negative impact due to the change of exchange rate of Venezuela etc. is included in “Forex Impact.”

**Forex impact USD:+24.1, EUR:-3.5, ASCA (incl. Venezuela):-7.7

Operating Profit

Increased by 56.0 JPY Bn
due to increased revenue and decreased expenses of special items



Revenue	**+67.1**
incl. forex impact	12.9

Cost of Sales	increase of revenue

R&D Expenses	progress of projects

Forex impact	**+11.2***
Cost of Sales	+3.0
SG&A Expenses	+2.8
R&D Expenses	+5.4

Special items	**-35.7**
Cost of Sales	-34.2
SG&A Expenses	-2.7
R&D Expenses	+1.2

*Excl. forex impact of special items

Special Items

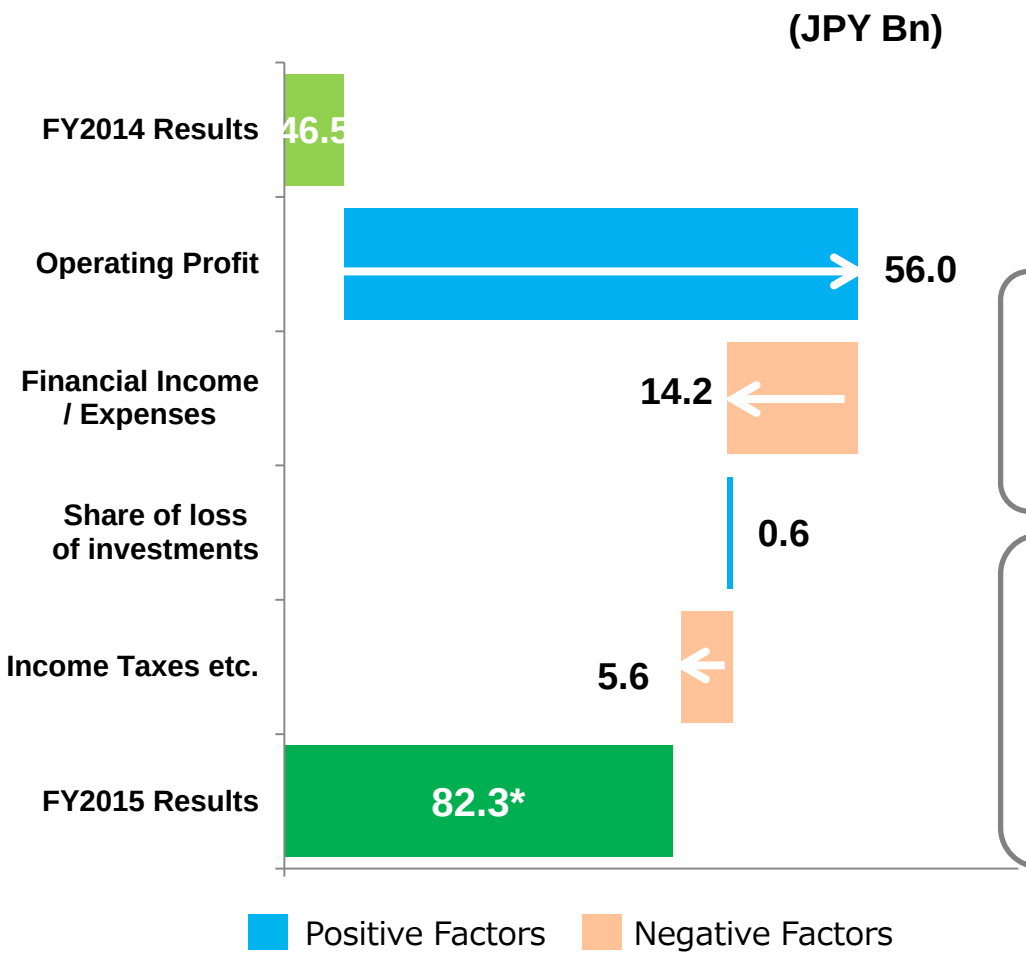
(JPY Bn)

	FY2014 Results		FY2015 Results		YoY
Cost of Sales	Restructuring costs in Japan Impairment loss (Intangible)	**2.2** **35.0**	Gain on sales of subsidiary Gain on sales of fixed assets Impairment loss (Intangible) Restructuring costs in supply chain	**-2.4** **-1.1** **1.9** **4.6**	**-34.2**
SG&A Expenses	Settlement expenses with US Department of Justice Restructuring costs in Japan Restructuring costs in US Impairment loss (Tangible) Gain on sales of fixed assets	**4.7** **7.3** **1.7** **1.8** **-2.9**	Restructuring costs in US Restructuring costs in EU Gain on sales of fixed assets	**15.2** **2.9** **-8.2**	**-2.7**
R&D Expenses	Restructuring costs in Japan	**4.4**	Restructuring costs in R&D	**5.6**	**1.2**
Total		**54.2**		**18.5**	**-35.7**

- : Cost decrease items

Profit Attributable to Owners of the Company

Increased by 35.8 JPY Bn due to increased operating profit
Forex loss due to strong Yen are booked as financial expenses



Financial Income / Expenses +14.2
- FY2014: Forex gain
- FY2015: Forex loss
  Expenses relating to the sales of Sun Pharma shares etc.

Income Taxes +5.6
- Tax rate FY2014：45.5% FY2015：34.3%
- Reduction of reversal of deferred tax asset due to change in tax rate etc.
- Acceptance of write-off in tax treatment due to capital dividend from a subsidiary which was closed etc.

*Excl. non-controlling interests

Major Business Units

(JPY Bn)

	FY2014 Results	FY2015 Results	YoY	vs. Forecast (%)
Japan	**480.5**	**494.7**	**+14.2**	**100.7%**
Daiichi Sankyo Healthcare	**47.8**	**53.4**	**+5.5**	**108.9%**
Daiichi Sankyo Inc.	**173.0**	**185.1**	**+12.1**	**105.2%**
Olmesartan	106.6	111.6	+5.1	110.5%
Welchol	47.4	48.4	+1.0	102.9%
Effient	17.6	20.7	+3.2	-
Savaysa	0.7	0.4	-0.2	22.5%
Movantik	-	2.0	+2.0	-
Luitpold	**57.4**	**91.0**	**+33.6**	**105.8%**
Venofer	28.6	31.2	+2.6	104.1%
Injectafer	7.6	18.6	+11.0	109.6%
Daiichi Sankyo Europe	**83.5**	**77.8**	**-5.7**	**102.3%**
Olmesartan	65.2	58.9	-6.3	101.6%
Efient	4.8	5.4	+0.6	-
Lixiana	-	1.5	+1.5	90.9%
Asia, South and Central America (ASCA)	**67.5**	**75.3**	**+7.8**	**85.6%**

Major Products in Japan

(JPY Bn)

		FY2014 Results	FY2015 Results	YoY	vs. Forecast (%)
Olmetec	antihypertensive agent	**76.3**	**73.9**	**-2.5**	**93.5%**
Nexium	ulcer treatment	**69.3**	**82.4**	**+13.1**	**107.0%**
Memary	Alzheimer's disease treatment	**36.8**	**42.4**	**+5.6**	**90.3%**
Loxonin	anti-inflammatory analgesic	**49.5**	**48.1**	**-1.4**	**109.4%**
Cravit	synthetic antibacterial agent	**27.8**	**18.4**	**-9.5**	**108.1%**
Rezaltas	antihypertensive agent	**18.4**	**18.2**	**-0.2**	**95.6%**
Artist	treatment for hypertension, angina pectoris and chronic heart failure	**18.1**	**15.1**	**-3.0**	**88.6%**
Omnipaque	contrast medium	**17.2**	**16.9**	**-0.3**	**105.4%**
Mevalotin	antihyperlipidemic agent	**16.2**	**13.4**	**-2.7**	**96.0%**
Ranmark	treatment for bone complications caused by bone metastases from tumors	**10.2**	**12.4**	**+2.2**	**95.3%**
Inavir	anti-influenza treatment	**16.6**	**14.0**	**-2.6**	**116.9%**
Urief	treatment for dysuria	**11.5**	**11.8**	**+0.3**	**107.6%**
Pralia	treatment for osteoporosis	**7.3**	**12.5**	**+5.1**	**124.5%**
Lixiana	anticoagulant agent	**3.6**	**13.0**	**+9.4**	**118.0%**
Efient	antiplatelet agent	**0.7**	**4.9**	**+4.2**	**98.0%**
Teneria	type 2 diabetes mellitus inhibitor	**7.6**	**16.5**	**+9.0**	**-**

FY2016 Consolidated Forecast, Shareholder Returns

FY2016 Consolidated Forecast

(JPY Bn)

	FY2015 Results	FY2016 Forecast	YoY
Revenue	986.4	920.0	-66.4 (-6.7%)
Cost of Sales	318.6	320.0	+1.4
SG&A Expenses	328.8	310.0	-18.8
R&D Expenses	208.7	190.0	-18.7
Operating Profit	130.4	100.0	-30.4 (-23.3%)
Profit before Tax	122.4	100.0	-22.4
Profit attributable to owners of the Company	82.3	65.0	-17.3 (-21.0%)

Currency Rate	USD/JPY	120.14	110.00
	EUR/JPY	132.57	125.00

Major factors

See next page

Incl. approx. 20.0 Bn* Yen relating to restructuring costs etc.

*Expenses of special items: 18.5 Bn Yen in FY2015

See slide 7

Major Business Units FY2016 Forecast

(JPY Bn)

	FY2015 Results	FY2016 Forecast	YoY
Japan	**494.7**	**496.0**	**+1.3**
Daiichi Sankyo Healthcare	**53.4**	**60.0**	**+6.6**
Daiichi Sankyo Inc.	**185.1**	**123.0**	**-62.1**
Olmesartan	111.6	58.0	-53.6
Welchol	48.4	37.0	-11.4
Effient	20.7	-	-
Savaysa	0.4	2.0	+1.6
Movantik	2.0	-	-
Luitpold	**91.0**	**92.0**	**+1.0**
Venofer	31.2	25.0	-6.2
Injectafer	18.6	27.0	+8.4
Daiichi Sankyo Europe	**77.8**	**74.0**	**-3.8**
Olmesartan	58.9	46.0	-12.9
Efient	5.4	-	-
Lixiana	1.5	9.0	+7.5
Asia, South and Central America (ASCA)	**75.3**	**71.0**	**-4.3**

Major Business Units FY2016 Forecast

(Local Currency)

	FY2015 Results	FY2016 Forecast	YoY
Daiichi Sankyo Inc. (USD Mn)	**1,540**	**1,118**	**-422**
Olmesartan	929	527	-402
Welchol	403	336	-66
Effient	173	-	-
Savaysa	4	18	+14
Movantik	17	-	-
Luitpold (USD Mn)	**758**	**836**	**+79**
Venofer	260	227	-33
Injectafer	155	245	+90
Daiichi Sankyo Europe (EUR Mn)	**587**	**592**	**+5**
Olmesartan	444	368	-76
Efient	41	-	-
Lixiana	12	72	+60

Major Products in Japan FY2016 Forecast (JPY Bn)

Daiichi-Sankyo

		FY2015 Results	FY2016 Forecast	YoY
Nexium	ulcer treatment	**82.4**	**80.0**	**-2.4**
Olmetec	antihypertensive agent	**73.9**	**68.0**	**-5.9**
Memary	Alzheimer's disease treatment	**42.4**	**51.0**	**+8.6**
Loxonin	anti-inflammatory analgesic	**48.1**	**37.0**	**-11.1**
Teneria	type 2 diabetes mellitus inhibitor	**16.5**	**28.0**	**+11.5**
Lixiana	anticoagulant agent	**13.0**	**25.0**	**+12.0**
Rezaltas	antihypertensive agent	**18.2**	**19.0**	**+0.8**
Pralia	treatment for osteoporosis	**12.5**	**16.0**	**+3.5**
Ranmark	treatment for bone complications caused by bone metastases from tumors	**12.4**	**13.0**	**+0.6**
Cravit	synthetic antibacterial agent	**18.4**	**13.0**	**-5.4**
Inavir	anti-influenza treatment	**14.0**	**13.0**	**-1.0**
Omnipaque	contrast medium	**16.9**	**12.0**	**-4.9**
Artist	treatment for hypertension, angina pectoris and chronic heart failure	**15.1**	**11.0**	**-4.1**
Urief	treatment for dysuria	**11.8**	**11.0**	**-0.8**
Mevalotin	antihyperlipidemic agent	**13.4**	**10.0**	**-3.4**
Efient	antiplatelet agent	**4.9**	**8.0**	**+3.1**

Shareholder Returns

Annual ordinary dividend will be increased from 60 yen/share to 70 yen/share.

(Yen)

		Second quarter	Fiscal year-end	Total
FY2016 (Plan)	ordinary dividend	**35**	**35**	**70**
FY2015 (Results)	ordinary dividend	30	30	60
	commemorative dividend	10	-	10

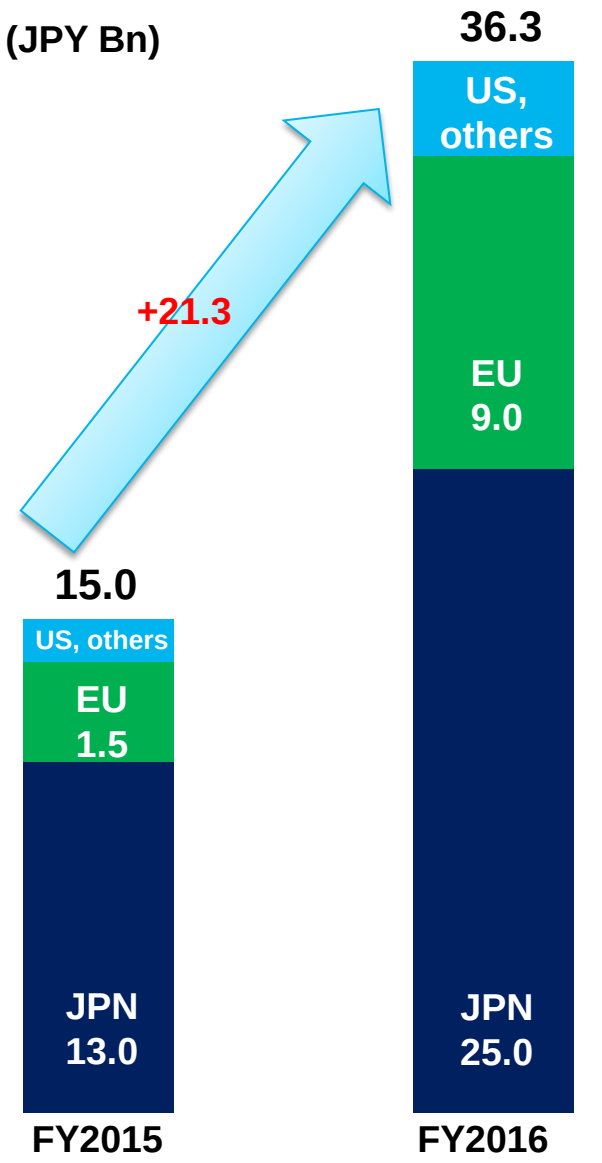
◆Shareholder returns policy during 5YBP

- Total return ratio : 100% or more
- Annual ordinary dividends : more than 70 JPY
- Flexible acquisition of own shares

Major Management Topics

- **Edoxaban**
- Daiichi Sankyo, Inc. (DSI)
- R&D Topics

Edoxaban : FY2016 Global Sales Forecast



Realize rapid market penetration in Japan and Europe by highlighting unique product profile

◆Japan

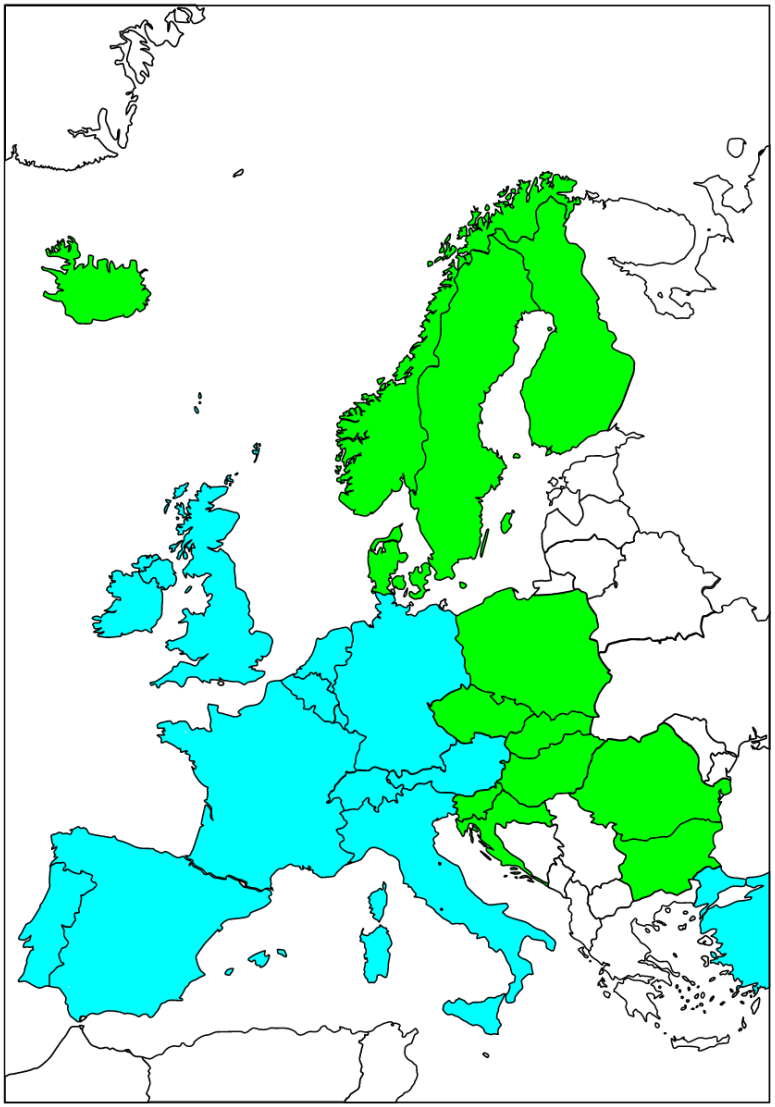
- ➢The only Japan origin DOAC* with 3 indications
- ➢Sales capabilities with high quality/credibility

◆Europe

- ➢Steady launch in major countries
- ➢Further promote access models in line with market needs in each country

*DOAC : Direct Oral Anticoagulant Same meaning as NOAC (novel oral anticoagulant)

Edoxaban：Marketing Structure in Europe



DSE　　MSD

Maximize sales by partnering in countries with no DS sales subsidiary

DSE promotes Lixiana in 18 countries and books sales.

Germany, UK, Ireland, France, Spain, Portugal, Italy, Netherlands, Belgium, Luxembourg, Austria, Switzerland, Turkey etc.

MSD promotes Lixiana in 13 countries and books sales.

Denmark, Finland, Norway, Sweden, Iceland, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia

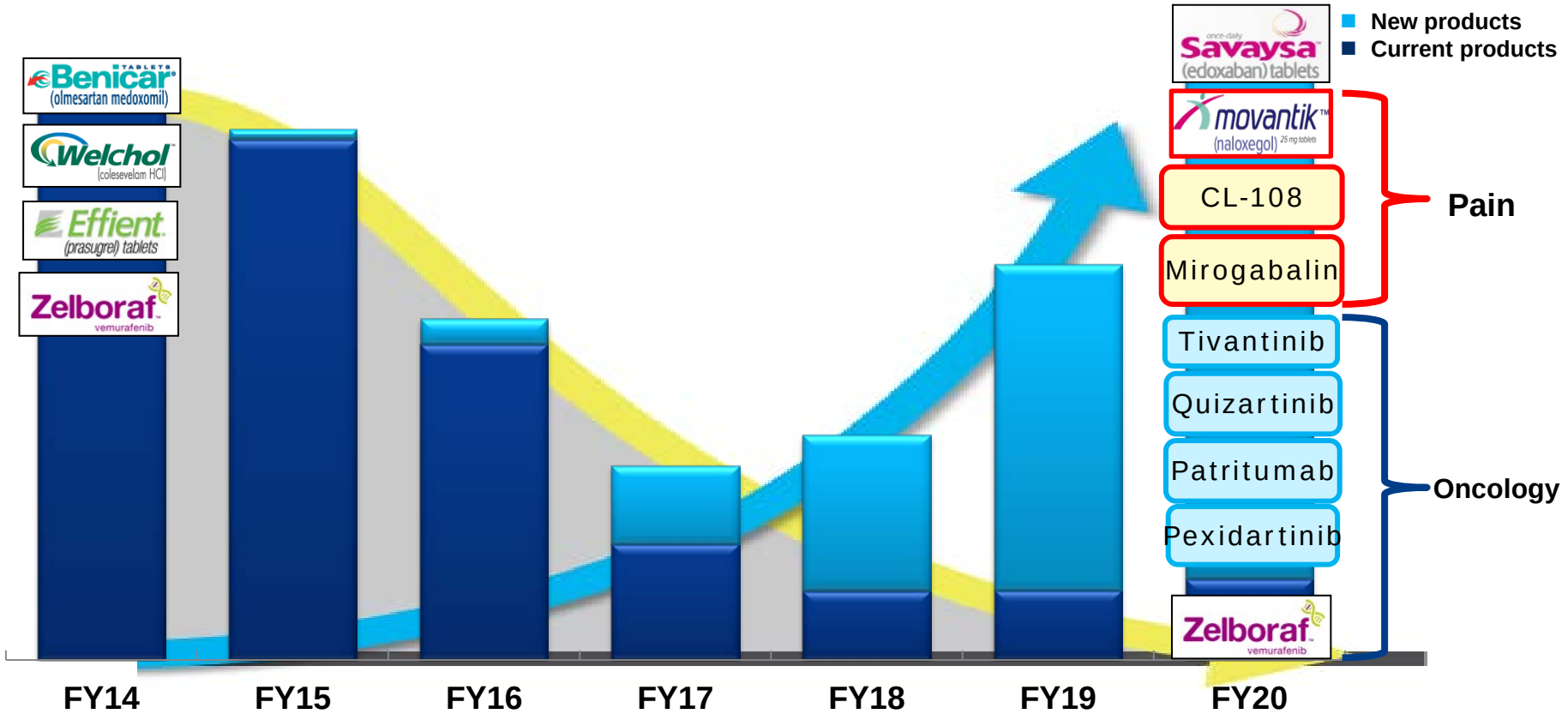
*MSD: Merck Sharp and Dohme　Europe Subsidiary of Merck & Co., Inc.

Major Management Topics

- Edoxaban
- **Daiichi Sankyo, Inc. (DSI)**
- R&D Topics

DSI: Shift in product portfolio

With the LOE of key products DSI will transition from a mature primary care company to one with a differentiated specialty portfolio centered on Pain and Oncology



New Product Launches

Savaysa (edoxaban) tablets | movantik (naloxegol)

CL-108

FY18 →

Mirogabalin Pexidartinib
Quizartinib Patritumab
Tivantinib

DSI Commercial: Focus Shifts from PCP to New Specialty Product Portfolio

	Before Restructuring 2015/10	After Restructuring 2016/4
Sales Force Areas—US Commercial	• Management • Specialty/Hospital • Primary care	• Management • Specialty/Hospital
Sales Force Positions—US Commercial	**1,500***	**750***
DSI US Commercial Home Office Positions Also Reduced To Reflect Emerging Product Portfolio		
DSI US Headquarters Office Co-Location Unite Commercial and Development Divisions		

Expected Annual Savings: Total >$250 mn**

*Numbers are approximate **Savings estimates are approximate (Restructuring costs in US: 15.2 Bn Yen in FY2015)

Major Management Topics

- Edoxaban
- Daiichi Sankyo, Inc. (DSI)
- **R&D Topics**

R&D Topics

- **Progress of late-phase development pipeline**
- **Progress of oncology pipeline**
  - Four major late-phase development pipeline
  - Four major early-phase development pipeline
    - ✓ DS-6051
  - New phase 1 product
    - ✓ PLX73086/AC708
    - ✓ PLX51107
- **Innovative technology: diving into cell therapy**
  - Research for new stem cells (CapSCs)
  - In-licensed cell therapeutics: Heartcel

Progress in late-phase pipeline to NDA

- **CL-108: Novel, opioid-containing formulation to treat moderate to severe pain while preventing or reducing opioid-induced nausea and vomiting (OINV)**
  - Charleston Laboratories, Inc. submitted NDA to U.S. Food and Drug Administration ~~on~~ March 2016
  - Targeted for launch in FY2017
  - Full results from pivotal phase 3 study of patients with moderate to severe pain following bunionectomy will be presented at the American Pain Society Scientific Meeting in May 2016
- **Denosumab (anti-RANKL antibody): Treatment of rheumatoid arthritis**
  - In DESIRABLE study conducted in Japan, which is a randomized, double-blind, placebo-controlled Phase 3 clinical trial in patients with rheumatoid arthritis treating with disease-modifying anti-rheumatic drugs (DMARDs), a major objective of the study was achieved in March 2016.
  - An application for partial changes in approved items in preparation, targeted for launch in FY2017
- **Hydromorphone*: Narcotic analgesic**
  - Oral administration formulation:
    Applied for manufacturing/marketing authorization in Japan on March 2016
  - Injectable formulation: Phase 3 study on-going

*: Hydromorphone was publicly offered for development by the Review Committee on Unapproved Drugs and Indications with High Medical Needs organized by MHLW. Daiichi Sankyo decided to develop this drug to give patients an treatment option which is a standard of care for pain associated with cancer.

Four major late-phase development pipeline

Update during Q4 FY2015 written in red

TLR：anticipated Top Line Result

Quizartinib	Acute myeloid leukemia (AML) 2nd line (P3) **TLR: 1H CY2017** --- 1st line (P3)	• Orphan Drug Designation by the FDA and EMA • Fast Track Status by the FDA • Anticipating effectiveness to patients with FLT3-ITD patients to whom midostaurin doesn't show efficacy --- • Is being launched. Estimated Primary Completion Date: Q4 FY2019
Tivantinib	Hepatocellular carcinoma (HCC)(P3) **TLR: 1H CY2017**	• Orphan Drug Designation by the FDA and EMA • Refractory HCC • Anticipating high effectiveness by stratification of patients • the independent data monitoring committee (DMC) of the METIV-HCC study conducted the planned interim assessment and it was determined the trial will continue to its final analysis (Mar 2016)
Pexidartinib	Tenosynovial giant cell tumor (TGCT)(P3) **TLR: 1H CY2018** --- Solid tumor(P1/2a) **TLR: 2H CY2019**	• Orphan Drug Designation by the FDA and EMA • Breakthrough Therapy designation by FDA • On track --- • Combination therapy with Merck's anti-PD-1 antibody • On track
Patritumab	Non-small cell lung cancer (P2/3) **TLR: 2H CY2018** --- Head and Neck cancer（P2)	• Anticipating high effectiveness in specific group of patients selected by biomarker --- • Promising data for a single-arm phase 1 study in combination with cetuximab and a platinum containing therapy for patients with recurrent and metastatic head and neck cancer • Data to be published at ASCO in June 2016

Four major early-phase development pipeline

Daiichi-Sankyo

Update during Q4 FY2015 written in red

DS-8201 (HER2-ADC)	Solid tumor (P1)	• Anticipating effectiveness to patients resistant to treatment by Herceptin or Kadcyla • Applied DS proprietary ADC* technology • Target: obtaining of phase 1 results in FY2017 • On track *:Antibody Drug Conjugate
DS-3201 (EZH1/2)	Non-Hodgkin's lymphoma (incl. adult T-cell leukemia) (P1)	• Targeted epigenetics** • Aiming at permanent cure of hematological cancer by eradication of "cancer stem cell" • FIC as an EZH 1 /2 dual inhibitor • Anticipating More potent as compared to EZH2 inhibitor • Started phase1 clinical study (Mar 2016) • Target: completion of phase 1 study in FY2018 **:chemical modification of DNA or histone leading to acquired change in gene expression without modification of DNA sequence
DS-3032 (MDM2)	Solid tumor Hematologic tumor(P1)	• Anticipating high effectiveness to cancer with MDM2 gene amplification/Wt p53 • FIC • Based on the phase 1 study in the US suggesting effectiveness in patients with liposarcoma (LPS), LPS is selected as a potential indication for further development, which is under consideration • On track
DS-6051 (NTRK/ROS1)	Solid Tumor (Lung cancer)	• ROS1 fusion is one of the major driver mutations observed in lung cancer etc. • Phase 1 study is planned to complete in FY2017 (US/JP) • Partial response is observed in a patient in US phase1 study. Interim analysis of efficacy and safety was presented at AACR in April 2016. • Utilizing SCRUM-Japan*** for patient selection in Japan

***SCRUM-Japan: National project led by National Cancer Center Japan to screen oncogenic abnormality of cancer patients in order to provide the best-fit medicines to them

DS-6051: NTRK/ROS1 inhibitor

- **Partial response in a patient who had prior crizotinib and ceritinib therapies with metastatic NSCLC ROS1+ w/ liver metastases was confirmed in Phase 1 study in US***
  - First report for Ros1 inhibitor which is effective to a tumor patient who is resistant to crizotinib
  - Currently on treatment in Cycle 13 (from July 2015)

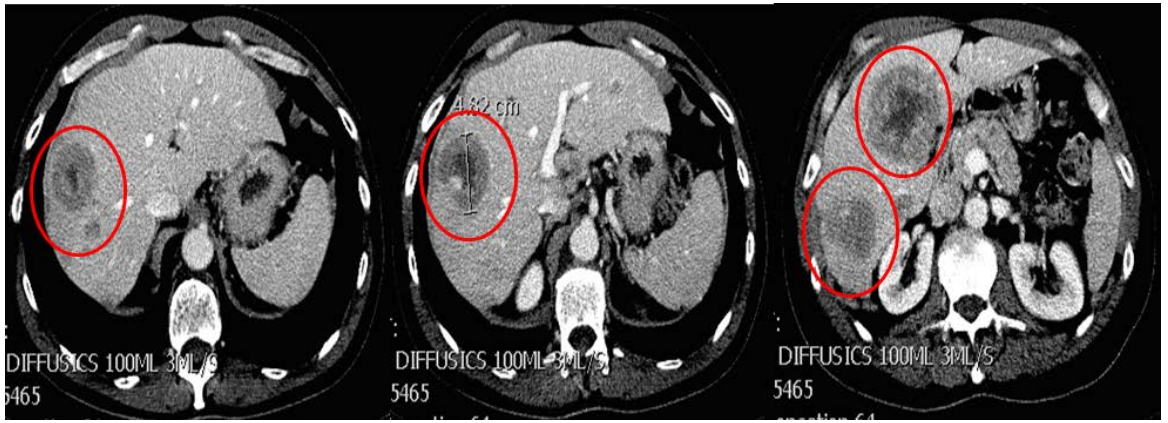
- **Started phase 1 study in Japan (Q4 FY2015)**
  - Initiated in February 2016 in collaboration with SCRUM-Japan**
  - Oral once-daily (QD) continuous dosing, 21-day cycle

*Presented at American Association for Cancer Research (AACR) annual meeting Apr 16-20 2016
** Cancer Genome Screening Project for Individualized Medicine in Japan

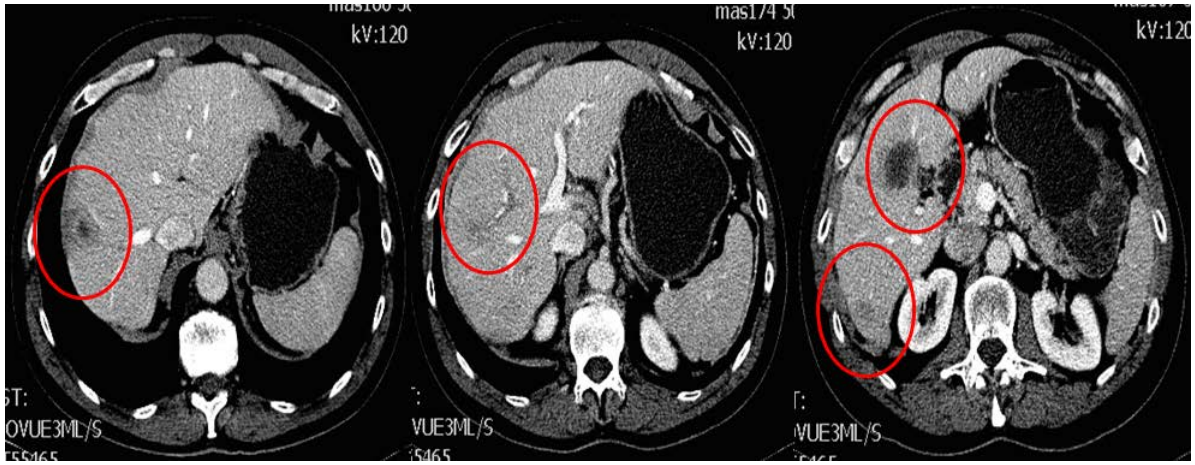
DS-6051: NTRK/ROS1 inhibitor

Diagnostic image of patient with Partial Response Observed anti-tumor effect

Baseline
(July 2015)



After 9 weeks on
therapy
(September 2015)



New Phase 1 product

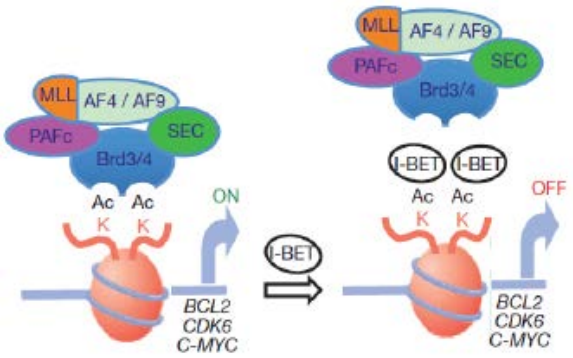
PLX73086/AC708: CSF-1R inhibitor

- Fast follow-on to Pexidartinib, potential best-in-class
- Improved selectivity relative to Pexidartinib
- Target indication: Tenosynovial Giant Cell Tumor (TGCT)
- Summary of the phase 1 study
  - ✓ Study objectives
    - Primary: safety, PK&PD
    - Secondary: efficacy (ORR)
  - ✓ Part1: Open-label, dose escalation in solid tumors subjects
  - ✓ Part2: Extension cohort at the recommended phase 2 dose (RP2D) in subjects with histologically confirmed, unresectable, locally advanced or refractory TGCT
  - ✓ Estimated Primary Completion: Q4 FY2018

New Phase 1 product

PLX51107: BRD4 inhibitor

- BRD4
  - ✓ A member of BET (Bromodomain and Extra-Terminal domain) protein family
  - ✓ Recruit regulatory complexes to influence gene expression, especially oncogenes, such as c-MYC
  - ✓ Epigenetic target potential
- PLX51107 inhibits the interaction between BRD4 and acetylated lysines of histones to down-regulate expressions of oncogenes
- Summary of the phase 1 study
  - ✓ Study objectives
    - Primary: safety, PK and MTD/RP2D
    - Secondary: ORR, DOR, PFS
    - Exploratory: gene expression (e.g. c-MYC in tumor cells and tumor biopsies
  - ✓ Estimated study completion: Q4 FY2017



Innovative technology:
Diving into cell therapy

Daiichi-Sankyo

Cell therapy business environment

- A revolutionary therapeutic technology with full potential still to be defined
- Autologous vs. Allogeneic
  - ✓ Autologous: Advanced technology with challenges about business potential to be defined
  - ✓ Allogeneic: many technical hurdles to be defined
- Cell therapy related regulations have been enacted in Japan, but it is unclear how to make such technology into a sustainable business
  - ✓ We will have to partner with regulators regarding clinical study, pharmaceutical affairs, manufacturing etc.

Our strategy

- Capitalize licensing and partnering with many companies and academies to mitigate enterprise risk and accelerate business development
  - ✓ Create synergy by bringing each company/academia's strength
  - ✓ Catch up with top group together and establish a business foundation and business model

Innovative therapy which changing SOC for patients

Innovative technology:
New technology for cell therapeutics

- **In-licensed Heartcel™ technology from Cell Therapy Ltd, CTL, based in the UK**

CTL technology

- CTL has developed a novel and proprietary platform, based on the stem cell discoveries of Professor Sir Martin Evans, Nobel prize winner, which can discover tissue- and disease-specific progenitor cells from healthy donor blood
- CTL is developing a range of allogeneic therapies for different indications by selecting a cell appropriate for target disease
- Heartcel is designed to avoid rejection, and has immuno-modulatory and regenerative properties

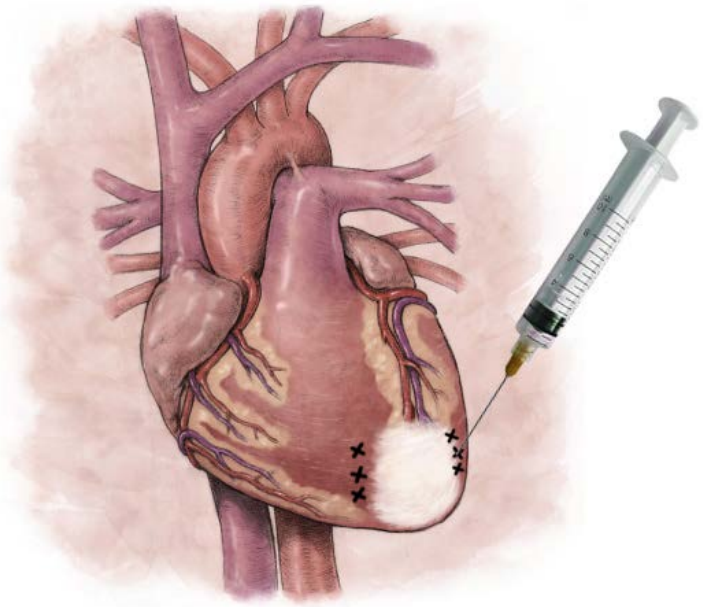
Heart-specific immuno-modulatory cells ⇒ *Heartcel*

Innovative technology:
New technology for cell therapeutics

Heartcel: Route of administration

Intra-myocardial injection with CABG*

Regeneration of ischemic scar tissue is expected by administration to the infarcted site of the heart



Modified from 'Understanding What Went Wrong' by Laura E. Smith

A part of the licensing conditions

- Expected as a treatment for sever ischemic heart failure
- Development stage： in preparation for Phase 3 study in EU,
  in preparation for Phase 1 study in Japan
- Territory： Japan
- Role: Daiichi Sankyo: Development & sales
  CTL: Manufacturing of investigational drug and commercial drug

* Coronary Artery Bypass Graft

Innovative technology:
Research for new stem cell

- **Started an collaborative research to develop new cell therapy on new stem cells with Asahikawa Medical University in April 2016**
  - Therapeutic use of capillary stem cell (CapSCs) for various kinds of diseases in addition to a practical use of the CapSCs stem cells as a source of therapy will be investigated.

What are CapSCs:

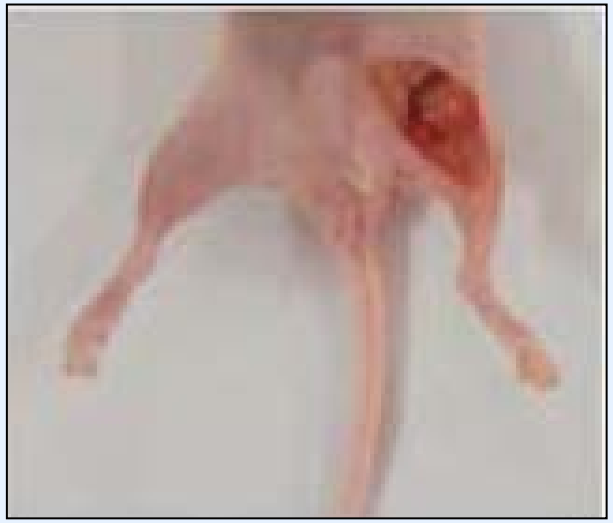
- New somatic stem cells isolated and identified by the joint research of Prof. Kawabe in Asahikawa Medical University and Asubio Pharma Co., Ltd, a member of Daiichi Sankyo group
- Have potential to be differentiated into various kinds of tissues, such as blood vessel, nerve and skeletal muscle
- Has potential as a regenerative medicine treatment for wide range of diseases like lower leg ischemia, ischemic heart disease, sarcopenia, nerve-related disease and so on.

Innovative technology:
Research for new stem cell

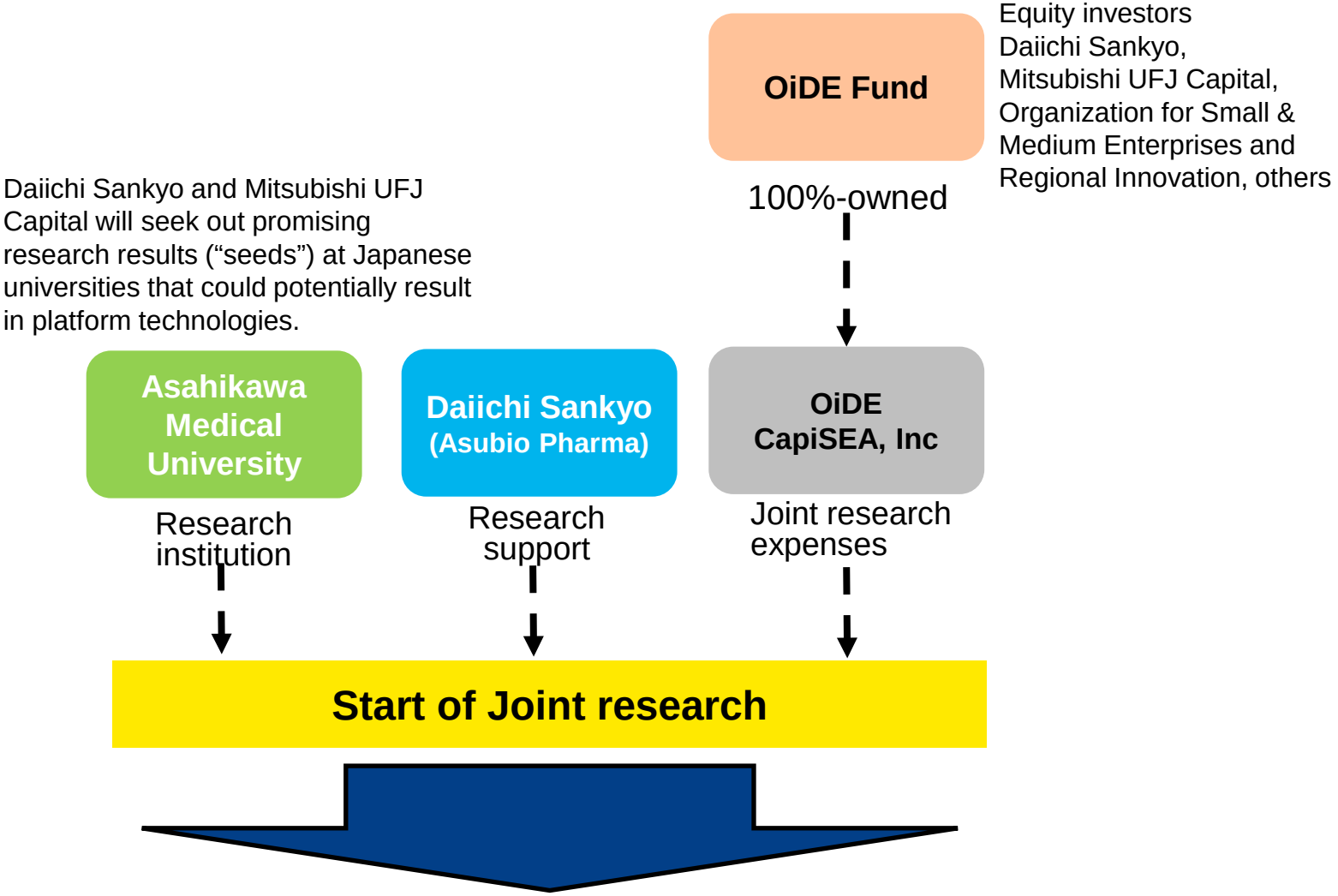
Example of therapeutic effect of CapSCs transplantation experiment with model mice of sever lower leg ischemia. CapSC treatment dramatically inhibited necrosis of lower leg caused by ischemia

Control group

CapSCs group



Open innovation research scheme utilizing OiDE Fund



In case of meeting success factors
DS will acquire all stocks from OiDE CapiSEA
and the research program will shift to the R&D project of DS

Major R&D milestone events

<Milestones towards NDA submission>

Project	Indication/Study	Event	Target
CHS-0214 （etanercept BS）	**Rheumatoid arthritis (JP)**	NDA	FY2016
Denosumab	**Rheumatoid arthritis (JP)**	NDA	FY2016
Prasugrel	**Ischemic cerebrovascular disease Phase 3 study (JP)**	TLR*	H1 FY2016
DS-8500	**Type 2 Diabetes phase 2b study (JP)**	TLR	Q4 FY2016

TLR*: Top Line Result

<Publication of results of major clinical studies in academic conference>

project	Study
DS-8500	**Type 2 Diabetes phase 2a study (JP)** Elected as the topic for the late breaking session of the American Diabetes Association (ADA) 76th scientific sessions June 10-16, 2016

Major R&D Pipeline

As of May 2016

Daiichi-Sankyo

Therapeutic area	Phase 1	Phase 2	Phase 3	Application
Oncology	■ DS-3032 (US/JP) (MDM2 inhibitor) ■ PLX7486 (US) (FMS / TRK inhibitor) ■ PLX8394 (US) (BRAF inhibitor) ■ DS-6051 (US/JP) (NTRK/ROS1 inhibitor) ■ PLX9486 (US) (KIT inhibitor) ■ DS-3201 (JP) (EZH1/2 inhibitor) ■ PLX73086 (US) (CSF-1R inhibitor) ■ PLX51107 (US) (BRD4 inhibitor) ■ DS-8895 (JP) (Anti-EPHA2 antibody) ■ DS-8273 (US) (Anti-DR5 antibody) ■ DS-5573 (JP) (Anti-B7-H3 antibody) ■ DS-8201 (JP) (Anti-HER2 ADC) ■ U3-1784 (EU) (Anti-FGFR4 antibody) ■ DS-1123 (JP) (Anti-FGFR2 antibody)	■ Patritumab (US/EU) (U3-1287 / Anti-HER3 antibody) ■ Pexidartinib (US) (PLX3397 / CSF-1R/KIT/FLT3-ITD inhibitor)	■ Tivantinib (US/EU) (ARQ 197 / HCC / MET inhibitor) ■ Denosumab (JP) (AMG 162 / Breast cancer adjuvant / Anti-RANKL antibody) ■ Nimotuzumab (JP) (DE-766 / Gastric cancer / Anti-EGFR antibody) ■ Vemurafenib (US/EU) (PLX4032 / Melanoma Adjuvant / BRAF inhibitor) ■ Quizartinib (US/EU/Asia) (AC220 / AML-2nd / FLT3-ITD inhibitor) ■ Quizartinib (US) (AC220 / AML-1st / FLT3-ITD inhibitor) ■ Pexidartinib (US/EU) (PLX3397 / TGCT / CSF-1R/KIT/FLT3-ITD inhibitor)	
Cardiovascular-Metabolics	■ DS-1040 (Acute ischemic stroke / TAFIa inhibitor) ■ DS-2330 (Hyperphosphatemia) ■ DS-9231/TS23 (Thrombosis / **α2**-PI inactivating antibody) ■ DS-9001 (Dyslipidemia / Anti-PCSK9 Anticalin-Albumod)	■ CS-3150 (JP) (Hypertension・DM nephropathy / MR antagonist) ■ DS-8500 (JP/US) (Diabetes / GPR119 agonist)	■ Prasugrel (JP) (CS-747 / Ischemic stroke / Anti-platelet agent)	■ Edoxaban (ASCA etc.) (DU-176b / AF / oral factor Xa inhibitor) ■ Edoxaban (ASCA etc.) (DU-176b / VTE / oral factor Xa inhibitor)
Others	■ DS-1971 (Chronic pain) ■ DS-1501 (Osteoporosis / Anti-Siglec-15 antibody) ■ DS-7080 (US) (AMD / Angiogenesis inhibitor) ■ DS-2969 (*Clostridium difficile* infection /GyrB inhibitor) ■ DS-5141 (JP) (DMD / ENA oligonucleotide) ■ VN-0102/JVC-001 (JP) (MMR vaccine)	■ Laninamivir (US/EU) (CS-8958 / Anti-influenza / out-licensing with Biota)	■ Mirogabalin (US/EU) (DS-5565 / Fibromyalgia / **α2δ ligand**) ■ Mirogabalin (JP/Asia) (DS-5565 / DPNP/ **α2δ ligand**) ■ Mirogabalin (JP/Asia) (DS-5565 / PHN / **α2δ ligand**) ■ Denosumab (JP) (AMG 162 / Rheumatoid arthritis / Anti-RANKL antibody) ■ Hydromorphone (JP) (DS-7113 / Cancer pain / Opioid **μ**-receptor regulator) <Injection> ■ CHS-0214 (JP) (Etanercept BS / Rheumatoid arthritis / TNF**α** inhibitor) ■ VN-0105 (JP) (DPT-IPV / Hib vaccine) ■ VN-0107/MEDI3250 (JP) (Nasal spray flu vaccine vaccine)	■ Hydromorphone (JP) (DS-7113 / Cancer pain / Opioid **μ**-receptor agonist)<Oral> ■ CL-108 (US) (Acute pain / Opioid **μ**-receptor agonist) ■ Intradermal Seasonal Influenza Vaccine (JP) (VN-100 / prefilled i.d. vaccine for seasonal flu)

Red: Major changes after the FY2015 Q3 financial announcement on January 29, 2016

Passion for Innovation.
Compassion for Patients.™

Daiichi-Sankyo

Introducing Daiichi Sankyo Cancer Enterprise: Creating a transformation

Executive VP & Global Head R&D Oncology
Antoine Yver, MD MSc

Global Head, Oncology R&D, Antoine Yver

- **Former Pediatrician Oncologist, academic faculty Paris, France**
- **Former Head, Oncology Global Medicines Development at AstraZeneca (2009-2016)**
- **26 years pharma experience in global R&D, including early & late phase development and licensing**
- **Global clinical leader for 12 marketing applications in oncology, 4 new drugs**
- **In addition, in 2015: olaparib (PARPi), osimertinib (3rd-G mut-EGFRi T790M)+**
- **Multinational line management experience for development functions, including Japan R&D and China R&D**

+ Yver A, Osimertinib (AZD9291)—a science-driven, collaborative approach to rapid drug design and development Annals Oncology April 2016 (on line)

My values

- **Rigorous science, pursuing unique patient needs**
- **Simplicity, decentralized decision-making allowing autonomy and accountability**
- **Do the hard, right thing**
- **Take seriously what we do, don’t take ourselves seriously**
- **Be passionate and competitive externally**
- **Focus and prioritize**
- **Relentless pursuit of perfection**
- **Be courageous, creative, collaborative, candid**

DS opportunity in oncology

Needs

- In 2012, 8.2 million cancer-related deaths worldwide
- New cancer cases are expected to rise from 14 to 22 million within the next two decades
- World population is aging, and cancer rates increase with age

Opportunity

- Six new US/Japan INDs for oncology agents in FY2015
- Market continuously reshaping; medical needs far from being fully addressed
  - Immuno-oncology is yet to mature: with today's science, only a fraction of cancer patients can hope to benefit
  - Many opportunities to be either first- or best-in-class

SCIENCE-DRIVEN, COMPETITIVE,

FOCUSED, WITH EXCELLENCE

Daiichi Sankyo Cancer Enterprise:
Creating a transformation

DS Cancer Enterprise:

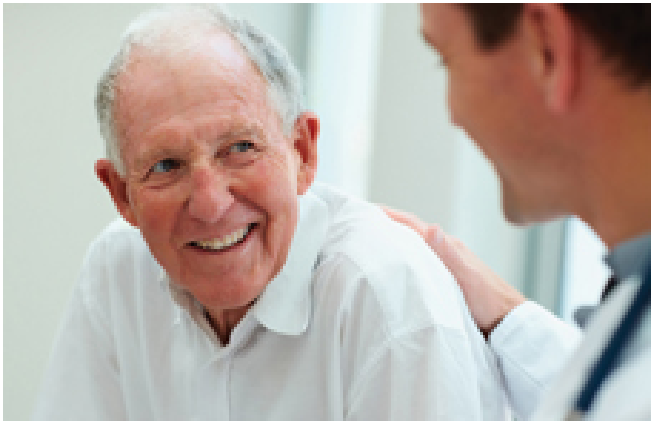
To lead in science and transform evidence into value for cancer patients in need

Enterprise: what do we mean?

"A professional firm seeking to achieve ultimate solutions for patients with cancer"

"A dedicated group pursuing entrepreneurial behavior together, driven by each member's initiatives, expertise and passion"

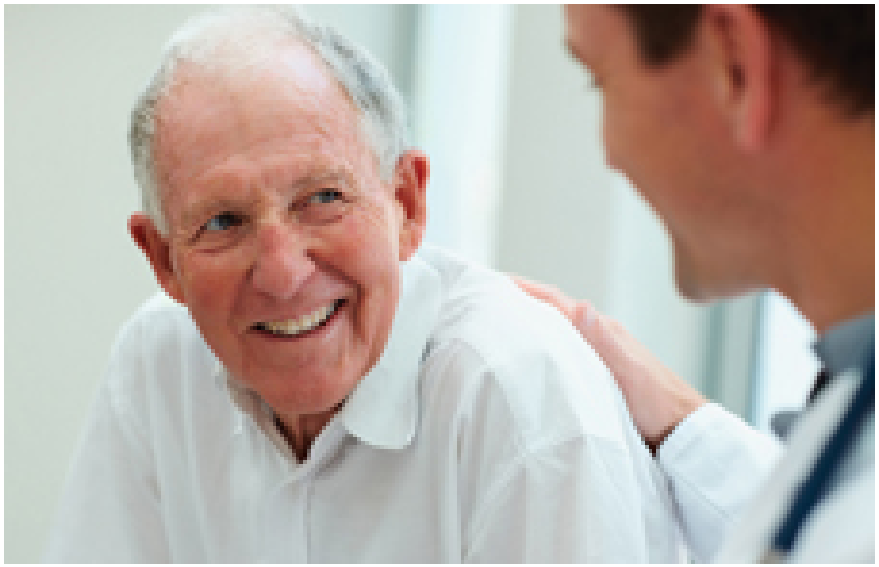
- Come together and work together beyond boundaries and titles
- Desire to go beyond limits, i.e., beyond boundaries, limitations, breaking points
- All this for a noble cause



My Vision for DS Cancer Enterprise:

Be perfect in 3 areas

- **Select with discipline the right molecules & technologies in which to invest**
- **Design efficient, effective & differentiated strategies and products based upon data, facts, observations and patient/customer/expert insights**
- **Deliver on our strategy and thereby delight DS in its transformation**



Transformation stemming from 4 pillars

Daiichi-Sankyo

Cancer Enterprise

Grow and enrich talent base and ways of working	**Select the most valuable & promising assets to ensure we compete at our best, and secure/ accelerate delivery plans**	**Refresh the 2014-2015 Oncology R&D portfolio strategy**	**Create the right support for the teams**

Contact address regarding this material

Daiichi Sankyo Co., Ltd.
Corporate Communications Department

TEL: +81-3-6225-1126