Passion for Innovation.
Compassion for Patients.™

Daiichi-Sankyo

DS-8201 Strategic Collaboration

DAIICHI SANKYO CO., LTD

George Nakayama
Chairman and CEO

March 29, 2019

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DS-8201 Strategic Collaboration

1. Overview

2. Significance

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DS-8201 Strategic Collaboration Overview

Our Collaborator: AstraZeneca

Collaboration Overview

- Joint development and commercialization for HER2 targeting Antibody Drug Conjugate DS-8201

Region

Global

Period

From signing through commercial life of DS-8201

Governance

- Development and commercialization strategies are planned and implemented based on
  - Joint executive committee, and
  - Functionally-aligned committees including development, commercialization, medical affairs, supply chain, and finance

DS-8201 Strategic Collaboration Overview

Development

- Joint development as monotherapy and combination therapy for HER2 expressing cancers including

- Equally share development costs and efforts
- Daiichi Sankyo will continue development of combination therapy that are currently being investigated

Commercialization

- **Global** (excluding Japan):
  Both companies will jointly commercialize and share profits
- **Japan**:
  Daiichi Sankyo will commercialize on a stand-alone basis and pay royalties to AstraZeneca

Sales booking by region

- **Daiichi Sankyo:**
  Japan, US, certain countries in Europe, and certain other markets where Daiichi Sankyo has affiliates
- **AstraZeneca:**
  All other markets worldwide, including China, Australia, Canada and Russia

Manufacturing & Supply

- Daiichi Sankyo manufactures and supplies DS-8201

Financial Terms of DS-8201 Collaboration

Up to $6.9 billion (¥759.0 billion) in total

(US$1=¥110)

Upfront payment

$1.35 billion
(¥148.5 billion)

- Half upon contract execution and balance received one year post-contract execution
- Deferred and will be booked as revenue over multiple fiscal years considering the exclusivity period

Regulatory and other contingencies (max)

$3.80 billion
(¥418.0 billion)

- Regulatory milestone will be received at the time of approval for each cancer type and indication
- Deferred and will be booked as revenue over multiple fiscal years considering the exclusivity period

Sales-related milestones (max)

$1.75 billion
(¥192.5 billion)

- Will be booked in revenue in the year of achievement

DS-8201 Strategic Collaboration

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Significance of the Collaboration

- Accelerate DS-8201 development & commercialization to reach more patients earlier
- Accelerate the establishment of Daiichi Sankyo's global oncology infrastructure
- Expand resource allocation for other ADC programs following DS-8201

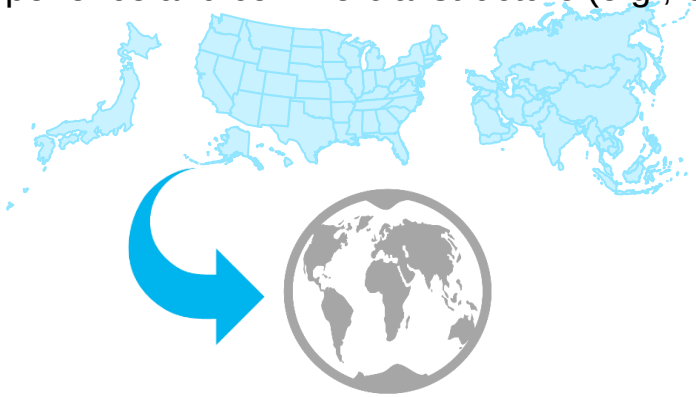
Accelerate DS-8201 Commercialization & Development

Reach more patients earlier

Early market penetration

Cancer types and indications currently under development

- **Accelerating market penetration in U.S. and Europe**
  Accelerate the pace of sales uptake
- **Early launch in other markets other than Japan, U.S and Europe**
  Accelerate sales by advancing launch in countries where AstraZeneca has extensive development experience and commercial structure (e.g., China)



Accelerate and expand development

Cancer types and indications for future development

- **Advancing development plans**
  Early contribution to sales by accelerating development of new indications
- **Further expansion of cancer types and indications**
  Increase sales by expanding cancer types and indications targeted for development

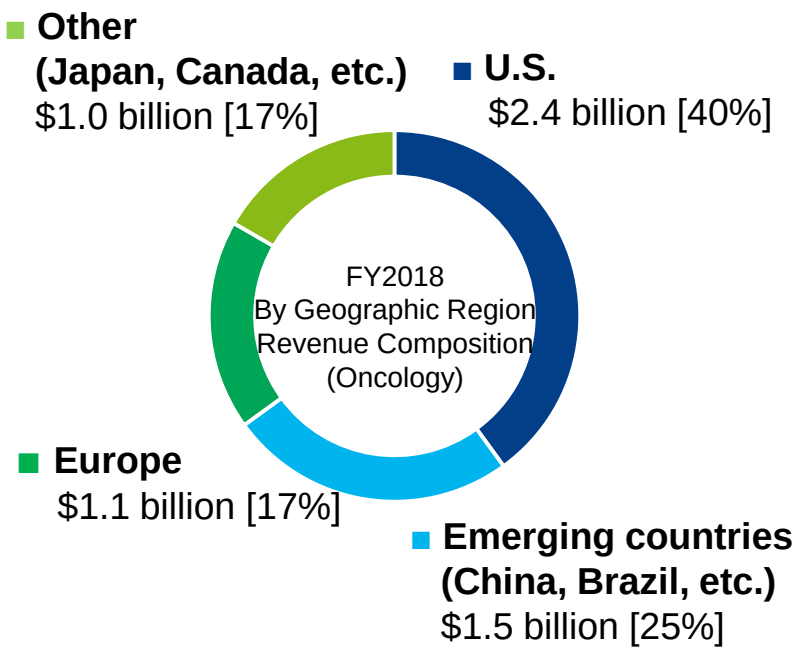
Early Market Penetration through Collaboration

- **Accelerating market penetration in U.S. and Europe**
  for cancer types and indications currently under development
- **Early launch in other markets other than Japan, U.S and Europe**

AstraZeneca

Collaborator has extensive expertise

- Global cancer revenue (FY2018):
  $6 billion (29% of total revenue)
- Global commercial infrastructure with operations in over 70 countries
  (including Canada, Eastern Europe, Northern Europe, Oceania, Russia and CIS, Africa and Latin America)
- Market access (customer engagement with payers and oncology specialists), Medical Affairs



Source: AstraZeneca Annual Report 2018

Accelerate and Expand Development through Collaboration

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- **Advancing development plans**
  by accelerating development of new indications
- **Further expansion of cancer types and indications**

AstraZeneca

- **83 oncology development projects ongoing**
  as of December 31, 2018
  - 25 Ph 1
  - 20 Ph 2
  - 13 Ph 3 / Pivotal Ph 2 / Registration
  - 25 LCM
- **Extensive development and registration experience in global including emerging countries**

Breast

- **Breast Cancer:** Over the past 40 years, developed innovative and important drugs

PARP inhibitor: Lynparza olaparib tablets

Antiestrogen: FASLODEX fulvestrant injection

Aromatase inhibitor: Arimidex anastrozole 1 mg tablets

GnRH antagonist: Zoladex goserelin acetate implant

SERM: Nolvadex

Lung

- **Lung Cancer:** Hold state-of-the-art approved drugs and pipeline agents

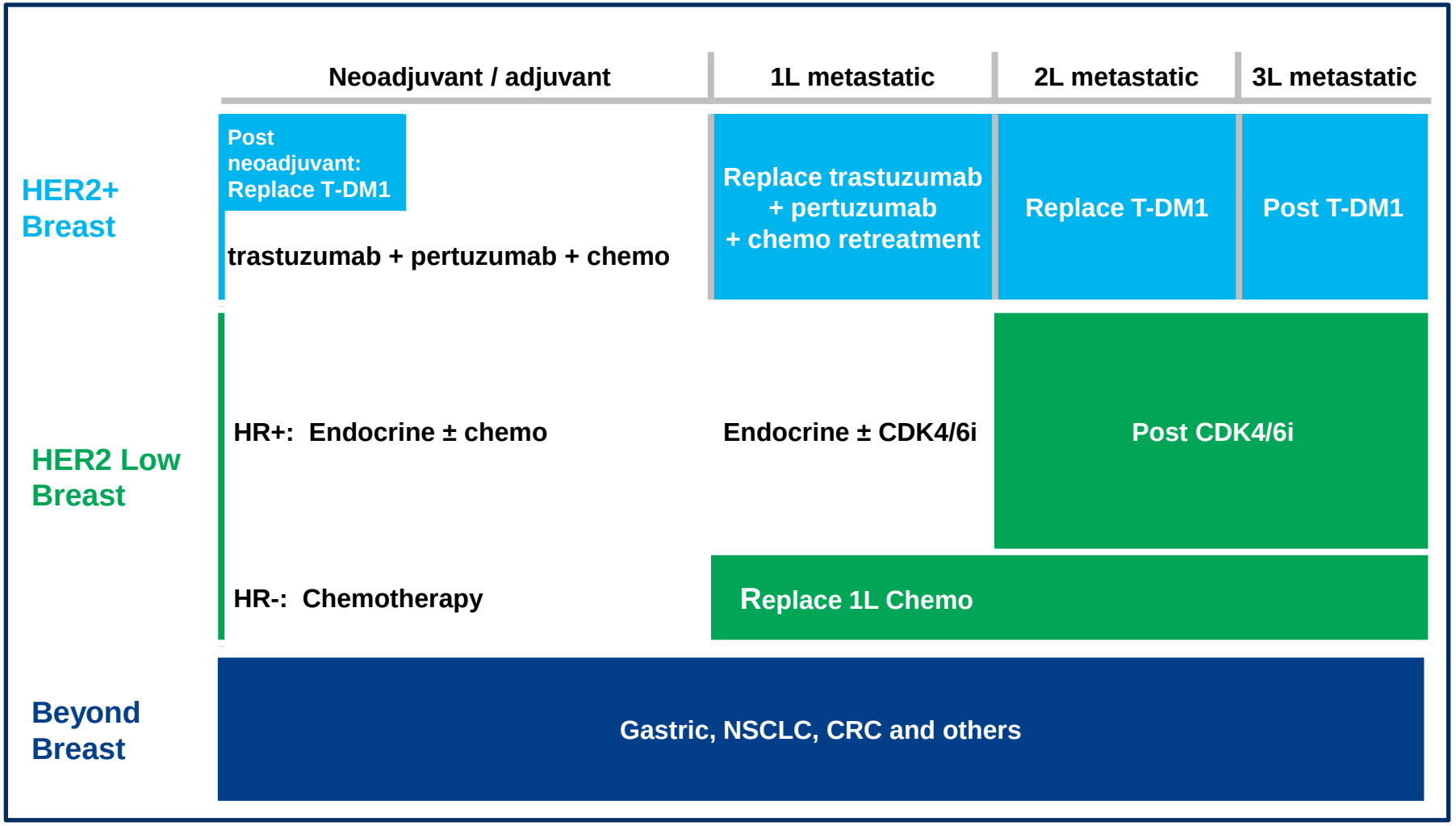
Tyrosine kinase inhibitor: TAGRISSO osimertinib

Genetically recombinant PD-L1 antibody: IMFINZI durvalumab Injection for Intravenous Use 50 mg/mL

EGFR tyrosine kinase inhibitor: IRESSA gefitinib

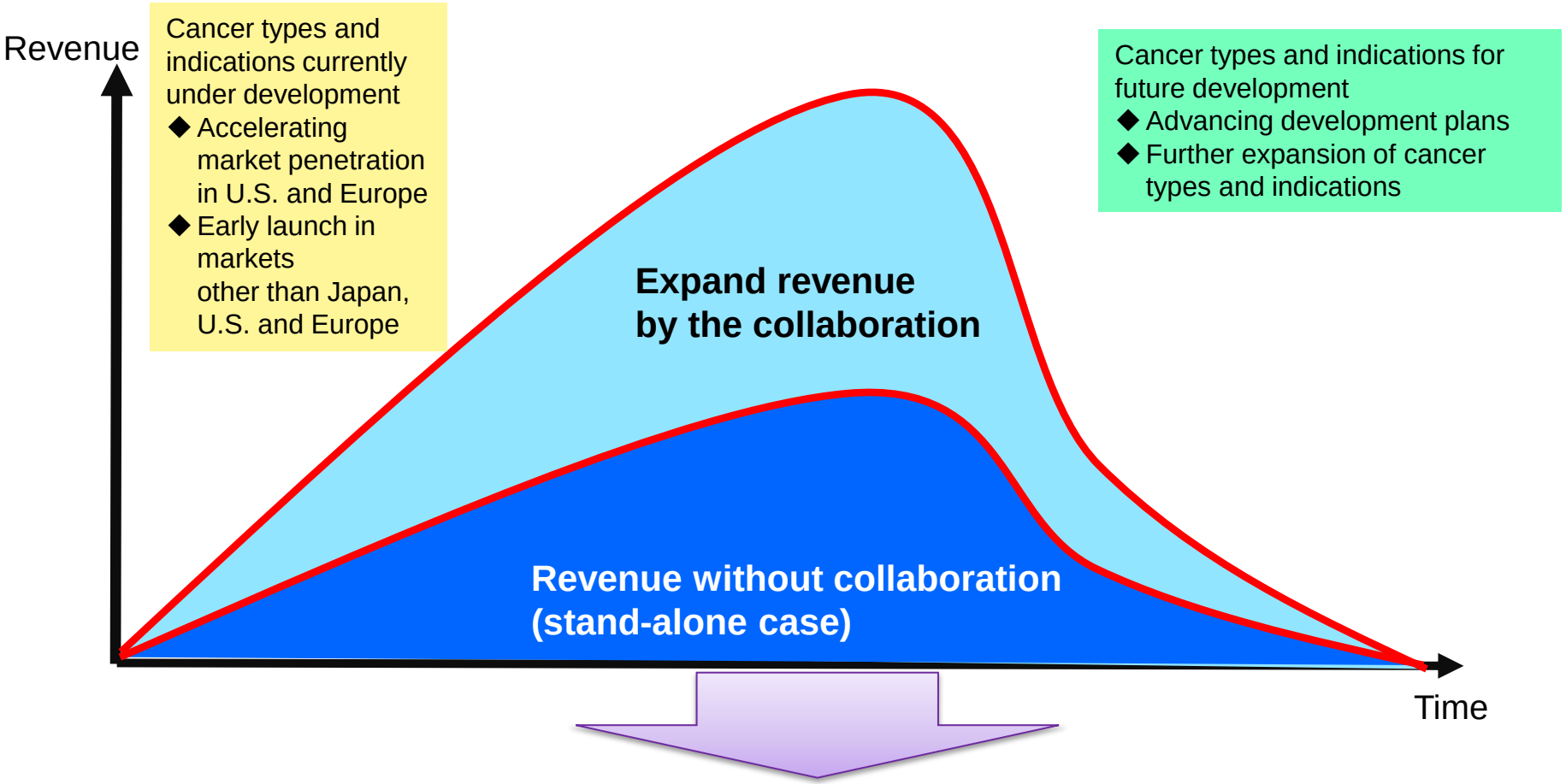
Source: AstraZeneca Annual Report 2018

Building DS-8201 in Breast Cancer and Beyond



Maximize the Product Value of DS-8201

Expansion of DS-8201 revenue (illustrative image)



Daiichi Sankyo will increase value through upfront payments, milestone payments and expanded revenue achieved by the collaboration comparing to the stand-alone case

Accelerate Establishment of DS Global Oncology Infrastructure

Accelerate the establishment of in-house oncology business structure in global oncology market

- With AstraZeneca's experience and resources in global oncology, we jointly formulate and implement strategies for development, regulatory affairs, sales, marketing and medical affairs, allocating roles and responsibilities across both organizations
- DS accelerates the build and enhancement of in-house oncology business structure through this alliance
- We maximize the product value for subsequent in-house oncology products

Opportunities for strategic collaborations with excellent collaborator

Accelerate building of in-house oncology business structure

Maximize product value for subsequent in-house oncology products

Expand Resource Allocation for Other ADC Programs

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Accelerate development by allocating R&D expense and human resources that had been concentrated in DS-8201 to other ADC projects

ADC franchise

Clinical phase

	Project (Targeted antigen)	Potential indications	Research	Preclinical	Phase 1	Pivotal study
1	DS-8201 (HER2)	Breast, Gastric, Colorectal, Non-small cell lung cancer				
2	U3-1402 (HER3)	Breast cancer Non-small cell lung cancer				
3	DS-1062 (TROP2)	Non-small cell lung cancer				
4	DS-7300 (B7-H3)	Solid tumor				
5	DS-6157 (GPR20)	GIST (gastrointestinal stromal tumors)				
6	DS-6000 (Non-disclosure)	Kidney cancer Ovarian cancer				
7	(TA-MUC1)	Solid tumor				

Accelerating pipeline value through efficient allocation & management of resources

(As of March 2019)

Summary

- Daiichi Sankyo will deliver DS-8201 to more cancer patients earlier by penetrating the market more effectively, accelerating and expanding development through this collaboration
- Daiichi Sankyo will increase value through upfront payments, milestone payments and expanded revenue achieved by the collaboration comparing to the stand-alone case
- Daiichi Sankyo accelerates the establishment of in-house oncology business structure in global markets
- By allocating resources that had been concentrated in DS-8201 to other projects, we accelerate development of other internal assets

DS-8201:
Acceleration of BLA Submission in U.S.

DS-8201: Acceleration of BLA Submission in U.S.

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Confirm plans to accelerate BLA submission to U.S. FDA DS-8201 in HER2 positive metastatic breast cancer post T-DM1

Original Plan

BLA Submission 2020

Acceleration

BLA Submission **FY2019 H1**

- Data from pivotal Ph 2 study to form basis of BLA submission will be presented at upcoming medical meeting

DESTINY-Breast01

- Final determination of exact timing of the BLA submission will be based on the outcome of a pre-BLA meeting with the FDA

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