Results Briefing
Results for Q3 FY2015 (April 1 – December 31, 2015)

DAIICHI SANKYO CO., LTD

Joji Nakayama
President and CEO

January 29, 2016
Today’s Topics

◆ FY2015 Q3 YTD Results

◆ FY2015 Revised Consolidated Forecast

◆ Major Management Topics
  ● Edoxaban Update in Japan and EU
  ● R&D Update
FY2015 Q3 YTD Results
## Overview of FY2015 Q3 YTD Results (JPY Bn)

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Q3 YTD Results *1</th>
<th>FY2015 Q3 YTD Results</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>694.4</td>
<td>758.6</td>
<td>+64.2</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>220.9</td>
<td>237.7</td>
<td>+16.8</td>
</tr>
<tr>
<td>SG&amp;A Expenses</td>
<td>237.8</td>
<td>232.3</td>
<td>-5.5</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>135.7</td>
<td>138.1</td>
<td>+2.4</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>100.0</td>
<td>150.4</td>
<td>+50.4</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>107.5</td>
<td>145.4</td>
<td>+38.0</td>
</tr>
<tr>
<td>Profit attributable to owners of the Company</td>
<td>68.9</td>
<td>110.7</td>
<td>+41.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency Rate</th>
<th>USD/JPY</th>
<th>EUR/JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/JPY</td>
<td>106.88</td>
<td>140.31</td>
</tr>
<tr>
<td>EUR/JPY</td>
<td>121.70</td>
<td>134.37</td>
</tr>
</tbody>
</table>

*1 FY2014 Q3 Results have been restated and indicated as only the values for continuing operations.
Increased by 64.2 JPY Bn
Decline in Daiichi Sankyo Europe
offsetted by growth of Japan, Luitpold and ASCA with Forex

FY2014 Results
694.4

Japan (incl. Vaccines, OTC)
10.8
1.6
17.7
3.9

Daiichi Sankyo, Inc. (US)

Luitpold (US)

Daiichi Sankyo Europe

Asia, South and Central America (ASCA)

Forex Impact

FY2015 Results
758.6

Positive

Negative

Japan

Positive:
Lixana +7.5
Nexium +6.2
Pralia +3.9
Olmetec +2.1

Negative:
Cravit -8.4
Artist -2.0

Global (excl. Forex Impact)

Daiichi Sankyo Inc. :
Olmesartan +0.7
Welchol -2.0
Effient +1.3
Movantic +1.1

Luitpold :
Venofer -1.4
Injectafer +6.2

Daiichi Sankyo Europe :
Olmesartan -3.8
Lixiana +0.7

ASCA :
Olmesartan +1.1
Operating Profit

Increased by 50.4 JPY Bn
due to increased revenue, decreased SG&A expenses and special items
absorbing increased other costs

(JPY Bn)

FY2014 Results: 100.0

Revenue: +64.2
  incl. forex impact: 25.9

Cost of Sales: -5.7
SG&A Expenses: -10.8
R&D Expenses: -4.1
Special Items: -20.6

Forex impact: +21.1

Special Items
-20.6

Cost of Sales
-5.7
SG&A Expenses
-10.8
R&D Expenses
-4.1

FY2015 Results: 150.4
<table>
<thead>
<tr>
<th>Cost of Sales</th>
<th>FY2014 Q3 YTD Results</th>
<th>FY2015 Q3 YTD Results</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring costs in Japan</td>
<td>2.2</td>
<td>Gain on sales of subsidiary</td>
<td>-2.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gain on sales of fixed assets</td>
<td>1.1</td>
</tr>
<tr>
<td>SG&amp;A Expenses</td>
<td>Settlement expenses with US Department of Justice</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs in Japan</td>
<td>7.1</td>
<td>Restructuring costs in US</td>
<td>6.1</td>
</tr>
<tr>
<td>Gain on sales of fixed assets</td>
<td>-2.9</td>
<td>Gain on sales of fixed assets</td>
<td>-8.2</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>Restructuring costs in Japan</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restructuring costs in R&amp;D</td>
<td>0.3</td>
<td>-4.1</td>
</tr>
<tr>
<td>Total</td>
<td>15.4</td>
<td>-5.3</td>
<td>-20.6</td>
</tr>
</tbody>
</table>

- : Cost decrease items
**Profit attributable to owners of the Company**

Increased by 41.8 JPY Bn due to increased operating profit
Expenses relating to the sales of the Sun Pharma shares etc. are booked as financial expenses

<table>
<thead>
<tr>
<th>Positive Factors</th>
<th>Negative Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014 Results</td>
<td>68.9</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>50.4</td>
</tr>
<tr>
<td>Financial Income / Expenses</td>
<td>13.1</td>
</tr>
<tr>
<td>Share of loss of investments</td>
<td>0.6</td>
</tr>
<tr>
<td>Income Taxes etc.</td>
<td>4.8</td>
</tr>
<tr>
<td>FY2015 Results</td>
<td>110.7</td>
</tr>
</tbody>
</table>

Financial Income / Expenses +13.1
Expenses relating to the sales of Sun Pharma shares etc.
# Major Business Units

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Q3 YTD Results</th>
<th>FY2015 Q3 YTD Results</th>
<th>YoY</th>
<th>vs. Forecast (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>367.8</td>
<td>377.5</td>
<td>+9.6</td>
<td>76.9%</td>
</tr>
<tr>
<td>Daiichi Sankyo Healthcare</td>
<td>37.0</td>
<td>39.9</td>
<td>+2.9</td>
<td>81.3%</td>
</tr>
<tr>
<td>Daiichi Sankyo Inc.</td>
<td>126.2</td>
<td>145.5</td>
<td>+19.3</td>
<td>82.7%</td>
</tr>
<tr>
<td>Olmesartan</td>
<td>76.9</td>
<td>88.4</td>
<td>+11.5</td>
<td>87.5%</td>
</tr>
<tr>
<td>Welchol</td>
<td>35.1</td>
<td>37.7</td>
<td>+2.5</td>
<td>80.2%</td>
</tr>
<tr>
<td>Effient</td>
<td>13.1</td>
<td>16.4</td>
<td>+3.3</td>
<td>-</td>
</tr>
<tr>
<td>Savaysa</td>
<td>-</td>
<td>0.3</td>
<td>+0.3</td>
<td>14.5%</td>
</tr>
<tr>
<td>Movantik</td>
<td>-</td>
<td>1.3</td>
<td>+1.3</td>
<td>-</td>
</tr>
<tr>
<td>Luitpold</td>
<td>42.9</td>
<td>69.0</td>
<td>+26.1</td>
<td>80.3%</td>
</tr>
<tr>
<td>Venofer</td>
<td>22.8</td>
<td>24.4</td>
<td>+1.6</td>
<td>81.3%</td>
</tr>
<tr>
<td>Injectafer</td>
<td>5.1</td>
<td>12.9</td>
<td>+7.8</td>
<td>75.7%</td>
</tr>
<tr>
<td>Daiichi Sankyo Europe</td>
<td>64.6</td>
<td>58.1</td>
<td>-6.5</td>
<td>76.4%</td>
</tr>
<tr>
<td>Olmesartan</td>
<td>50.2</td>
<td>44.4</td>
<td>-5.8</td>
<td>76.5%</td>
</tr>
<tr>
<td>Efient</td>
<td>3.7</td>
<td>3.3</td>
<td>-0.4</td>
<td>-</td>
</tr>
<tr>
<td>Lixiana</td>
<td>-</td>
<td>0.7</td>
<td>+0.7</td>
<td>38.5%</td>
</tr>
<tr>
<td>Asia, South and Central America (ASCA)</td>
<td>48.9</td>
<td>62.6</td>
<td>+13.7</td>
<td>71.1%</td>
</tr>
<tr>
<td>Product</td>
<td>Category</td>
<td>FY2014 Q3 YTD Results</td>
<td>FY2015 Q3 YTD Results</td>
<td>YoY</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Olmetec</td>
<td>anti-hypertension</td>
<td>58.4</td>
<td>60.5</td>
<td>+2.1</td>
</tr>
<tr>
<td>Nexium</td>
<td>anti-ulcer (Proton Pump Inhibitor)</td>
<td>55.7</td>
<td>62.0</td>
<td>+6.2</td>
</tr>
<tr>
<td>Memory</td>
<td>treatment for Alzheimer</td>
<td>27.5</td>
<td>32.7</td>
<td>+5.2</td>
</tr>
<tr>
<td>Loxonin</td>
<td>analgesic and anti-inflammatory</td>
<td>38.7</td>
<td>38.2</td>
<td>-0.4</td>
</tr>
<tr>
<td>Cravit</td>
<td>antibacterial</td>
<td>23.0</td>
<td>14.6</td>
<td>-8.4</td>
</tr>
<tr>
<td>Rezaltas</td>
<td>anti-hypertension</td>
<td>14.1</td>
<td>14.1</td>
<td>+0.0</td>
</tr>
<tr>
<td>Artist</td>
<td>Treatment for hypertension, angina pectoris and chronic heart failure</td>
<td>14.1</td>
<td>12.1</td>
<td>-2.0</td>
</tr>
<tr>
<td>Omnopaque</td>
<td>contrast medium</td>
<td>13.3</td>
<td>13.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Mevalotin</td>
<td>anti-hyperlipidemia</td>
<td>12.6</td>
<td>10.8</td>
<td>-1.8</td>
</tr>
<tr>
<td>Ranmark</td>
<td>treatment for bone metastasis</td>
<td>7.6</td>
<td>9.4</td>
<td>+1.8</td>
</tr>
<tr>
<td>Inavir</td>
<td>anti-influenza</td>
<td>8.2</td>
<td>2.5</td>
<td>-5.6</td>
</tr>
<tr>
<td>Urief</td>
<td>treatment for dysuria</td>
<td>8.7</td>
<td>9.0</td>
<td>+0.3</td>
</tr>
<tr>
<td>Pralia</td>
<td>osteoporosis</td>
<td>5.1</td>
<td>9.0</td>
<td>+3.9</td>
</tr>
<tr>
<td>Lixiana</td>
<td>anticoagulant</td>
<td>2.1</td>
<td>9.6</td>
<td>+7.5</td>
</tr>
<tr>
<td>Efient</td>
<td>antiplatelet</td>
<td>0.5</td>
<td>3.3</td>
<td>+2.8</td>
</tr>
<tr>
<td>Teneria</td>
<td>treatment for type 2 diabetes</td>
<td>5.5</td>
<td>11.9</td>
<td>+6.4</td>
</tr>
</tbody>
</table>
FY2015 Revised Consolidated Forecast
### FY2015 Revised Consolidated Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 Forecast (as of Oct.)</th>
<th>FY 2015 Revised Forecast (as of Jan.)</th>
<th>vs. Forecast (as of Oct.)</th>
<th>Major factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>980.0</td>
<td>980.0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>314.0</td>
<td>316.0</td>
<td>+2.0</td>
<td>Shift of product mix</td>
</tr>
<tr>
<td>SG&amp;A Expenses</td>
<td>354.0</td>
<td>337.0</td>
<td>-17.0</td>
<td>Efficient cost expense</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>192.0</td>
<td>197.0</td>
<td>+5.0</td>
<td>Restructuring cost in R&amp;D</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>120.0</td>
<td>130.0</td>
<td>+10.0</td>
<td>Foreign-currency valuation losses in the emerging countries’ markets</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>115.0</td>
<td>120.0</td>
<td>+5.0</td>
<td>Reversal of deferred tax assets related to a change in the tax rate etc.</td>
</tr>
<tr>
<td>Profit attributable to owners of the Company</td>
<td>75.0</td>
<td>75.0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency Rate</th>
<th>USD/JPY</th>
<th>EUR/JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>120.90</td>
<td>132.53</td>
</tr>
<tr>
<td></td>
<td>121.28</td>
<td>133.27</td>
</tr>
</tbody>
</table>

**Forecast for Q4**
- USD/JPY: 120
- EUR/JPY: 130
Major Management Topics

- Edoxaban Update in Japan and EU
- R&D Update
Impressive Market Share Growth

Market Share: 12.9%

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Successful Step by Step Launches

- Launched in Switzerland, UK, Germany, Ireland and Netherlands
Major Management Topics

- Edoxaban Update in Japan and EU
- R&D Update
**Biosimilar: Progress to launch on track**

**CHS-0214: Achieved Primary Endpoints in Phase 3 Study**

- **CHS-0214:** Etanercept biosimilar
- **Patients:** Subjects with rheumatoid arthritis and inadequate response to treatment with methotrexate
- **Primary endpoint:**
  - Efficacy
  - Safety
- **Schedule:**
  - Targeted for the first launch of etanercept biosimilar in Japan
  - J-NDA submission in FY2016
  - Approval and Launch in FY2017
Oncology: Enrichment of pipeline

Accelerate Global Development

◆ Quizartinib: FLT3-ITD inhibitor
  ● Second-line treatment for Acute Myeloid Leukemia (QuANTUM-R Phase 3 study)
    ✔ US and EU: on track
    ✔ Asia: has started recruitment
  ● First-line treatment for Acute Myeloid Leukemia
    ✔ Global phase 3 study in the planning phase
  ● Japan: Phase 1 study started
Oncology: Enrichment of pipeline

Clinical Entries of New Biologics

◆ DS-1123: Anti-FGFR2 antibody
  ○ High expression of FGFR2 is observed in gastric cancer etc.
  ○ Started phase 1 in Japan

◆ U3-1784: Anti-FGFR4 antibody
  ○ High expression of FGFR4 is observed in hepatic cancer etc.
  ○ Started phase 1 in EU

Fibroblast growth factor receptor (FGFR) family

Cancer with high expression of FGFR

- Breast, NSCLC etc.
- Gastric, Breast, CRC
- Ovary, Lung, Pancreatic, HCC etc.
- Bladder, Myeloma etc.
- Liver etc.
Biologics: Clinical entry of antibody alternative

Anticalin®
- In-licensed technology from Pieris (US)
- An alternative to antibody with molecular weight of 1/10
- Low immunogenicity as compared to antibody
- Can be produced by microorganism in large volume with low cost

Albumod™ platform
- In-licensed technology from Affibody AB (Sweden)
- Extending circulatory half-life of biologics

Selected PCSK9 as a target molecule
- Started phase 1 study of DS-9001, anti-PCSK9

Anticalin-Albumod
## Anticipating Major R&D Milestone

### 【Milestone event for regulatory submission and approval】

<table>
<thead>
<tr>
<th>Product</th>
<th>Event</th>
<th>Anticipated time</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL-108</td>
<td>Treatment of Pain and Opioid-Induced Nausea and Vomiting (US)</td>
<td>NDA FY2015 Q4</td>
</tr>
<tr>
<td>Denosumab</td>
<td>Rheumatoid Arthritis Phase 3 (JP)</td>
<td>TLR* FY2015 Q4</td>
</tr>
<tr>
<td>Prasugrel</td>
<td>Ischemic Cerebrovascular Disease Phase 3 (JP)</td>
<td>TLR FY2016 H1</td>
</tr>
</tbody>
</table>

TLR*: Top Line Result

### 【Publication for results of major clinical studies at academic conference】

<table>
<thead>
<tr>
<th>Product</th>
<th>Studied to be published in detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHS-0214 (etanercept BS)</td>
<td>Rheumatoid Arthritis Phase 3 (JP)</td>
</tr>
<tr>
<td>CL-108</td>
<td>Bunionectomy Surgery Phase 3 (US)</td>
</tr>
<tr>
<td>Patritumab</td>
<td>Head &amp; Neck Cancer Phase 1b (EU)</td>
</tr>
<tr>
<td>DS-8500</td>
<td>Type 2 Diabetes Mellitus Phase 2a (JP)</td>
</tr>
</tbody>
</table>
**Major R&D Pipeline**

**Therapeutic area**

**Cardiovascular-Metabolics**
- **Phase 1**
  - DS-1040 *(Acute ischemic stroke / TAFIa inhibitor)*
  - DS-2330 *(Hyperphosphatemia)*
  - DS-9231/TS23 *(Thrombosis / α2-PI inactivating antibody)*
  - DS-9001 *(Dyslipidemia / Anti-PCS9 Anticalin-Albomod)*
- **Phase 2**
  - CS-3150 *(JP) (Hypertension · DM nephropathy / MR antagonist)*
  - DS-8500 *(JP/US) (Diabetes / GPR119 agonist)*
- **Phase 3**
  - Prasugrel *(JP) (CS-747 / Ischemic stroke / Anti-platelet agent)*
  - Edoxaban *(ASCA etc.) (DU-176b / AF / oral factor Xa inhibitor)*

**Oncology**
- **Phase 1**
  - DS-3032 *(US/JP) (MDM2 inhibitor)*
  - PLX7486 *(US) (FMS / TRK inhibitor)*
  - PLX8394 *(US) (BRAF inhibitor)*
  - DS-6051 *(US) (NTRK/ROS1 inhibitor)*
  - PLX9486 *(US) (KIT 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)*
- **Phase 2**
  - Patritumab *(US/EU) (U3-1287 / Anti-HER3 antibody)*
  - Pexidartinib *(US) (PLX3397 / CSF-1R/KIT/FLT3-ITD inhibitor)*
- **Phase 3**
  - Tivantinib *(US/EU) (ARG 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 Adjuant / BRAF inhibitor)*
- **Others**
  - **Phase 1**
    - DS-1971 *(Chronic pain)*
    - DS-1501 *(Osteoporosis / Anti-Siglec-15 antibody)*
    - DS-7080 *(US) (AMD / Angiogenesis inhibitor)*
    - DS-2969 *(Clostridium difficile infection / GyrB inhibitor)*
    - VN-0102/JVC-001 *(JP) (MMR vaccine)*
  - **Phase 2**
    - Laninamivir *(US/EU) (CS-8958 / Anti-influenza / out-licensing with Biota)*
  - **Phase 3**
    - Mirogabalin *(US/EU) (DS-5565 / Fibromyalgia / a25 ligand)*
    - Mirogabalin *(JP/Asia) (DS-5565 / DPNP / a26 ligand)*
    - Mirogabalin *(JP/Asia) (DS-5565 / PHN / a26 ligand)*
    - Denosumab *(JP) (AMG 162 / Rheumatoid arthritis / Anti-RANKL anti-body)*
    - Hydromorphone *(JP) (DS-7113 / Cancer pain / Opioid µ-receptor regulator)*

**Application**

**Cardiovascular-Metabolics**
- Edoxaban *(ASCA etc.) (DU-176b / VTE / oral factor Xa inhibitor)*

Red: Change after FY2015  Q2 financial announcement  □: products mentioned in the presentation
Mid-term Business Plan

◆ Date: March 31, 2016, Thursday
  ● For media representatives PM1:30-PM3:00
  ● For investors and securities analysts PM4:00-PM5:30
  *On-demand broadcasting will be available on later day

◆ Location: Daiichi Sankyo Co., Ltd.
  Nihonbashi HQ

◆ Speaker: Joji Nakayama, president and CEO
Financial forecasts, future projections and R&D information that Daiichi Sankyo discloses may include information that might be classified as “Forward Looking Statement”. These forward looking statements represent our current assumptions basis on information currently available. Please note that such are subject to a number of known and unknown risk and uncertainties and our future performance may differ from the expectations as expressed in such statements.