



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 Noriaki Ishida, Executive Officer,

Vice President, Corporate Communications Department

Telephone: +81-3-6225-1126

<http://www.daiichisankyo.com>

Daiichi Sankyo to Record Loss on Valuation of Kitasato Daiichi Sankyo Vaccine Co., Ltd. Shares in Non-consolidated Accounts

Tokyo, Japan (January 31, 2018) – Daiichi Sankyo Company, Limited (Headquarters: Chuo-ku, Tokyo; hereafter, Daiichi Sankyo) today announced that it records a loss on valuation of shares of subsidiaries and associates for its consolidated subsidiary, Kitasato Daiichi Sankyo Vaccine Co., Ltd. (Headquarters: Kitamoto City, Saitama Prefecture; hereafter, Kitasato Daiichi Sankyo Vaccine) in its non-consolidated accounts (Japanese accounting standards) for the fiscal year ending March 31, 2018.

1. Details of above accounting event

The net asset value of the shares of Kitasato Daiichi Sankyo Vaccine has decreased against its book value, so based on a conservative estimate of the company's profitability for the near term in accordance with the Accounting Standard for Financial Instruments, Daiichi Sankyo has determined that it will take a considerable amount of time for the net asset value of the company's shares to recover. Therefore, a loss on valuation of shares of subsidiaries and associates of ¥28.3 billion is recorded as an extraordinary loss in the non-consolidated accounts (Japanese accounting standards) for the fiscal year ending March 31, 2018.

2. Financial impact of accounting event on consolidated results

The above loss on valuation of shares of subsidiaries and associates does not impact consolidated results of Daiichi Sankyo as it will be eliminated in the consolidated accounts (IFRS).