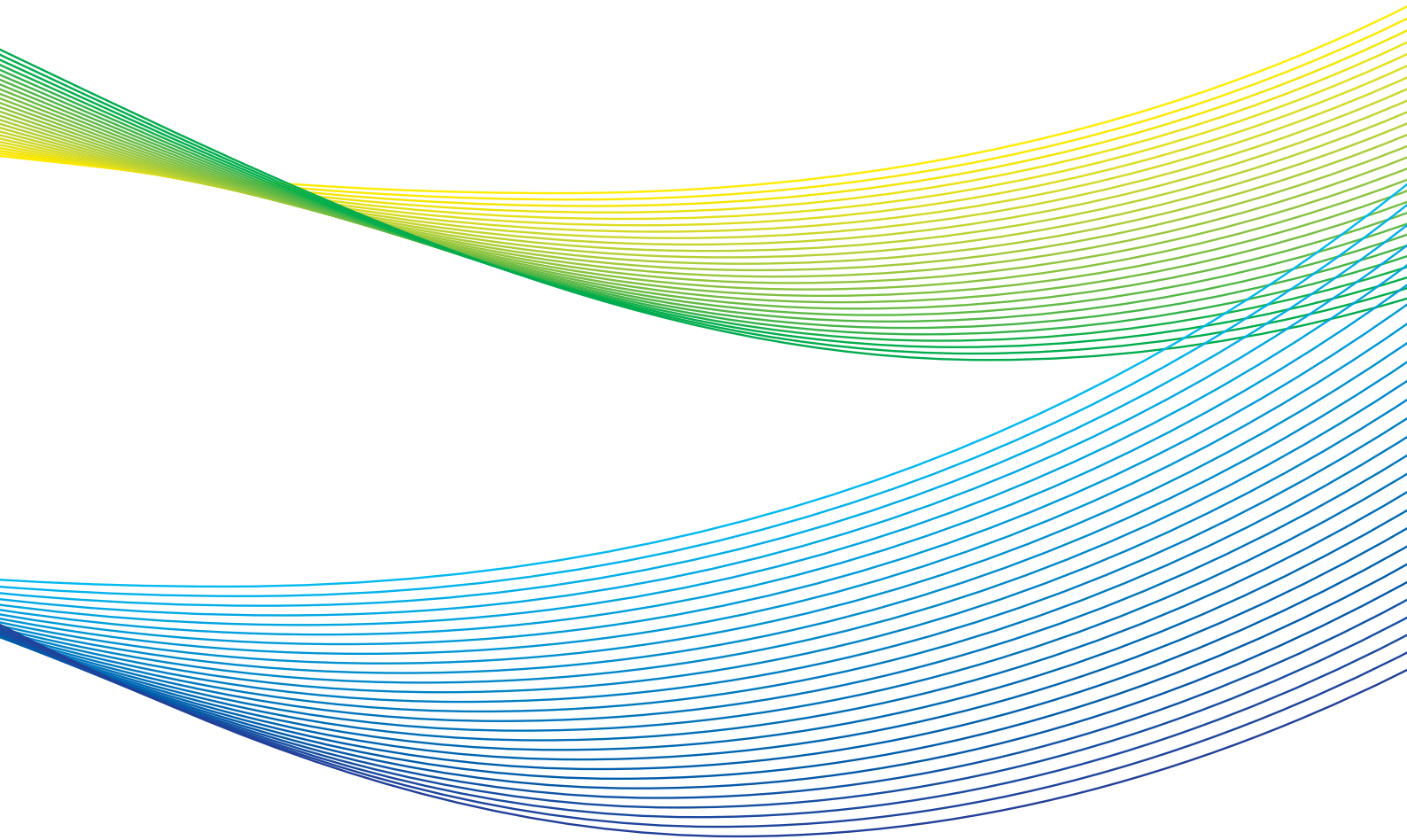




DAIICHI SANKYO CO., LTD.

DAIICHI SANKYO Group

Corporate Social Responsibility Report 2008



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Editorial Policy

This report outlines the DAIICHI SANKYO Group’s corporate social responsibility (CSR) activities in fiscal 2007, ended March 31, 2008. The publication is a crucial tool for communicating with stakeholders, with the following features:

- Reporting on how we communicate with key stakeholders.
- We focused on our stances and specific activities, avoiding jargon and endeavoring to make the report easy to read.
- We presented our basic CSR framework, results of social responsibility and community activities, environmental reports, and segmented community activity reporting by stakeholders.
- We endeavored to disclose large amounts of related data as concisely as possible.

Report Scope

■ Coverage

Main domestic and overseas group companies, which we present on page 24.

■ Data Scope

We drew on domestic group data. From the 2007 report, environmental performance data also encompassed ASUBIO PHARMA CO., LTD., DAIICHI SANKYO HEALTHCARE CO., LTD., and DAIICHI SANKYO CHEMICAL PHARMA CO., LTD.

The report notes where data is from other sources.

■ Period Covered

April 1, 2007, to March 31, 2008 (with some information after April 2008).

■ Relationship with Other Reports

This publication covers social and environmental reports. To disclose financial information, DAIICHI SANKYO produces shareholder report, business report, and annual report, and maintains an investor relations website.

Publication Dates

- Japanese version of this report: September 2008
- Previous report: November 2007
- Next report: September 2009

Guideline References:

- Global Reporting Initiative: Version 3.0 of the Sustainability Reporting Guidelines
- Japan’s Ministry of the Environment: Environmental Reporting Guidelines (2007 edition)

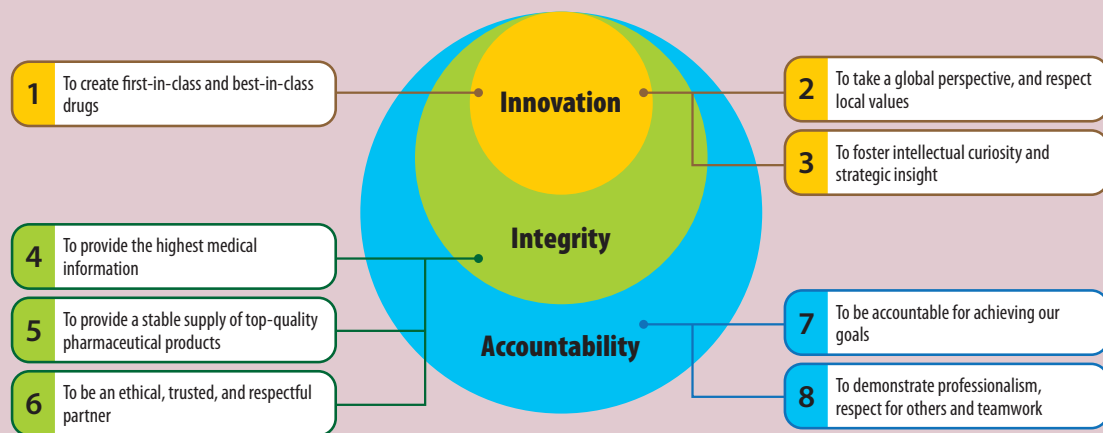
Cautionary Note

- Readers should note that this report presents facts and forward-looking statements based on judgments derived from information available at the time of publication and that such information includes uncertainties.

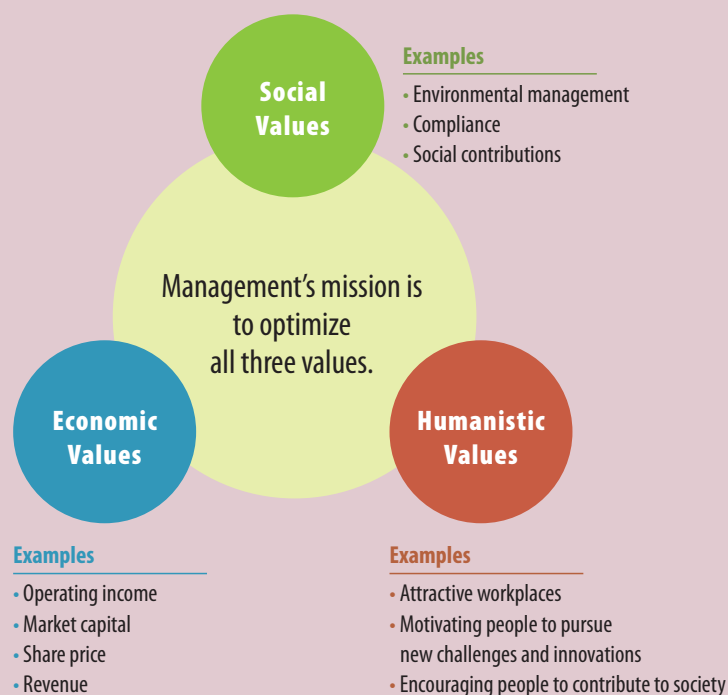
Mission

To Contribute to the Enrichment of Quality of Life around the World through the Creation and Provision of Innovative Pharmaceuticals

"Our Values and Commitments"



Corporate Values



Each Member of DAIICHI SANKYO is Committed to his/her Social Responsibility—from Senior Executive to Frontline Staff

DAIICHI SANKYO's mission is to Contribute to the Enrichment of Quality of Life around the World through the Creation and Provision of Innovative Pharmaceuticals.

There remain numerous conditions worldwide for which patients can only get inadequate treatment or sometimes no treatment at all. Our mission as a pharmaceutical company is to create and provide innovative pharmaceuticals to contribute to the enrichment of quality of life around the world. We strive to become a trusted partner for every stakeholder by achieving this mission.

At the same time, we are working to increase corporate value by enhancing economic, social and humanistic values, while maintaining the highest ethical standards and with awareness that our activities have an impact on human lives.

We think that balancing all of these important values is pivotal in earning trust from the society and

in pursuing sustainable growth. For all members of DAIICHI SANKYO, CSR means choosing responsible courses of action.

Our most significant management challenge in fiscal 2007 was to build and to share a new corporate culture for DAIICHI SANKYO and to become a trustworthy citizen of the society by focusing our efforts in enhancing economic, social and humanistic values. We have established “Our Values and Commitments”, Innovation, Integrity and Accountability, that serve as a basis of judgment for all members of DAIICHI SANKYO. We also established systems and processes to promote CSR.

We positioned fiscal 2008 as a year for upgrading our business infrastructures in order to achieve our 2007–2009 three-year business plan. At the same time, we are committed, from senior executives to frontline staff, to conduct business in a responsible manner. We will all keep our Values and Commitments on top of our minds and carry out broad social responsibilities, whether



Message to Stakeholders

they be complying with regulations and our corporate ethical standards in conducting business or preventing global warming.

We will continue to make our own employees aware of what DAIICHI SANKYO is doing relative to CSR. We will strive to meet the expectations of all stakeholders by continuing to take initiatives to share the expertise that we have accumulated through our business activities.

We thank all of our stakeholders for their interest in DAIICHI SANKYO, and will ask for further and continued support.

September 2008

Takashi Shoda
President and CEO



Special Feature

Communicating with Consumers and Medical Professionals

The DAIICHI SANKYO Group informs about illnesses that directly affect human health and lives. We provide recipes and exercise programs to fight lifestyle diseases and hold public seminars, manage websites, and arrange cooking classes.

e-Healthy Exercise Website

The e-Healthy Exercise website is one of the offerings of our e-Healthy Recipes program, which we developed with the Tsuji Cooking Academy. We present simple exercises for different purposes and situations.

Simple Fatigue Recuperation Course

Accumulations of lactic acids and other substances cause fatigue. Ample oxygen intake is the key to recuperating, and constantly relieving muscle tension while working can help. We offer several exercises to assist, notably stretching the back, bending the knees, and opening and closing the eyes.

<http://www.ehealthrecipe.com/recipe-webapp/exercise/> (In Japanese only)

Pediatric ITB Therapy Website

The Japanese government recently authorized intrathecal baclofen (ITB) therapy for children with severe spasticity, one of numerous rare and difficult-to-treat disorders. We produced a video in Japanese called *Hi! My name is Bac-the-Teddy* to educate these children about the therapy.

Spasticity is a condition in which excessive muscle tension impedes limb movement or limbs move involuntarily. We believe that 10% to 20% of patients with cerebral palsy or spinal cord injuries suffer, or likely have suffered, from severe spasticity.

ITB therapy mitigates spasticity by directly administering baclofen (brand name: Intrathecal Gabalon) around the spinal cord.
<http://www.itb-dsc.info/itb/syouni/index.html> (In Japanese only)

▼ Helping Maintain Consumer Health

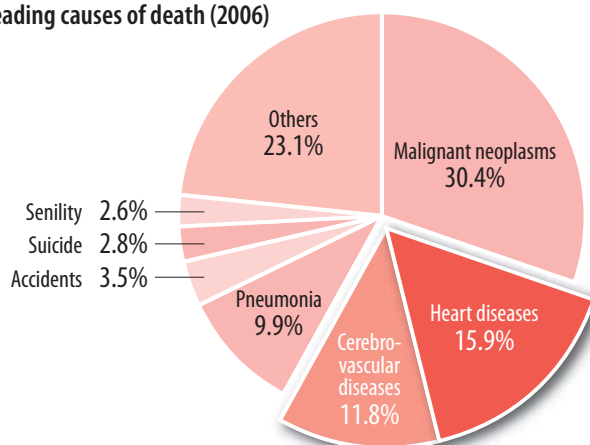
Our mission is to Contribute to the Enrichment of Quality of Life around the World through the Creation and Provision of Innovative Pharmaceuticals. We believe that acting on that mission, even in noncore businesses, will enable us to build trust and contribute to a sustainable society.

▼ Offering Total Patient Support Beyond Pharmaceuticals

High blood pressure, lipid disorders (such as high blood cholesterol), and diabetes, and high-profile lifestyle diseases are painless and without obvious symptoms. People tend to ignore the symptoms, risking severe arteriosclerosis and ultimately myocardial or cerebral infarction. The 2006 Summary of Monthly Reports of Vital Statistics from the Ministry of Health, Labour and Welfare found that around 28% of deaths in Japan were from heart and cerebrovascular disease.

That is why we are committed to going beyond providing pharmaceuticals to inform consumers about how they can improve their lifestyles and prevent lifestyle diseases.

Leading causes of death (2006)



Helping You Lead a Healthier Life



▼ Valuing Communication with Consumers

Healthy lives Begin with Good Diets

In August, September, and December 2007, we sponsored e-Healthy for Body cooking classes in Osaka and Tokyo, showcasing recipes that we developed with the Tsuji Cooking Academy jointly developing e-Healthy Recipe. Tsuji Cooking Academy lecturers prepared dishes and provided tips on fighting high blood pressure, lipid disorders, and diabetes. e-Healthy for Body Christmas Family cooking classes educated families about selecting and preparing food. Such events reflected our belief that good diets are central to combating lifestyle diseases.



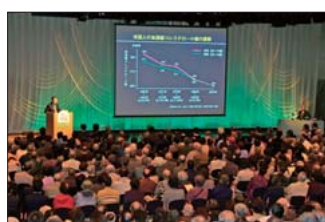
e-Healthy for Body cooking class

Precise Treatment Starts with Accurate Knowledge

We cosponsored public seminars held by member physicians of the Japan Society for the Study of Obesity in October 2007 in Tokyo and by the Japanese Circulation Society in March 2008 in Fukuoka. Doctors at both events provided layperson explanations of diseases to many eager attendees.

Lifestyle diseases are chronic, so heightened patient awareness is critical to proper treatment.

Proper understanding is the first step on the road to improvement.



Public seminar

Improving Diets is Central to Fighting Lifestyle Diseases



Professor
Fumiko Kafuku
Tsuji Academy of
Nutrition

Diets have deteriorated in recent years, with people increasingly harming their nutrition, overeating, or skipping meals. There is also a lot more food waste. Society is rapidly losing respect for the value of food.

So, it is essential for adults and children alike to learn more about food and good diets to foster life-long health.

Food is such an expansive subject that I think that it would help to constantly reinforce understanding of food safety and assurance and other issues at schools, in communities, and in households so children can better appreciate food.

Communicating with Consumers and Medical Professionals

Information is critical for medical professionals handling pharmaceuticals. We speedily deliver accurate information to the frontlines while gathering an array of data on efficacy and safety. We analyze and evaluate this information and share it with these professionals, helping to treat patients better as a result.

Medical Professional Website DS-Medipark and WithME News

DS-Medipark is an exclusive website in Japan for medical professionals, including doctors, dentists, pharmacists, nurses, and medical technologists. The site provides basic information on pharmaceuticals and relevant illnesses. It also offers detailed information for those on the medical frontlines. For example, it presents popular corporate coaching tips that are useful in communicating with patients.

We offer WithME News to support MRs through a So-Net M3, Inc., portal that is Japan's biggest medical information site. Our program provides the latest news on illnesses, particularly related to high blood pressure, lipid disorders, and arrhythmia, in easily understood terms. Our high-quality service is the most popular of its type among doctors and other medical professionals, with around 90,000 subscribers.

Collaborating with Distributors

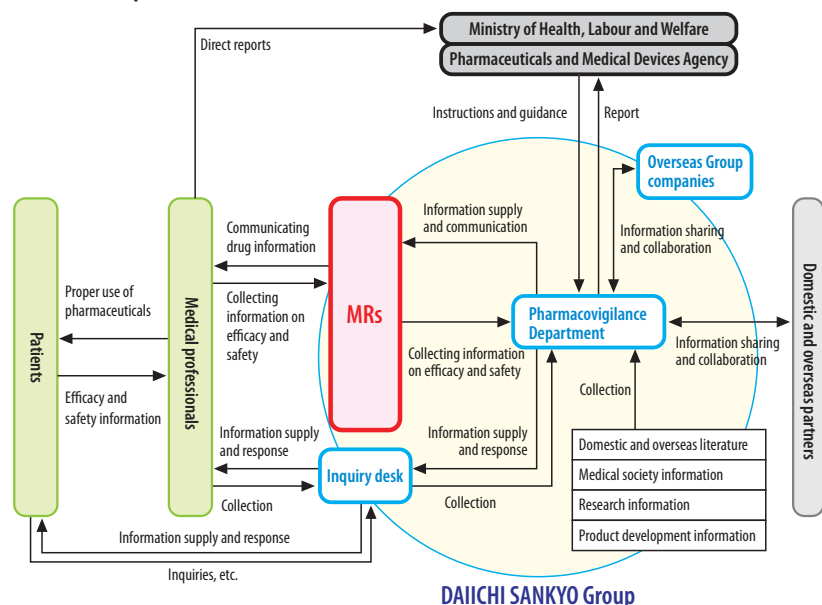
Medical professionals require fast and accurate drug information from pharmaceutical companies. It is important to collaborate with medical specialists (who are sales representatives at distributors) to satisfy those needs. We accordingly hold orientations on pharmaceuticals and illnesses for these specialists that complement daily communications with them.

▼ Informing Medical Professionals

Medical representatives (MRs) play an especially important role in informing medical professionals and collecting information from them. We have around 2,400 MRs in Japan and 4,500 MRs in the United States, Europe and elsewhere in Asia.

MRs meet doctors, pharmacists, and other medical professionals to explain product features, efficacy, side effects, and other important information. MRs are keenly aware that they are ultimately serving the interests of these practitioners' patients. Medical practitioners prescribe the most appropriate drugs by drawing on specialized knowledge to assess the symptoms and conditions of each patient. The most useful and desirable information on medical frontlines is that which focuses on patients. Our MRs strive daily to quickly and honestly supply information based on what medical professionals need and communicate ethically.

Information provision and collection flow



Together We Can



▼ MR Crosswise Structure to Accommodate Specialized Information that Is Increasingly Advanced and Diverse

The MR Crosswise structure provides medical professionals with timely, high-quality information. We allocate MRs who focus on specific therapeutic areas, notably circulatory organs, and orthopedics, urology, infectious diseases, and cancer and contrast mediums. They collaborate with other MRs who serve certain geographical areas or medical facilities to provide detailed information that meets advanced and sophisticated treatment needs.

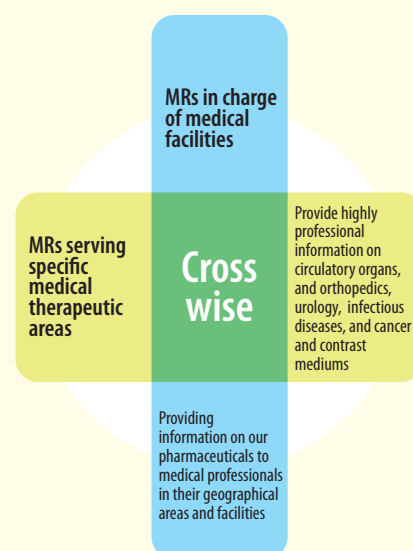
▼ Collecting and Feeding Back Information

We undertake post-marketing surveys because we know that pharmaceuticals can have side effects. That is because clinical studies at the development stage cover a limited scope, and it is only after pharmaceuticals are prescribed to many patients that side effects sometimes become apparent.

MRs visit medical institutions daily to gather information on the efficacy, safety, and quality, and usage of pharmaceuticals and report their findings to us. The information includes side effects that clinical studies did not reveal, efficacy differences among people, and sometimes information on the quality of production lots.

MRs uncover information on around 5,600 cases of side effects each year in Japan. After including literature and overseas information, the annual data related to our pharmaceuticals rises to 23,000 cases. The Pharmacovigilance Department uses a database to analyze factors in side effects, with MRs sharing relevant findings with medical professionals.

MR Crosswise structure



DAIICHI SANKYO High Performance Program (DASH)

This training program gives MRs more practical and knowledge and skills in the areas in which they specialize. This support system links directly to MR frontlines.



Special Feature

Communicating with Consumers and Medical Professionals

Rising public interest in prescription drugs has increased inquiries from consumers and medical professionals. We respond sincerely with high-quality information.

Examples of inquiries to Product Information Management Department

Inquiry from patient

Q. I started taking Mevalotin. When I had to take a medicine for a long time to treat another problem, my doctor told me not to drink grapefruit juice until the course ended. But my doctor gave me no such instruction for Mevalotin. Is grapefruit juice OK?

A. Grapefruit juice does reduce the efficacy of some medicines. That's because the juice affects the CYP3A4 enzyme, which can metabolize drugs in the liver. There have been no such problems reported for Mevalotin, so you can continue to consume grapefruit juice. Still, we would advise that you take your medicine with cold or lukewarm water.

Inquiry from medical professional

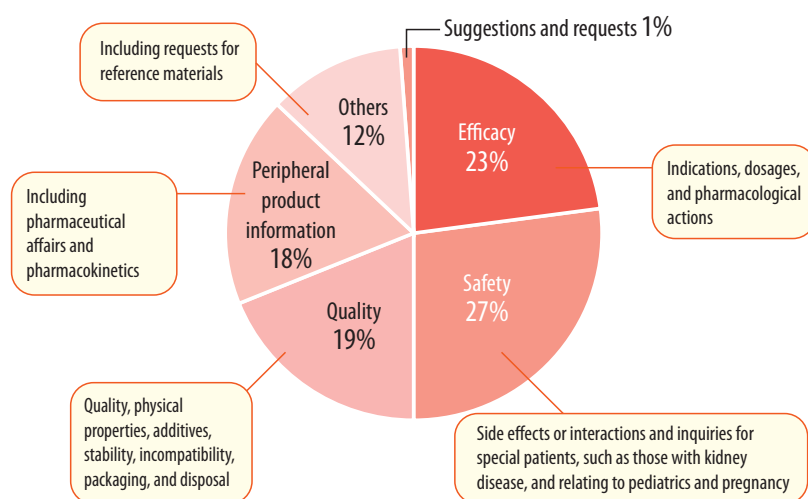
Q. I treat chronic pain with continuous intravenous morphine injections. But some patients find that this is not enough. How should I approach increasing dosages?

A. Japanese Clinical Practice Guideline for Cancer Pain Management from the Japanese Society for Palliative Medicine mentions that you can increase morphine doses 30% to 50% on the day after a patient cannot get full pain relief and shows no signs of drowsiness. Another suggested technique is to administer an extra one-hour dose for temporary relief. There is no limit to the number of additional injections for that purpose. Under this technique, you add the total additional doses that day to the following day's scheduled dose to create a new prescription standard.

▼ Responding to 10,000 Inquiries Monthly

We are dedicated to providing many people with products that safeguard their most precious gifts of health and life. The Product Information Center is a face to the public. Part of the Product Information Management Department, it receives around 10,000 inquiries monthly about more than 170 products. MRs provide information by visiting medical professionals. The Center's role is to improve communication with patients and medical professionals by faithfully receiving and responding to telephone inquiries.

Inquiry categories in fiscal 2007



▼ Glowing Customer Confidence Reflected in Rise in Customer's Expression of Thanks

The Product Information Center responds to diverse inquiries about efficacy, safety, quality, and peripheral product information. Information on all these areas is central to using products properly, so the Center collaborates with other departments as needed. The bases of good

Provide Outstanding Medical Information



communication are accuracy, sincerity, speed, and easy-to-understand language when providing required information.

Center staffers work in shifts to ensure consistent services. Their mission is about quality—providing the information needed in a timely manner to patients and medical professionals. Their tools include documentation and databases, SPRINT, PRISM, which contains basic product information, and DI Q&A. MRs and other employees can also access the information.

Center staffers must have specialized product knowledge and also understand pharmaceutical regulations, the medical treatment environment, and information technology. They participate in regular meetings and training, share and promote the use of information, and otherwise improve their skills apart from responding to inquiries.

Staffers are dedicated to getting confidence from inquirers in line with a motto of Glowing Customer Confidence Reflected in Rise in Customer's Expression of Thanks.

▼ Internally Sharing Customer Opinions

The Center keeps in close contact with relevant departments throughout the Group, sharing inquiry information with them. When the Center receives an inquiry from a medical institution, for example, it contacts the MR in charge to explain what has happened. If receiving an opinion or request, the Center reports to the relevant departments, which can use the information for dealing with customers from the following day.

Inquiries and requests led us to redesign press-through package sheets to prevent medication errors.

One key challenge and priority is to optimally disseminate as much feedback as possible from patients and medical professionals throughout the Group. Our efforts on that direction will enhance our credibility and improve satisfaction among patients and medical professionals.

Handling each inquiry proudly and responsibly as the company's public face



Koji Imai
Product Information
Center, Product
Information
Management
Department

Our section communicates directly with patients and medical professionals over the telephone. We strive to respond sincerely to each inquiry in hope of earning real gratitude. We are proud of our role in medical care.

We share customer feedback throughout the Group



Miho Kamei
Information
Management Group,
Product Information
Management
Department

We aim to supply trustworthy product information services by identifying real needs of customers from their many opinions and requests and sharing the information with relevant departments. We act sincerely and with a passion to contribute to society.



Special Feature

Communicating with Employees

Discussions between the President and Employees about the Future of DAIICHI SANKYO

President Takashi Shoda holds regular gatherings at each office to background for managers and employees how “Our Values and Commitments” and corporate slogans came into being and share views about the thinking behind our mission and vision.

Fiscal 2007 schedule for discussions between the president and employees about the future of DAIICHI SANKYO

Date	Place
April through July	Headquarters
June 22	Kyoto Branch
July 12	Kasai R&D Center
July 13	Shinagawa R&D Center
August 9	DAIICHI SANKYO PROPHARMA Odawara Plant
August 21	Kita-Kanto Branch
August 22	Koushinetsu Branch
August 24	DAIICHI SANKYO PROPHARMA Akita Plant
August 27	Shinagawa R&D Center
August 28	Tokyo Branch
August 30	Shinagawa R&D Center
October 11	DAIICHI SANKYO PROPHARMA Shizuoka Plant
November 1	DAIICHI SANKYO LOGISTICS Tokyo
November 15	Pharmaceutical Technology headquarters DAIICHI SANKYO PROPHARMA Hiratsuka Plant DAIICHI SANKYO HAPPINESS
November 22	Kyushu Branch
November 27	Chiba Branch
December 4	DAIICHI SANKYO RD ASSOCIE
December 5	DAIICHI SANKYO BUSINESS ASSOCIE
December 19	Osaka Branch
December 20	Tokai Branch
January 28	Saitama Branch
February 6	Sapporo Branch
February 25	Yokohama Branch

▼ Disseminate and Jointly Own Ideas

Employees are crucial Group stakeholders and are essential participants in our CSR efforts.

That is why it is so important to share ideas with employees so they can understand how to think about and act on our CSR commitment. Close daily communication on the issues is vital. In building open and attractive workplaces, we strengthen communication by sharing our mission, Vision, “Our Values and Commitments” and corporate values among employees.



Gathering at Shinagawa R&D Center

Highlights of Discussions with Employees

①. About the corporate values

Before integration, we were shown plan after plan that presented economic value. Is that our first priority? And how should we rank the three values?

②. Important to balance and enhance the corporate values

I think that innovating excellent drugs leads directly to improving our social value. What's important is for us to become an organization that you can be proud of, one that society holds in high regard. You would thus feel more motivated and satisfied with your work.

We do not rank the corporate values. I sometimes discuss economic value with shareholders and talk more about humanistic values with employees. I recognize that it is important to enhance the corporate values.

Pursuing Dialogue for a Better Future



▼ Creating Workplace Unity

We convened kick-off meetings at each main business office after integration in April 2007. Mr. Shoda thereafter visited each site out of his conviction that, “It is important for me to speak face-to-face with employees whom I could not address in person at the kick-off meetings.” These gatherings for executives and employees focused on the future of DAIICHI SANKYO. To take full advantage of the limited time, Mr. Shoda refrained from delivering speeches, opting to exchange opinions about ways in which managers and employees could share the DAIICHI SANKYO vision. Participants were free to ask questions that they would not normally have an opportunity to pose and convey their thoughts. The gatherings enabled executives and employees share a sense of unity.



Kick-off event

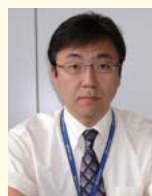
Q. Highlighting the attractiveness of DAIICHI SANKYO

I think that it's important for outsiders should look on DAIICHI SANKYO as wonderful. What sort of image should we project to so people conclude that the company is attractive?

A. Focus should be on presenting the corporate culture's pursuit of new challenges and self-driven change

We ought to focus on building a culture that champions pursuing new challenges and driving change internally. I'm more interested in reality than image. So, we must look beyond precedents and bureaucracy. Instead of being bound by the past, we should constantly seek what is best for today and tomorrow and continue making improvements. There should be no internal obstacles to such efforts. A good example is to avoid addressing each other with titles, such as calling me President Shoda. I want to create a corporate culture in which people can freely express their opinions without worrying about ranks, ages, or genders. I hope you also become aware of such considerations so we can build a better environment together.

Participant Opinions



Hitoshi Nitta
General Administration Section
Director, Sapporo Branch

None of us had met Mr. Shoda before. We all had different opinions about what he would be like, given that he was the new

president of a new entity. That is why we 20 participants in the Sapporo Branch found ourselves so absorbed in speaking with him to work out what he was like that we were oblivious to time.

We asked Mr. Shoda things that we wanted to confirm directly with him, expressing what aspects of about daily work dissatisfied us, suggesting improvements, and telling him what we wanted him to know about our working environment. He responded sincerely to all questions and opinions. When the meeting went well beyond the scheduled time, Mr. Shoda said that, “I don't care how late this will go.” It was then that I think all participants agreed on their positive impressions about him.



Mitsugu Sasaki
General Affairs and
Production Planning
Section Director, Akita
Factory, DAIICHI SANKYO
PROPHARMA

At the Akita Factory, 11 people participated in the meeting. Everyone was a bit nervous at the beginning because of the presence of our top Group executive. But Mr. Shoda relieved the tension by becoming an up-tempo emcee for the meeting.

He spoke about the future of the Group and Vision 2015. He also dealt with our questions and opinions simply and clearly. Mr. Shoda came across as a resolute visionary.

The gathering enabled us to reconfirm the path that DAIICHI SANKYO PROPHARMA should take.



Special Feature

Communicating with Employees

We ensure face-to-face communications between supervisors and subordinates, executives and the labor unions and between employees to build workplaces that motivate and are safe for each employee.

Extracts from self-declaration sheet

1. Current work
 - Including working conditions, satisfaction, and your sense that you are contributing to the workplace
2. Strengths (abilities, specialization, knowledge, skills, and experience) and areas in which you need to improve understanding
 - How you view your self-actualization capabilities and how you can draw on that to contribute to the company
 - What self-actualization aspects you want to improve and what support you want from the Company
 - The career path you should follow to achieve self-actualization
 - The work or workplace you desire
 - The aspects of work you wish to change in your current workplace
3. Health and other special notes
 - Current health
 - Whether you would be prepared to transfer to a post in another city without your family
 - Where you plan to live after retirement
4. Human Resources Department Express
 - Anything you wish to convey directly to the Human Resources Department



▼ Communications between Supervisors and Subordinates

Performance and Action Assessments

DAIICHI SANKYO is one of several companies that have deployed goal management systems. We divided our system into two parts. One is to evaluate individual performances and the other is to assess how employees act to reach their objectives. In other words, we consider both journeys and destinations.

Supervisors and subordinates jointly establish goals through evaluation sheets and check on the results of interim and performance evaluations. They meet four times annually to talk about achievements and actions. This communicative process helps each employee to grow. For senior executives and subordinate employees, we began evaluator training before the predecessors of DAIICHI SANKYO integrated, and closely monitor progress.

Self-Declaration System

We make the most of employee diversity in human resources management by using a self-declaration system that covers short- and medium-term training so our people can refine their skills. Self-declaration sheets (see example on left) cover a wide range of issues that employees may want to share with management to better themselves in terms of their work, health, and even post-retirement housing. Supervisors interview employees based on self-declarations, sharing information on specific support measures so employees can pursue self-actualization and grow.

We believe that this system will improve motivation and work awareness among all employees and allow us to build strong bonds between them and the Company to foster mutual growth.

Open Communication



▼ Human Resources Department Express

Human Resources Department Express is a section in our self-declaration sheets. Employee statements in that section bypass supervisors and go directly to the Human Resources Department. This enables employees to communicate about matters that they do not wish to tell their supervisors or express their opinions about our human resources management.

This tool is useful for understanding employees' issues.

▼ Communicating with the Labor Unions

Labor–management conferences and reporting meetings are other tools for communicating with employees. We convene these conferences as needed to deliberate on important matters. We maintain the Working Hours Management Committee and the Safety and Health Committee, which meet twice annually and whenever anyone wants them to convene to talk about problems and issues.

The minutes of these meetings, including questions and answers, are available to all employees. Disclosure standards are very high. For example, the minutes include details of discussions about working hours surveys designed to safeguard employee health and about the framework in which industrial physicians cooperate with the Company. We believe that it is important to ensure information transparency about corporate developments and working conditions to improve labor–management communications.

We hold numerous labor–management reporting meetings each year to discuss such diversified topics as Group and business unit policies. We also disclose these meeting minutes to help employees understand policies in other business units. Such communications between labor and management maintain a desirable level of tension between the two sides while helping build trust and cooperation.

Open communication



Shinji Kamiakutsu
Employee Relations Group
Director, Human Resources
Department

Open communication is an important issue for the DAIICHI SANKYO Group as it seeks to disseminate a new corporate culture. We have many opportunities to pursue that goal.

One distinctive practice is that we provide special communication opportunities five times annually for supervisors and subordinates, including through the self-declaration sheet.

We also have programs to enhance dialogue between the president and employees, management and the labor unions, and between employees. These systems play important roles in encouraging employees to participate more fully in corporate management and achieve self-actualization, improve work environments, and build good human relationships in workplaces.

Creating a new corporate culture through open communication

Global Pharma Innovator





Special Feature

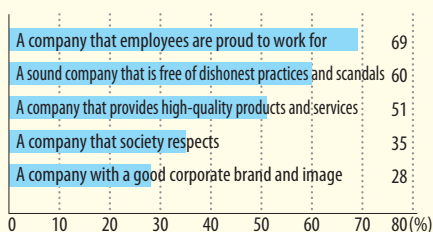
Communicating with Employees

Questionnaires are effective and convenient communication tools for understanding employee opinions and suggestions.

Results of CSR awareness survey in June 2007

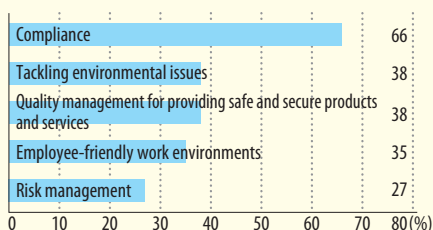
In a survey about what they hoped DAIICHI SANKYO to become through its CSR endeavors, three answers received the greatest employee support, as shown below.

■ What kind of company do you wish DAIICHI SANKYO to become through its CSR endeavors (you can choose up to three answers)?



In addition, when we asked the employees to name our most important CSR issues, they cited compliance, followed by the environment and quality management for providing safe and secure products and services.

■ Top CSR issues (you can choose up to three answers)



▼ Broadly Soliciting Employee Opinions

It is a key corporate management issue to solicit and properly understand the opinions and requests of employees and undertake improvements. We strive to identify employee opinions that daily internal communications do not normally reveal.

We distribute questionnaires through our intranet that minimize the burdens on respondents. Relevant business units thoroughly analyze the answers so we can reflect the results in future strategies as much as possible. We strive to understand opinions and requests and improve where necessary.

▼ Gathering Internal Opinions on CSR

We pursue CSR as an important Group management priority. Employees implement CSR policies, so it is vital to measure their awareness and opinions on CSR. We conducted the CSR Awareness Survey in June 2007 for Group directors and employees (including contract workers, temporarily transferred employees, and temp staffers). The response rate was 70.9% (see left).



Respecting All Opinions



▼ Applying PDCA to Collected Opinions

We implement CSR initiatives that reflect opinions that we gather through questionnaires. For example, employees particularly want DAIICHI SANKYO to prioritize social welfare, environmental protection, and medical and pharmaceutical science and research in our contributions to society. We have strengthened compliance (see Compliance on page 28) to attain high ethical standards and amply fulfill our social responsibilities in keeping with the nature of our business. Initiatives have included distributing a compliance guidebook, and providing training that is specific to job categories and workplaces.

▼ Improving Communication to Build Open Workplaces

We conducted a compliance awareness survey in February 2008 for Group directors and employees. The 92.4% response rate and the answers revealed that employees are very interested in and committed to compliance. Many responses answered that better communication and open workplaces would be the best way to embed compliance in the corporate culture effective (see right).

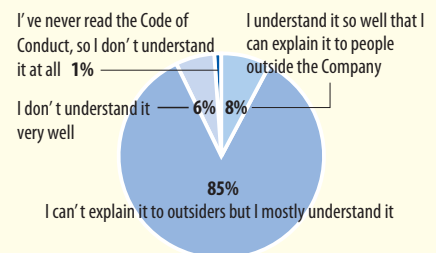
The survey findings prompted us to make “Open Communication” our slogan for fiscal 2008, in line with which we present compliance cases and hold training sessions in each Group workplace at least once semiannually.

We will continue to reflect employee opinions in our operations to build better workplaces and contribute more to society.

Results of employee compliance awareness survey in February 2008

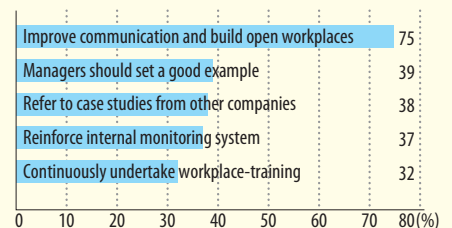
Asked about their compliance awareness, 93% of employees responded that they broadly understand the standards of our Code of Conduct for Compliance.

■ Do you understand our Code of Conduct for Compliance?



Asked what they considered the best way to embed compliance in the corporate culture, 75% of employees answered that better communication and open workplaces would be most effective.

■ What is the best way to embed compliance in the corporate culture (you can choose multiple responses)?



Environmental Communication

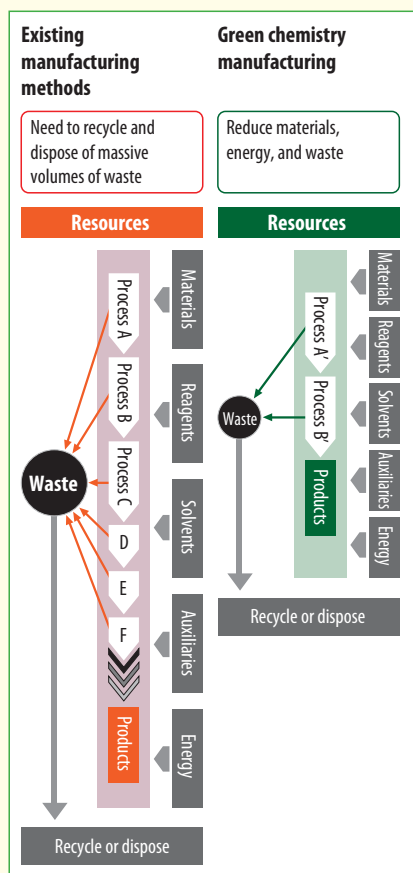
We adopted environmental impact assessments employing Green Chemistry concepts in R&D evaluation systems for our pharmaceutical manufacturing processes.

We aim to reduce our environmental impact while engaging in extensive internal dialogue about environmental issues.

Green Chemistry

The U.S. Environmental Protection Agency developed the principles of green chemistry, which entails using chemical techniques to reduce, eliminate, or generate materials, products, byproducts, solvents, and agents that are hazardous to human health and the environment.

Green chemistry overview



▼ A Central Theme of Coexisting with the Global Environment

Because the Group is part of an industry that directly affects people's lives, a prime management challenge is to prioritize safeguarding the environment that is the foundation for all aspects of life. Pharmaceutical manufacturing processes inevitably burden the environment because they use chemicals and organic solvents, generate liquid wastes, and consume energy. The restrictions of the Pharmaceutical Affairs Law mean that once full-scale production starts it takes a lot of time and effort to alter drug manufacturing processes.

It is thus important to research and develop these processes while evaluating their effects to reduce future burdens on the environment.

▼ Fostering Dialogue through Environmental Impact Assessment Indices

We are striving to create our own environmental impact assessment index under our mid-term environmental management plan so we can use green chemistry to lower our ecological impact. To date, we have mainly evaluated quality and costs in choosing production processes. We plan to adopt additional green chemistry-based assessment elements that encompass safety, disposal, material attributes, and using reagents effectively. Incorporating an environmental impact assessment index in our R&D evaluation system has enabled us to factor in our footprint in synthetic route research and discuss ways to be more considerate about nature and the environment.

▼ Progress in Environmental Impact Assessments

We divide our manufacturing process R&D into the synthetic route research and industrial production research stages. We have used environmental impact assessments based on green chemistry principles from the synthetic route research stage. In fiscal 2007, we expanded this approach to industrial production research and undertook suitable environmental impact

Contributing to Sustainability



assessments, notably to calculate the use of regulated substances and actual carbon dioxide emissions. We are still working on improvements, and we plan to fully apply our approach in fiscal 2008. We have steadily progressed with manufacturing process R&D to further reduce environmental impact.

▼ Environmental Impact Assessments at Synthetic Route Research stage

We assign scores to environmental emission volumes and toxicity data, determine risks based on data in hazardous substance handbooks, and evaluate energy consumption under extreme operating conditions. We assess the scores for all these activities and use four-axis assessment (see diagram on right) to choose synthetic routes offering lower environmental impacts.

▼ Environmental Impact Evaluations at Industrial Production Research Stage

We score the safety and toxicity of solvents and reagents, operation conditions, recovered solvent methods, and liquid waste disposal methods. As shown below, we can calculate what approaches help reduce environmental impact, calculating the E factor (total waste per kilogram of product) and carbon dioxide emissions for each assessment item.

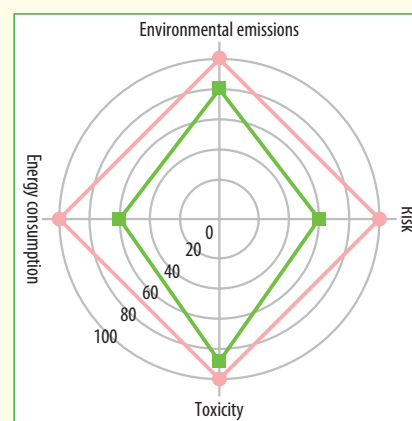
Example of environmental countermeasure research in fiscal 2007

Impact factor	Assessment item	Process before improvements		Process after improvements	
E factor	Organic solvent	59	100	43	84
	Water	33		33	
	Reagents and intermediates	8		8	
Carbon dioxide emissions	From waste liquid	18	100	14	51
	Fuel	82		37	

E factor and carbon dioxide emissions reduced 16% and 49%, respectively

Note: The conversion values for the E factor and carbon dioxide emissions before process improvements were 100.

The four axes of environmental impact assessment



The smaller the area inside the lines, the lower the environmental impact of a manufacturing technique

Deploying environmental impact assessments transformed manufacturing process research perspectives



Jun Morimoto
Synthetic Chemistry
Research Group VI
Director, Process
Technology Research
Laboratories

Our laboratories comprehensively assesses and explores ways to reduce the environmental impact of manufacturing processes.

Deploying these assessments has transformed employee perspectives on quality and costs, as well as the importance of the environment.

Communicating with Society

We fulfill our roles and responsibilities as a good corporate citizen by engaging in diverse social contribution activities as part of our CSR commitment.

Relay for Life 2007 in Tokyo

The themes of the Relay for Life campaign are that cancer never sleeps and that cancer sufferers battle their disease around the clock. The campaign aims to raise cancer awareness and donate to the organizations of victims through a 24-hour walk. We participated in the 2007 event at Tokyo's Museum of Maritime Science on September 29 and 30.



Balloons of Hope Click Donation Campaign

Through this program, we collaborate with consumers to create a better society.



<http://www.daiichisankyo.co.jp/csr/clickdonation/index.html> (in Japanese only)

▼ Good Corporate Citizenship

We benefit society by drawing on our unique capabilities as a pharmaceuticals maker of providing hope by contributing to life and science (see Serving Society on page 39). We communicate closely with society and meet its demands and expectations by employing expertise and technologies from our business. Employees engage in voluntary and collaborative initiatives to identify and respond to social needs.

At the Relay for Life 2007 campaign of the Japan Cancer Society, 34 employees and their families created a 24-hour relay team. We were also part of the executive committee, and had a booth as one of the sponsors.

We endeavor to collaborate with consumers through our website, as part of which we are sponsoring the Balloons of Hope donation campaign. People can click to donate funds and send support messages to one of three organizations, which are Médecins du Monde Japan, Plan Japan, and the World Wide Fund for Nature Japan.

▼ Collaborating with Non-Profit and Non-Government Organizations to Resolve Social Issues

Diverse expertise is essential to plan and execute initiatives to broaden social contribution efforts to encompass fund-raising through voluntary and collaborative initiatives. We thus began working with non-profit and non-governmental organizations that can undertake innovative and swift initiatives to tackle social issues that governments and companies have failed to identify.

Providing Hope



▼ Collaborating with The Wellness Community Tokyo

In fiscal 2007, we started a partnership with The Wellness Community Tokyo. We have previously assisted that non-profit organization as a sponsor and by providing facilities for patient support activities. We launched the Rainbow campaign in fiscal 2008 as part of our commitment to creating a society that offers hope and better living to cancer sufferers. The campaign reaches out to cancer patients, their families, and the medical professionals who serve them.



Rainbow Campaign Highlights

The Sixth Active Patient Forum (June 21, 2008)

This collaborative forum featured lectures from medical specialists and panelist responses to questions from attendants. The event helped the 385 participants to deepen friendships. There were 38 Group representatives at the forum, including 18 volunteer organizers and 20 in the audience.



DAIICHI SANKYO PROPHARMA Hiratsuka Factory Visit (July 4, 2008)

The Wellness Community Tokyo brought 28 people to tour the factory, including members, their families, and staffers from that organization. They saw how we manufacture Mevalotin and package Loxonin. We received many compliments from tour members, one of which was, "I feel safe knowing that my medicine is made at a factory as good like this. Thank you!"



The Wellness Community Tokyo Activities Visit (scheduled for September and November 2008)

To better understand cancer patient support activities and strengthen friendly ties with The Wellness Community Tokyo, Group employees will participate in some of that organization's activities, including Zen meditation sessions and Yoga and herbal treatment classes.

What I hope to see from the DAIICHI SANKYO Group



Kenichi Oi

Program Director, The Wellness Community Tokyo, dentist and certified psychologist with the Japanese Psychological Association, and part-time lecturer at Kyushu Junior College of Kinki University and the National Defense Medical College

First and foremost, I would like the DAIICHI SANKYO Group to create drugs that treat specific problems of patients in keeping with its message of creating hope in patients' lives. I would like the Group to work as a good corporate citizen with cancer patients, their families, and the medical professionals who serve them to help transform society.

About The Wellness Community Tokyo

This organization was established in 2001 to provide psychosocial support to cancer patients and their families. It employs the Patient Active, in which patients become part of the recovery battle, and engages in such activities as managing support groups, offering autogenic training programs, holding regular and Zen meditation classes, and providing medical information and second opinion advice. This organization has more than 1,400 members nationwide.



Recommendations of Corporate Social Responsibility Report 2007 Reading

We convened a 2007 CSR Report Reading session to assess whether this communication tool properly informs stakeholders.



Overview of 2007 CSR Report Reading

There were two activity phases, the first being for stakeholders to read the report and the second being to engage in dialogue.

1. Questionnaire

We publicly solicited participants in March 2007. We sent copies of the report to 159 volunteers and received 123 responses.

Sample questions

Were the articles easy to understand?

	No Generally Very				
	1	2	3	4	5
Overall evaluation	0%	5%	30%	41%	24%
Top Interview	1%	7%	29%	22%	41%
Special Feature	1%	3%	25%	32%	39%
Corporate Social Responsibility	2%	10%	32%	30%	26%
Social Activities Report	0%	4%	38%	24%	34%
Environmental Report	2%	13%	29%	32%	24%
Group Vision and Business Overview	2%	8%	37%	30%	23%

2. Stakeholder dialogue

We invited 11 of the 123 respondents to a stakeholder dialogue session

Date:	May 23, 2007
Place:	Shinagawa R&D Center
Time:	2:00 to 5:00 p.m.
Agenda:	Presenting questionnaire results and opinions
	Dialogue session
	Shinagawa R&D Center tour

▼ 2007 CSR Report Reading Stakeholder Dialogue

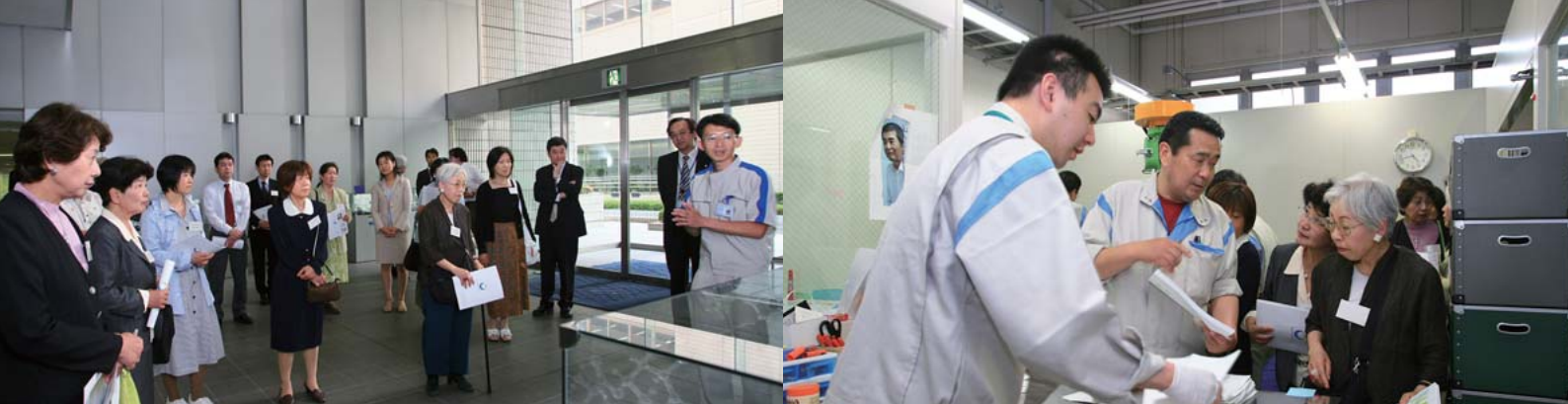
In the dialogue session, participants identified overall assessment trends from the questionnaire responses. We divided attendees into two groups to explore issues and problems. We created themes for both groups, who exchanged views with DAIICHI SANKYO employees.

Group A

Theme: Creating a better report

- It would be better to clarify editorial policy and target readers.
- Did not understand some terms that were either technical jargon or foreign words.
- It would have been better to include some information from the company's website in the report.
- It was hard to read because the text size was too small. But the paper, colors, and photographs were attractive.
- The contents should have been more focused and easier to read.





Group B

Theme: Making the report easier to understand

- Would like the table of contents to more clearly present contents for readers.
- It would be better to mention more specific recycling activities that the company has undertaken to contribute to society.
- It was hard to understand the main point of report, as the structures of most pages were similar.
- Should avoid using vague expressions like “appropriate response” and present more concrete measures.
- How about producing several stakeholder-specific reports?
- There should be more information on the Group’s overseas network.



Participants’ comments

- I hope the company uses today’s suggestions to produce a better CSR report this fiscal year.
- The general public knows little about what pharmaceuticals companies do. Still, the industry is a popular career choice among young people, and the prospect of entering it motivates them to learn. I would appreciate the company communicating more with children, such as by distributing videos on the Internet.
- The dialogue was a little too short.
- I sensed that employees were passionate about seeking external opinions to improve the CSR report.

Toward the next fiscal year



Yutaka Hosoya
Vice President, CSR
Department

This was our first stakeholder dialogue session to involve consumers. I initially had mixed feelings about hearing directly from such people. But the experience was actually very useful because we received many valuable opinions and insights that we insiders had not considered. I would like to reflect as many of these opinions as possible in the fiscal 2008 report

We would like to continue organizing such sessions to solicit broad consumer feedback so we can improve disclosure.

DAIICHI SANKYO Group at a Glance

“Global drug-discovery-oriented company”
Realization of Global Pharma Innovator

● Mission

To Contribute to the Enrichment of Quality of Life around the World through the Creation and Provision of Innovative Pharmaceuticals

● Corporate Slogan and Statement

Creating hope in patients' lives

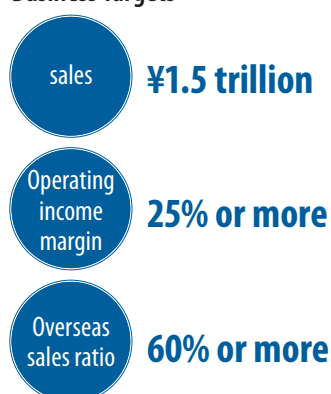
We are a global leader in pharmaceutical innovation, dedicated to improving health and adding to the balance of life for patients worldwide. By continuing to improve our research and development processes, we strive to discover and develop new therapies that address unmet medical needs. We take our responsibility to our patients seriously, and we are committed to being a trusted partner in helping patients focus on improving their health so they can better balance their lives. At DAIICHI SANKYO, we do more than develop pharmaceuticals; we create hope in patients' lives.

● Vision

Realization of Global Pharma Innovator

By 2015, we aim to maintain business units in key areas around the world and innovate and supply pharmaceuticals

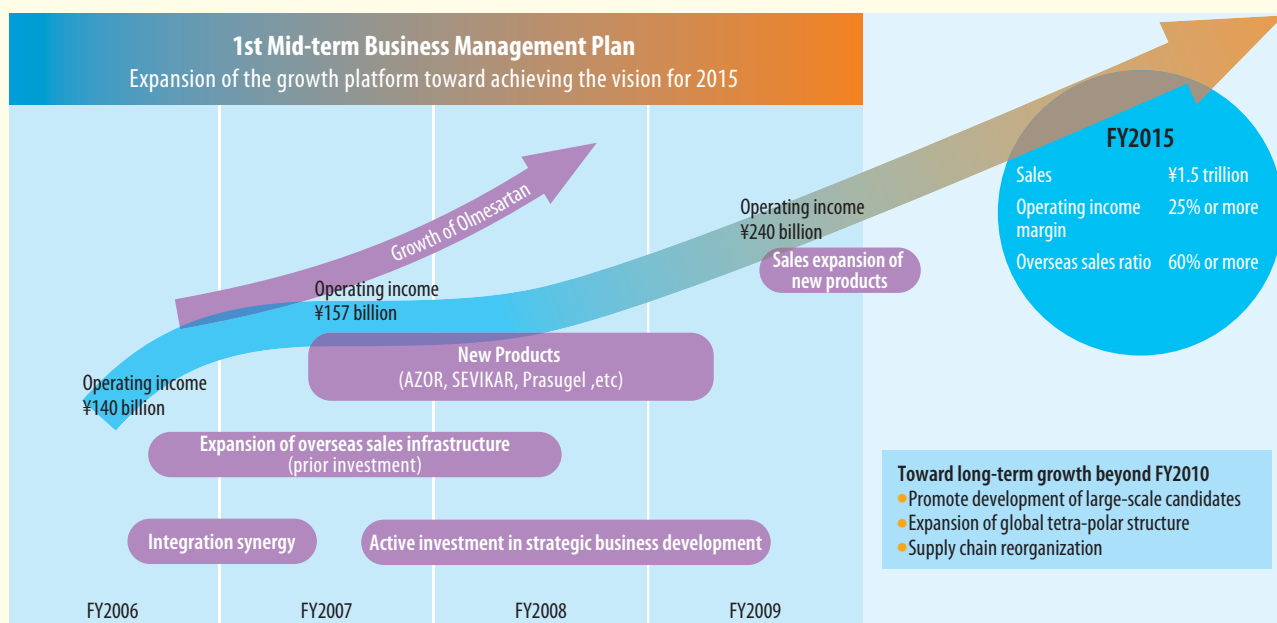
Business Targets



Prime disease treatment priorities of our research and development program

We are building a world-class pipeline of treatments for thrombotic disorders, diabetes, cancer, autoimmune diseases, and rheumatoid arthritis.

● Process Toward the Achievement of Vision 2015



● Global Network (As of June 30, 2008)



● Operating Overview



Earning Social Acceptance for Our CSR Efforts

Group CSR Policies

The DAIICHI SANKYO Group's Corporate Social Responsibility initiatives aim to balance and enhance its social, economic, and humanistic corporate values.

CSR is a key Group management focus. We will push forward from economic, social, and environmental perspectives to attain high standards and thereby contribute to sustainability.

The Group will thus maintain social trust and achieve ongoing progress.

● CSR Structure

We established the CSR Department in line with our full integration. The department oversees Group compliance, risk management, environmental management, and social contribution initiatives. It formulates related plans, provides support, and monitors progress.

We reinforced our CSR programs by forming the Corporate Ethics Committee, the Environmental Management Committee, and the Social Contribution Committee.

● Standards of Conduct toward Stakeholders

The Group Corporate Conduct Charter and the Code of Conduct for Compliance at each Group company govern our treatment of stakeholders.

Extracts from Group Corporate Conduct Charter

Article 2 We will carry out our corporate activities in a fair and transparent manner and maintain a healthy and normal relationship with our stakeholders.

Article 3 We will actively communicate with our stakeholders by disclosing corporate information in a timely and appropriate manner in accordance with the principles of corporate accountability.

<http://www.daiichisankyo.com/corporate/compliance/charter/index.html>

Extract from Code of Conduct for Compliance

Chapter 3 Relationships with Stakeholders

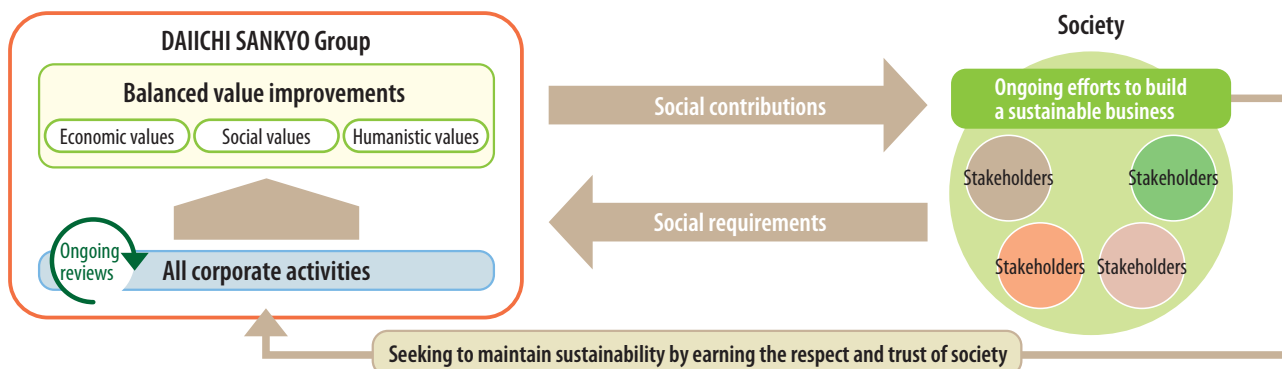
We will communicate extensively with stakeholders to build fair and positive ties. We will fulfill our duty to properly disclose corporate information.

Chapter 4 Good Corporate Citizenship

We will help create a sustainable society by engaging in activities to contribute to society and safeguard the environment.

<http://www.daiichisankyo.co.jp/corporate/compliance/kijyun/index.html> (in Japanese only)

● Our CSR PDCA Cycle



● CSR Initiatives and Objectives

			Fiscal 2007 initiatives and achievements	Fiscal 2009 targets	Page no.
Economy	Sales		¥880.1 billion	¥960 billion	24
	Operating income margin		17.8 %	25%	24
	Overseas sales ratio		40.8 %	More than 40%	24
	Stable supplies of high-quality pharmaceuticals	Business continuity planning	<ul style="list-style-type: none"> Formulated business continuity plans that focus on supply chain disruptions from major earthquakes and other disasters 	<ul style="list-style-type: none"> List important risks of management and each business unit and share with management Clarify risk response policies Implement response policies according to schedule 	30
Society	Corporate governance		<ul style="list-style-type: none"> Established internal auditing system in line with Japanese version of Sarbanes Oxley Act 	<ul style="list-style-type: none"> Ensure compliance and flexible Board of Directors oversight 	27
	Compliance		<ul style="list-style-type: none"> Determined compliance programs for integration company Deployed DAIICHI SANKYO Compliance Structure, including for domestic group companies 	<ul style="list-style-type: none"> Implement companywide compliance program policies and plans 	28 and 29
	Employees	Human rights	<ul style="list-style-type: none"> Produced and disseminated work rules and guidelines that factor in human rights 	<ul style="list-style-type: none"> Achieve global focus on human rights Provide fair assessments and treatment that reflect roles and achievements 	31 to 36
		Cultivating human resources	<ul style="list-style-type: none"> Deployed new personnel and employee cultivation programs 	<ul style="list-style-type: none"> Define and bolster a human resources system based on roles and achievements Arrange personnel and human resources cultivation programs that reflect individuality and business goals achievement 	
		Programs to balance work and private life and other initiatives	<ul style="list-style-type: none"> Started work-life balance day Launched programs to help employees balance work and child-raising 1.7% of our employees were physically or mentally challenged 	<ul style="list-style-type: none"> Continue to review and improve work-life balance support program Provide support for child-raising Implement preventive physical and mental health measures Raise percentage of physically or mentally challenged employees to more than 2.0% Step up measures to shorten working hours 	
	Shareholders		<ul style="list-style-type: none"> Formulated disclosure policy Distributed shareholder questionnaire Achieved total return ratio of 85.6% 	<ul style="list-style-type: none"> Approach existing and new shareholders more proactively than in fiscal 2007 Generate a total return ratio exceeding 100% 	37
	Suppliers		<ul style="list-style-type: none"> Established procurement policies Held meetings to explain procurement policies 	<ul style="list-style-type: none"> Build companywide procurement strategy and build procurement foundations Make procurement processes more transparent Ensure procurement compliance 	38
	Social contribution activities		<ul style="list-style-type: none"> Established foundations for social contribution rules, social contribution committee structure, and implementation methods Created process to screen donation requests 	<ul style="list-style-type: none"> Produce and implement comprehensive social contribution activities program Improve evaluations of targets of our social contribution activities 	39 and 40
Environment	Combating global warming	Factories and R&D centers	<ul style="list-style-type: none"> Carbon dioxide emissions: 181,624 metric tons 	<ul style="list-style-type: none"> Reduce to 4% below fiscal 2007 level 	47 and 48
		Offices	<ul style="list-style-type: none"> Carbon dioxide emissions: 4,836 metric tons 	<ul style="list-style-type: none"> Reduce to 7% below fiscal 2007 level 	
		Company vehicles	<ul style="list-style-type: none"> Carbon dioxide emissions: 8,655 metric tons 	<ul style="list-style-type: none"> Reduce to 10% below fiscal 2007 level 	
	Recycling contributions	Waste management	<ul style="list-style-type: none"> Final disposal divided by total amount generated: 1.28% 	<ul style="list-style-type: none"> Reduce to between zero and 1% 	49
		Chemical substance management	<ul style="list-style-type: none"> Atmospheric discharges of PRTR* substances: 151.3 metric tons 	<ul style="list-style-type: none"> Reduce to 4% below fiscal 2007 level 	50
	Environmental communication		<ul style="list-style-type: none"> Undertook environmental education activities Held environmental explanation meetings 	<ul style="list-style-type: none"> Continue to identify CSR demands of society and other stakeholders and create analytical framework Employ information obtained to produce framework for reflecting it in CSR policies and measures 	51

*PRTR = Pollutant Release and Transfer Register

Foundations for Fulfilling Social Responsibilities

● Corporate Governance

In addition to creating a management structure that can respond speedily and flexibly to changes in the business environment and ensuring legal compliance and transparency in management, DAIICHI SANKYO have strengthened oversight of management and conduct of operations. Our key aim is to maintain an environment responsive to the trust of our stakeholders, especially our shareholders.

In concrete terms, the board members' term of office is set at one year to clarify management responsibility and to create an optimal system that can respond swiftly to changes in the business environment. In addition, four of our ten Directors are appointed from outside the Group to strengthen oversight of all aspects of corporate administration and to ensure management transparency.

Furthermore, DAIICHI SANKYO employs a Corporate Officer System, under which the Board of Directors appoints Corporate Officers responsible for the conduct of corporate affairs for a one-year term of office. The Corporate Officers are in charge of specific aspects of corporate administration under the control and supervision of the President. Those appointed as Corporate Officers have a high level of expertise in their relevant business fields.

With regard to audits, the Company has adopted a corporate auditor system, under which the Board of Corporate Auditors, comprising four Corporate Auditors, including two Outside Corporate Auditors, audits the legality and soundness of the

management.

To make our management more transparent, we have voluntarily established a nomination committee and a compensation committee, delegated by the Board of Directors, to discuss matters such as personnel affairs and remuneration of Directors and Corporate Officers. Outside Directors are in majority in both committees.

Our Business Report and Securities Report disclose director remunerations, which totaled ¥434 million yen in fiscal 2007. This amount included ¥70 million for external directors. Corporate auditors received ¥111 million, with ¥40 million of that going to external auditors.

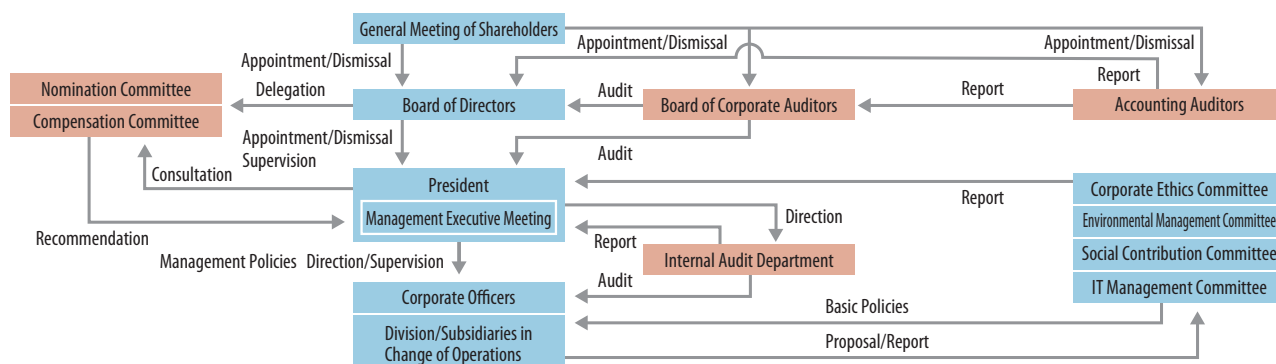
● Decision-Making Process

The Board of Directors makes important management decisions. In line with our approval rules, we delegate decision-making on operational implementation to the relevant business heads below the president, including executive officers. The Management Executive Meeting advises the president on particularly important matters. This body gathers once weekly, in principle, to ensure that we can respond flexibly to changes in the operating climate.

● Roles of Corporate Auditors

Under our Corporate Auditor System, each Corporate Auditor contributes to sound and sustainable management by attending important meetings,

Governance Structure



including meetings of the Board of Directors and the Management Executive Meeting. These auditors give opinions at such gatherings in line with our Corporate Auditor Audit Standards, verify reports from Directors, employees and other officials, and assess the Company's business and property.

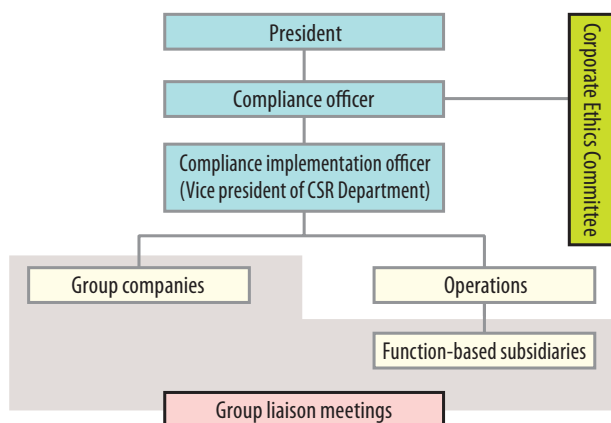
The Internal Audit Department checks our compliance, risk management, internal control, and other system according to audit plans.

● Compliance

Compliance is a top priority for management. We define compliance as observing the law and corporate ethics standards, and we aim to earn the trust of society accordingly. We therefore issued our Compliance Declaration in September 2005. We also had all Group companies adhere to the Group Corporate Conduct Charter to ensure that they fulfill our mission. At the same time, we updated our Code of Conduct for Compliance to provide specific compliance and implementation standards for each Group company under the spirit of that code.

Compliance Structure

The compliance officer oversees our compliance program and chairs the Corporate Ethics Committee, which decides on compliance issues. The CSR Department head produces, implements, and oversees compliance programs. Business unit heads run compliance programs. CSR Department hold Group compliance liaison meetings to share information.



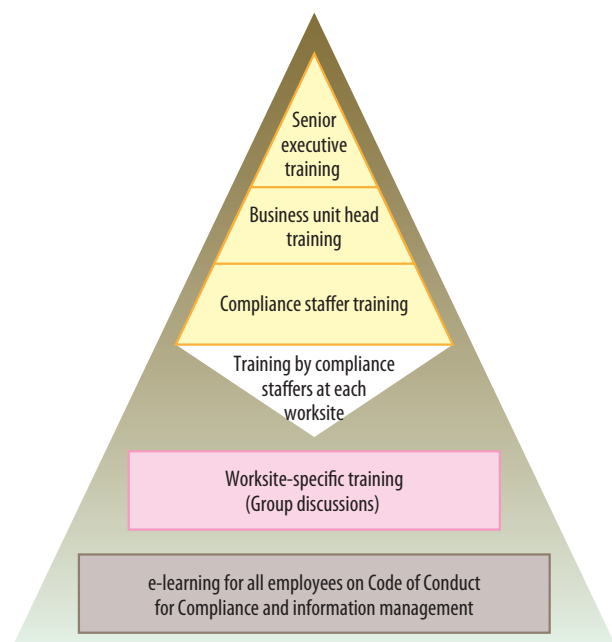
Compliance Program Progress

Domestic Group companies deployed compliance programs in fiscal 2007 that encompassed making structural arrangements, formulating Code of Conduct for Compliance and educational plans, and setting up internal reporting systems. All Group business units produce targets, structure, training plans, and schedules, with some of them autonomously providing video-based training programs.

Compliance Training and Enlightenment

In fiscal 2007, we implemented seminars from external experts for senior executives and business unit heads. We also conducted business unit staff to train the member of each workplace. The training has deepened compliance knowledge and awareness through group discussions of worksite risks and issues, helping enhance communication in workplaces.

All employees take two e-learning classes annually to increase understanding of our Code of Conduct for Compliance and information security requirements. We maintain an intranet portal that offers simple compliance tips and otherwise disseminate information on compliance issues.



Foundations for Fulfilling Social Responsibilities

● Specific Compliance Initiatives and Systems

R&D Compliance

The mandatory Good Laboratory Practices and Good Clinical Practices standards include compliance requirements in R&D, including for bioethics and animal testing. We accordingly maintain ethical guidelines and rules and extensively educate our R&D people in compliance to ensure that they follow the highest ethical standards.

Bioethics

We formulated Instructions on Bioethics for Human Tissue or Other Human Material Research and established the Ethical Evaluation Committee.

The committee comprises men and women. Some members are external, most of them being academicians from the humanities and social sciences and members of the general public.

Animal Experiment Guidelines

We formulated Rules for Animal Testing. We base our rules on the principles of replacement (applying alternative testing methods), reduction (in the number of animals used), and refinement (minimizing pain and suffering) to ensure acceptable experimentation.

Promotion Code

Our MRs act in keeping with the Pharmaceutical Affairs Law, fair competition regulations, and a pharmaceuticals promotion code.

Our branches hold monthly promotion code compliance meetings at which fair competition rules officials discuss cases and feed back information to medical representatives and our divisions.

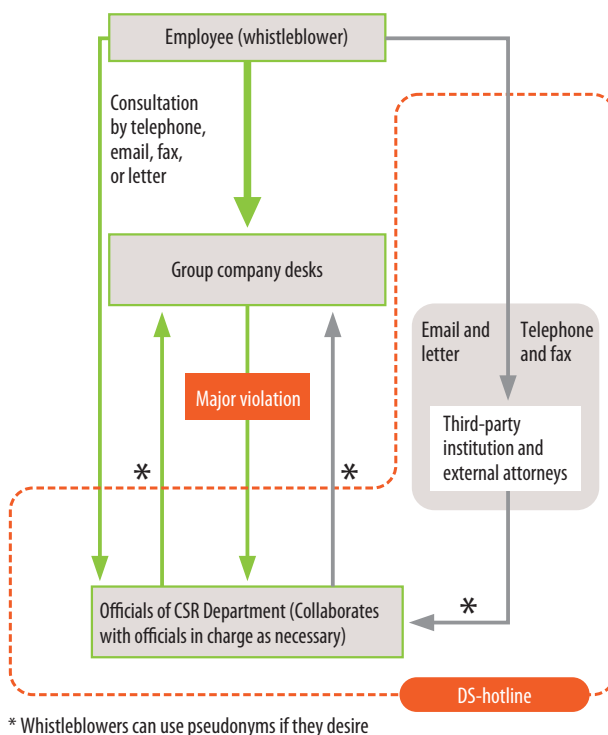
Corruption and Graft Prohibitions

Our Code of Conduct for Compliance prohibits acts that would sow social doubt and distrust, notably offering domestic and overseas civil and quasi-civil servants gifts or bribes for their private gain. We

also forbid our people to provide entertainment to or bribe officials of public hospitals or other medical practitioners, with whom there are especially frequent opportunities to do business.

Whistleblower System

Each of our domestic Group companies established desks to handle whistleblower cases in keeping with the Whistleblower Protection Act, which the Japanese government implemented in April 2006. We also run the DS-hotline, which serves the entire Group. The DS-hotline consists of officials from our CSR Department, third-party institution, and external attorneys, and makes it easier for employees to discuss their concerns. On receiving reports of compliance violations, Group company whistleblower desks and the DS-hotline maintain the confidentiality of employees providing such information and otherwise protect them.



Global Compliance Program

Group companies overseas have established codes of conduct based on our compliance and ethical requirements in light of national laws and ordinances and cultural norms.

In the United States, for example, even the families of DAIICHI SANKYO, INC., employees can access an internal whistleblower hotline. It also produces compliance awareness materials for employee families that it distributes every year.



Hotline poster and compliance materials from DAIICHI SANKYO, INC.

● Risk Management

Risk Management Policy

Risk management is a top management priority as we pursue sustainable progress under our corporate mission. We are equipped to capably address the underlying risks of our business activities and minimize the human, social and corporate impacts of crises.

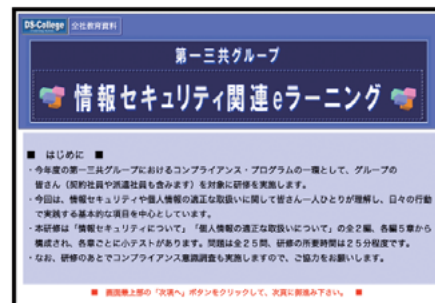
Group risk management focuses on factors that prevent us from attaining our organizational goals. The CSR Department's tasks include providing information on procedures for identifying, specifying, analyzing, and assessing underlying risks and for responding to them (by retaining, reducing, avoiding, or shifting risks). Another role of the department is to oversee risk education and enlightenment.

● Specific Risk Management Initiatives

Safeguarding Personal Information and Reinforcing Information Security

Domestic Group companies distribute cards to employees that provide emergency contact details if they lose PCs. We also give them procedural manuals if they lose personal information. Such tools help strengthen information management and awareness of contact routes. We also provide e-learning on information security, with 9,517 domestic Group employees (99.3% of all employees).

The e-learning is part of ongoing efforts to improve information security and properly handle personal data. Unfortunately, there were three cases of personal information leaks or PC losses in fiscal 2007. We take such cases seriously, and have taken steps to prevent recurrences, including by monitoring suppliers, and maintain social trust.



A page from our e-learning program for information security

Business Continuity Planning

A pharmaceuticals company's business is about preserving lives, so an inability to supply drugs would have incalculable social consequences.

Our mission is to Contribute to the Enrichment of Quality of Life around the World through the Creation and Provision of Innovative Pharmaceuticals. So, in fiscal 2007 we formulated business continuity plans in fiscal 2007 to prevent major earthquakes from disrupting our supply chain. In fiscal 2008, we will apply policies from that initiative to our logistics centers, factories, and other business sites.

Fostering Employees

● Human Resources Vision and Responsibilities

We are pursuing our mission and vision of becoming a Global Pharma Innovator. We are also endeavoring companywide to look after human resources better in line with our corporate values. We respect the individuality of each employee and foster our people in keeping with “Our Values and Commitments” of innovation, integrity, and accountability. We believe that cultivating professionals through personnel management enables us to apply our mission and fulfill our management mission. We thoroughly implement the Human Resources Management Policy shown below so we can enhance employee skills and our competitiveness.

Human Resources Management Policy

We develop and reward professionals who achieve excellent performance and help optimize organizational performance.

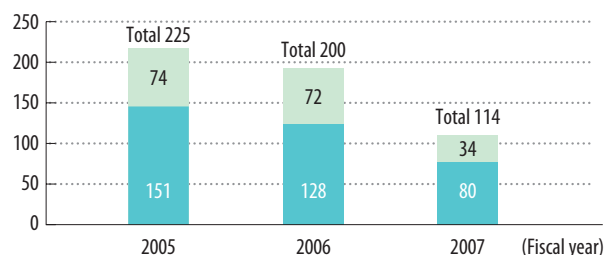
● Safeguarding Human Rights

We respect employee diversity and human rights. Our Corporate Conduct Charter underpins our domestic and international activities, stating that, “We will respect diversity in the personal values and qualities, and individuality of our employees, and will maintain a pleasant working environment that is safe and proper.” Our work rules and guidelines prohibit all discrimination, child and forced labor, sexual and power harassment, and enshrine fair evaluations and treatment in keeping with employee roles and achievements. We treat violations severely. We concluded a labor agreement with our Workers’ Union that guarantees the right of employees to organize and engage in collective bargaining and action. We also assure the rights of employees by discussing and addressing many labor–management issues in keeping with the policies of the International Labour Organization.

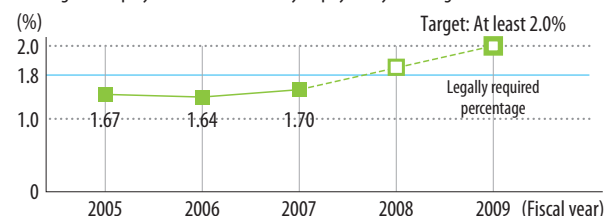
We maintain harassment consulting desks for employees within human resources offices, business sites, the Workers’ Union, and externally.

● No Discrimination

Numbers of graduates hired ■ Male ■ Female



Percentage of employees who are mentally or physically challenged



Fiscal 2007 employment highlights

Number of physically and mentally challenged people hired	14
Temporary workers as percentage of total	8.9%
Number of female managers and percentage of all managers	33 2.0%

We do not employ or treat our employees on the basis of gender, age, nationality, faith, or physique. We respect the personality and individuality of each employee, creating workplaces in which diverse people can demonstrate their talents and work with pride. Our retirement age is 60, but in principle we reemploy all our workers seeking to stay with us so we can retain their experience and capabilities.

Domestic Group companies and DAIICHI SANKYO HAPPINESS Co., Ltd. (a special subsidiary that we created in line with the Disabled People Employment Promotion Act) engage in ongoing efforts to lift the employment of physically and mentally challenged people to the legally required ratio. We create working environments that cater for these people to foster the spirit of normalization among all employees.

● Personnel Systems and Human Resources Development

We maintain personnel systems that handle and cultivate employees in keeping with our human resources management policy. Our systems ensure that employees always act in line with our compliance requirements and maintain frameworks that allow us to optimally foster professionalism.

Approach to Human Resources Development

The Group undertakes all human resources initiatives needed to foster personal growth through work.

We motivate individuals to identify and meet new challenges of their own accord.

We offer two types of individual growth support.

The first is that we assist employees to develop their careers within our organization. The second is that we help our people gain the professional qualifications they need to reach their business goals.

We incorporate these two elements in groupwide personnel management policies (see chart below) and additionally deploy comprehensive personnel management initiatives that are specific to worksites and Group companies.

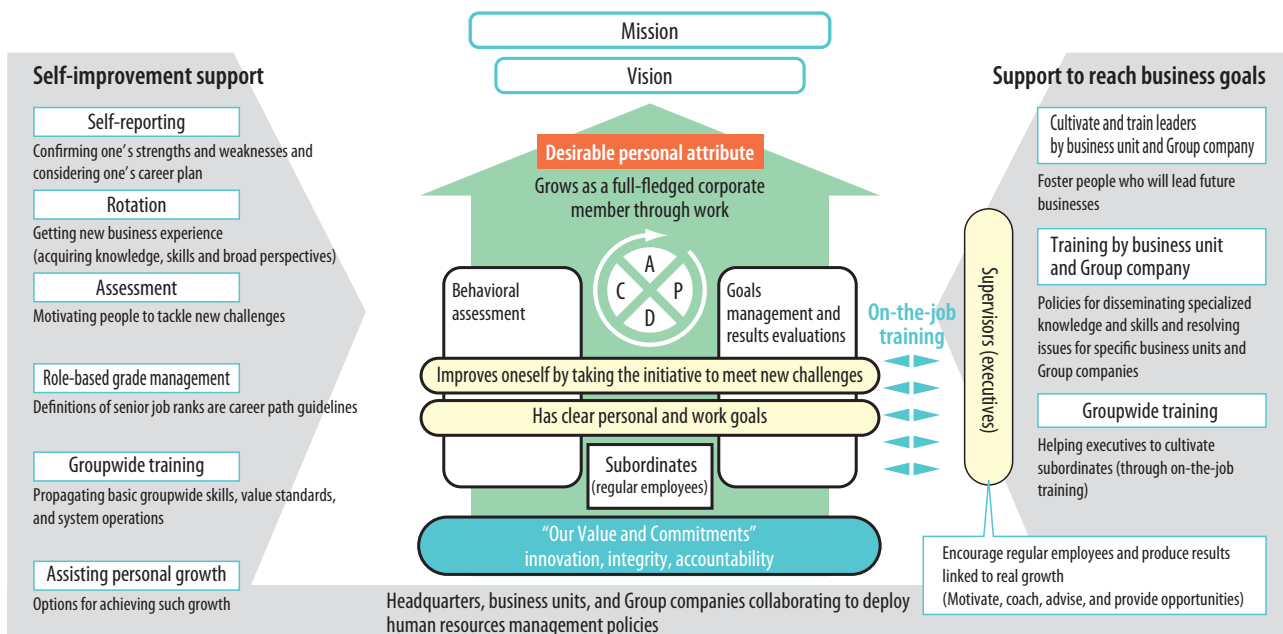
● Training Course Details and Attendance Data

We maintain high standards of professionalism in keeping with our position as a creator of pharmaceuticals that affect human lives. Each business unit accordingly offers on-the-job and specialized training that is essential to improving knowledge and skill levels. We also conduct groupwide training to reinforce role awareness in each job category and ensure that our people understand the perspectives and knowledge that they need to fulfill their roles under our personnel system. We accordingly provide young leaders and executives with courses that help them to master the elements needed to optimize organizational results and grasp the importance cultivating human resources.

We also assist employees wishing to acquire new skills. For example, all Group businesses subsidize the costs of taking the Test of English for International Communication and the expenses of distance learning courses. We spent ¥135,800 per employee on education and training in fiscal 2007.

Estimated number of students for groupwide training in fiscal 2008

Number of graduates hired	116
New team leaders	460
New executives	200



Fostering Employees

● Work Safety and Health

We strive to ensure employee safety and health and prevent long working hours. We maintain health and safety committees in each workplace to formulate and implement policies and verify their effectiveness. All workplaces also have working hour management committees. Their tasks are to review work practices, encourage employees to take paid leave, and to underpin health and safety committee efforts to safeguard people working long hours.

Basic Safety and Health Management Policy

- We help employees to maintain and improve their mental and physical health by assessing their conditions, providing health guidance, and improving work environments.
- We maintain employee safety and prevent work accidents by enhancing work environments while improving safety awareness.

Safety and Health Management Structure

We posted a supervising company doctor at headquarters and formed a network with industrial physicians around Japan to provide our employees with uniform medical support services nationwide. We concluded agreements with external employee assistance programs to offer easy access to consultations for employees and their families.

Regular Health Checks

What happens after health checks can be as important as the checks themselves. We therefore arrange examinations that focus on occupational diseases, with our efforts covering everything from identifying employees at risk to enhancing our ability to provide detailed instructions and support. All employees took health checks in fiscal 2007.

Basic Policy for Mental Health Plan

- We provide workplaces that foster employee health and satisfaction while promoting mental healthcare to create dynamic work environments.

Fostering Mental Health

The mental health of employees is a crucial priority, which is why we produced and implemented a Group Mental Health Plan. Preventive care is particularly important. As mentioned earlier, we have thus beefed up our consultation services while formulating plans for a program that helps employees look after their mental wellbeing. We will provide supervisors with ongoing training on psychological health issues.

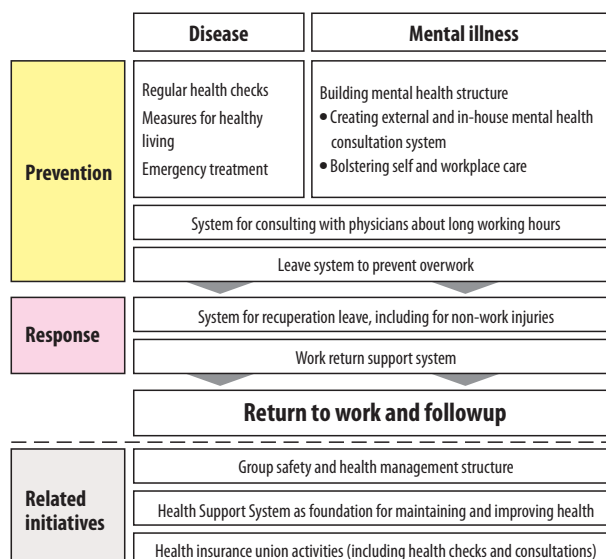
Policies for People Working Long Hours

We implemented a system in which employees habitually working long hours must consult a company doctor. We also educate their supervisors about the issues and monitor progress. We offer vacations to prevent overwork, having managers instruct those serving long hours to take paid leave the following month and confirm compliance with those requests.

Reinstatement Support Program

Our reinstatement support program is a noteworthy feature of our employee care commitment. It is naturally important to ensure that employees returning to work after recovering from a mental disorder do not suffer a relapse. It is also crucial to note that no case is alike, which is why we have industrial physicians customize plans that ease the return to work and prevent problems from recurring.

Overview of Group Safety and Health Initiatives



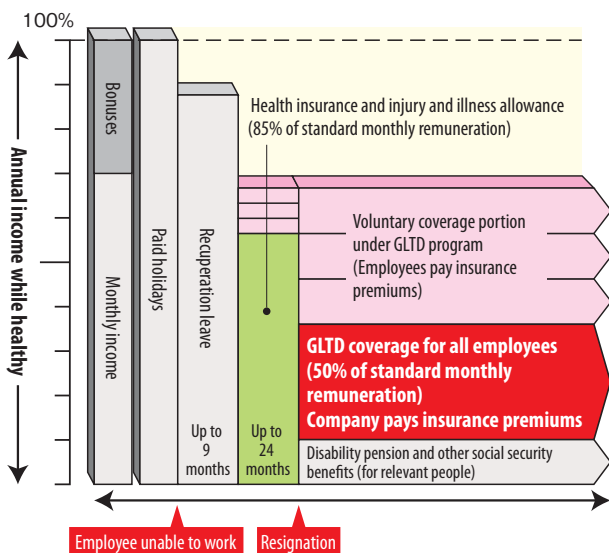
Health Support System

Primary prevention is our top priority in ensuring that our employees remain healthy while working. They can instantly access our support system from their personal computers to view the results of health checkups and run self-diagnosis programs.

Group Long-Term Disability Insurance

We provide recuperative and non-work injury leave, as well as a system to help employees to return to work after long absences because of illness or injury. The chart below illustrates the massive hospitalization and treatment costs that people would normally shoulder if needing to resign because they are incapable of resuming work after leave ends.

We thus launched a group long-term disability insurance (GLTD) program to offer peace of mind for our employees. It provides partial income coverage for those unable to work even through retirement age because of illness or injury. Employees needing to take leave for psychological care can secure partial income coverage for certain periods.



Five Working Hour Categories

We deployed a system offering five working hour options according to job descriptions to motivate employees and help them enhance their efficiency.

This move reflected our respect for the initiative of our employees, and was part of our effort to create better working environments.

● Balancing Work and Private Lives

Employee lifestyles and values have diversified as a declining population and globalization has transformed Japanese society. We are helping our people balance their professional and private lives by building a workplace culture that treasures individuality and creativity. We believe that this approach boosts individual capabilities and achievements and the overall competitiveness of our organization. We are working on several systems to enable employees to better balance their work and private commitments.

Examples of systems for balancing work and private lives

- Work-life balance day
- Life event holidays
- Rejuvenation holidays
- Discretionary labor system
- Flextime system

Work and Child-raising Support Programs

We maintain a program in which we provide four consultations to female employees taking maternity leave before and childbirth leave to assist their return to work. We operate a website for that presents internal and external information on childbirth and raising infants. One program enables those taking leave to borrow PCs and access the site from home. We also have internal and external consulting desks that explain our childcare support procedures and programs and advise those concerned about building their career paths upon returning to work.



Intranet site that helps female employees balance their work and childcare commitments also includes special pages for supervisors and fathers

Other childcare-related programs

- Encouraging fathers to take childbirth leave
- Childcare leave that exceeds legal requirements
- Child-raising support for employees with pre-school children
- Leave to care for sick children
- Improvements in short working hours for child-raising

Fostering Employees

● Equal Opportunity Policies

We do not practice gender discrimination. We aim to create attractive workplaces that respect the individuality of all employees. Nonetheless, we recognize the importance of increasing the participation of women in corporate life by prioritizing three elements. First, we support them at each life stage so they can remain with the organization. Second, we endeavor to better use the skills of women by helping develop their careers and changing the mindsets of executives and other employees. Third, we are striving to employ more females and expand the job categories available to them. We additionally support child-raising.

In fiscal 2008, we will establish a child-raising assistance committee and otherwise enhance and build assistance programs.

● Installing Automatic External Defibrillators

Members of the general public can use these devices to administer shocks (defibrillation) to people suffering cardiac arrest and reestablish heart rhythm.

We installed these defibrillators at all key business sites, training employees in their use when deploying them. We plan to conduct ongoing training as part of disaster drills and other programs.

Earning Great Place to Work Awards

DAIICHI SANKYO BRASIL FARMACÉUTICA LTDA and DAIICHI SANKYO UK LTD. received awards from the Great Place to Work Institute as outstanding employers. That organization polls workers around the world for their views on how employers perform in terms of trust, respect, fairness, pride, and building team spirit. The institute also uses management questionnaires to assess corporate cultures and personnel systems.

Brazilian Subsidiary Named One of 100 Best Companies in Brazil for Fifth Straight Year

In 2008, DAIICHI SANKYO BRASIL FARMACÉUTICA LTDA ranked as one of the best 100 employers in Brazil for the fifth consecutive year. Key factors in that inclusion were extensive communication between workers and management and transparent decision-making. Initiatives included that company's president holding direct discussions every quarter with employees.



British Unit Named One of 50 Best U.K. Workplaces for Second Year Running

DAIICHI SANKYO UK LTD. was the sole pharmaceuticals company on the British top 50 list when it won its Great Place to Work award in 2007.

This subsidiary received a second award in 2008, rising from 36th in the rankings to 26th.



Note: The Great Place to Work Institute is a research and management consultancy that covers workplaces in 27 countries. <http://www.greatplacetowork.com/index.php>

Employing Mentally Challenged People

DAIICHI SANKYO HAPPINESS, plays a central role in employing mentally challenged people within the Group. It serves Group companies in Japan by cleaning uniforms from Group research centers and factories, producing business cards, packaging sales tools, and recycling paper (see page 49). In fiscal 2007, we secured permission to create this special subsidiary in line with the Disabled People Employment Promotion Act. This company hired 14 mentally challenged people in fiscal 2007. It has 52 employees, including 39 who are mentally challenged.

Society is keen to encourage companies to employ physically and mentally challenged people and for those people to actively seek jobs. DAIICHI SANKYO HAPPINESS aims to remain profitable and keep motivating its employees by creating a working environment that accommodates their needs and providing appropriate guidance.

One of the philosophical underpinnings of that company is that it fosters the spirit of normalization so that all employees, whether young or old, whether physically or mentally challenged, feel truly part of the organization. DAIICHI SANKYO HAPPINESS is thus taking the following two steps to achieve understanding of what it does:

- Encourage people from within and outside the Group to visit the premises (we already conduct tours for new Group employees as part of departmental training).
- Expand occupations and duties by setting up new business sites outside units in Hiratsuka and Shinagawa.

Such initiatives will enable us to increase the percentage of employees who are mentally or physically challenged to more than 2.0% in fiscal 2009.



Kazuhito Abe
(front) and
Ryuji Komiya
at Shinagawa branch of
DAIICHI SANKYO HAPPINESS

DAIICHI SANKYO HAPPINESS secured a contract to clean glass instruments for chemical tests from the Shinagawa R&D Center in April 2008. We interviewed Kazuhito Abe and Ryuji Komiya about the assignment.

Q. What are the toughest parts about the job?

A. We have to avoid inconveniencing experimenters by leaving scum or detergent residues on the instruments or not drying them properly. We do our best because our company would lose the contract if there were any complaints, and in any case we want to earn our salaries.

Q. What do you enjoy most about your work?

A. We are putting the instruments in an ultrasonic washing machine and working out how best to position them on drying racks.

Q. What have been your most satisfying experiences?

A. When people have told us that we are good at what we do and when experimenters thank us.



Satisfying Our Shareholders

● Disclosure Policy

We aim to earn broad social trust by extensively disclosing information to shareholders, investors, and other stakeholders so they can properly understand and evaluate our position.

We base disclosure on transparency, impartiality and continuity, acting in compliance with the Securities and Exchange Act and the timely disclosure requirements of stock exchanges. We pursue timely and proactive disclosure to aid comprehension of the Group.

Our Corporate Conduct Charter and our Code of Conduct for Compliance include commitments to disclosure and building fair and positive relationships with stakeholders. We also maintain disclosure rules and are bolstering our internal systems to enhance disclosure.

See the following site for disclosure policy details:

<http://www.daiichisankyo.com/ir/policy/index.html>

● Disclosure Tools

We inform stakeholders swiftly through the Tokyo Stock Exchange's Timely Disclosure Network, news releases, press conferences, and information meetings.

Stakeholders can access our website for details of our financial results, information materials and webcasts, shareholder reports, annual reports, development pipeline, news releases, and shareholder meeting notices. We also distribute an investor relations email magazine and maintain a site for retail investors, which are both available only in Japanese.

Investor Relations Website

<http://www.daiichisankyo.com/ir/index.html>

Retail Investor Website (in Japanese only)

<http://www.daiichisankyo.co.jp/ir/individual/index>

Investor Relations email Magazine (in Japanese only)

We issue a Japanese-language email magazine with the latest investor relations information twice monthly. Investors are welcome to subscribe through the following site.

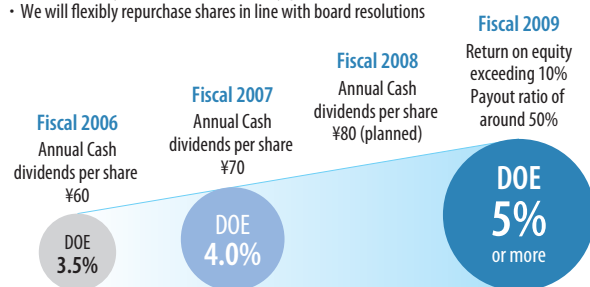
<http://www.daiichisankyo.co.jp/mail/index.html>

● Shareholder Returns

Maximizing shareholder returns is one of DAIICHI SANKYO's top management priorities. Our policy for the current mid-term is a 100% payout ratio, meaning that we aim to distribute an amount equivalent to all of the net income generated under the first mid-term plan covering fiscal 2007 to 2009 through dividends and share buybacks. Setting a dividend-on-equity (DOE) ratio target of 5% or more by fiscal 2009, we will achieve a stable increase in dividends. Our Board of Directors has also adopted a flexible policy on share buybacks to improve capital efficiency.

Mid-term Policy of Shareholder Return

- Distribute an amount equivalent to all of the net income
- We will steadily raise dividends to quickly generate a 5% DOE
- We will flexibly repurchase shares in line with board resolutions



What is Dividends on Equity?

DOE equals the payout ratio multiplied by the return on equity. It benchmarks the extent to which a company pays dividends with respect to shareholder equity.

● Interactive Investor Relations Activities

We distributed a questionnaire in 2007 through an issue of our investor relations email magazine. We fed back responses on the issues that were of greatest interest to investors, and have reflected opinions in our daily investor relations activities.

Working with Our Business Partners

● Procurement Management System

We use a PDCA cycle to manage procurement groupwide.

Each business unit engaging in procurement makes preparations (Plan) in keeping with Group policies and annual goals. It implements the plans (Do), monitors progress (primary Check), with the General Affairs Department assessing all business unit initiatives (secondary Check), followed by responses to any issues highlighted (Action).

Basic Procurement Policy

Our Purchasing Rules and Regulations define our procurement mission and basic policy. We ensure thorough understanding of our requirements through extensive training and other initiatives.

Procurement Mission

1. Optimize Group procurement
2. Generate sustainable profits
3. Comply strictly with regulations

Basic Procurement Policy

1. Maintain optimal quality and stable supplies
2. Optimize purchasing prices
3. Fairly and impartially choose best suppliers and pursue mutual progress
4. Improve procurement skills
5. Comply strictly with related regulations and internal rules
6. Pursue Green procurement

● Choosing and Auditing Suppliers

In fiscal 2007, we drew on information from suppliers and other external sources to create and update our vendor database. We accordingly assess supplier evaluation and product characteristics sheets.

We inform materials suppliers of our procurement policy through briefings three times annually in Tokyo and Osaka.

We regularly audit suppliers in new and subsequent dealings with them. Procurement, quality assurance, and other departments independently or jointly check vendors in terms quality, supply stability, and compliance (notably, employee human rights, safety and health, and anti-discrimination policies).

We regularly visit suppliers thereafter to confirm their situations and collaborate on ways to ensure supply stability. We periodically update and assess supplier survey and evaluation sheets, providing instructions and otherwise seeking improvements when there are issues. We constantly gather information about vendors' compliance violations or socially unacceptable actions.

We give suppliers adequate notice of revised in standards, changes because of quality issues, and discontinuations in transactions. We ensure compliance with Japanese legislation prohibiting delays in payments to subcontractors.

● Ensuring Procurement Compliance

We conduct procurement training for all Group companies, compliance in sourcing being a prime focus. We emphasize the following points relating to procurement processes (including status analyses, strategies, formulating measures, choosing suppliers, concluding contracts, making orders, and monitoring).

- (1) Group procurement official compliance requirements (including corporate conduct and ethical standards)
- (2) Group supplier compliance requirements (including for Green purchasing)
- (3) External compliance requirements after transactions with vendors begin (notably laws and ordinances, contracts, and adherence to legislation banning delays in subcontractor payments)



Companywide procurement compliance training class



Serving Society

● Approach to Social Contribution Activities

Social contribution activities are a key corporate social responsibility that we have enshrined in our Group Corporate Conduct Charter commitment to good corporate citizenship.

We established the Social Contributions Committee, which the president or someone he designates chairs. That body considers all aspects of social contributions, confirming the suitability of specific proposals and ensuring transparency.

A CSR awareness survey that we implemented in June 2007 targeted all employees, including temporary staffers. Prime respondent priorities for our social contributions were social welfare, environmental protection, and medical and pharmaceutical science and research. We accordingly decided to further our involvement in medical and pharmacological progress while also focusing on social welfare, in keeping with our commitment to giving people hope, and on protecting the environment.

We updated our basic social contribution policies to state that we engage in activities that create hope by contributing to lives and science. Other basic policies are to encourage employee volunteerism and engagement in collaborative programs and to shift from solely funding to participating in worthwhile programs.

We aim to create a corporate culture in which we raise the social awareness of employees, with each of them also contributing actively to society.

Holding Science Events

One important social issue in Japan is that young people are becoming disinterested in the sciences. To help reverse that trend and also contribute to the community, we held our Second Science and Pharmacology Seminar for High School Students, for students from two high schools in Shinagawa Ward, Tokyo.

The event drew on our expertise as a pharmaceuticals company, and consisted of science and pharmacology seminars, a research center visit, and informal discussions with young researchers.

Those discussions were extremely popular among the students, as the researchers explained why they became interested in science, why they joined a pharmaceuticals company, and gave tips on how they studied for high school exams. The researchers also found the experience valuable,

as it underscored the importance of social contributions and reconfirmed why they work in our industry.

We plan to build on this event by inviting some of the attendees to participate as young researchers in other seminars in the near future.



Research center tour



Science and pharmacology lecture

Pharmaceuticals Research Internships

ASUBIO PHARMA CO., LTD., offers research internships to university students every year. The internships aim to provide prospective young researchers with opportunities that are normally unavailable at university research centers and show them how interesting it can be to create drugs and follow projects as they progress.

In fiscal 2007, 21 postgraduates from around Japan took up internships. They worked alongside with our researchers and gained experience in pharmaceuticals research and inquiries at the Biomedical Research Laboratories in Osaka and the BioPharma Center in Gunma Prefecture.



Interns



Welfare and Children's Healthy Development

- Children's Soccer Project (soccer clinic and friendly matches between Japanese and South Korean teams)
- Junior lifesaver classes
- Including the Campaign Against Childhood Cancer



Culture, the Arts and Sports

- Shiki Theater Company
- Evergreen Concert
- Mito Chamber Orchestra
- Shonan Bellmare and Shimizu S-Plus soccer clubs
- Japan National Surf Lifesaving Championships
- Including six Tokyo University Interscholastic Track and Field Games



The Environment

- World Wildlife Fund for Nature
- OISCA- International
- Including the Wild Bird Society of Japan



Medicine and Pharmacology

- Public seminars
- Japan Research Foundation for Clinical Pharmacology
- Sankyo Foundation of Life Science



International Contributions

- Medical and pharmacological scholarships system in China
- Anghor Wat International Half Marathon
- Including donations to provide relief for overseas disaster victims



● Communicating with Local Communities

We believe that it is vital to contribute to local communities where we operate. We participate in cleaning drives and anti-crime patrols around our offices. We open our gym, grounds, meeting and exchange spaces, and other facilities to communities

and schools. We also participate in and fund fire drills, festivals, and other local activities.

We will contribute further to prosper with communities as a good corporate citizen.

Local citizen activities

• Factory visits: 53 visits to nine sites for more than 1,500 people	• Work experience: 6 Internships at five sites for 37 people
• Open facilities: 283 times at five sites for more than 7,000 people	• Cleanup drives: 49 times at each office, with 1,548 employees participating

Serving Society

● Global Social Contribution Activities

Our Corporate Conduct Charter states that, “We will carry out corporate activities in compliance with the laws and regulations of each country and region, while respecting their various cultures and customs and contributing to their development.” This document also declares that, “We will actively engage in social action programs as a good corporate citizen.” All our business sites worldwide operate in keeping with these requirements, serving social needs in the most ethical manners.

We present several activity highlights below.

Angkor Wat International Half Marathon (Cambodia)

The nonprofit organization Hearts of Gold has arranged this international half marathon since 1996 to provide relief to landmine victims and help eradicate AIDS in Cambodia. There were 2,327 participants from 37 countries and regions in the December 2007 race, including people who lost limbs to landmines. Hearts of Gold appeals to the world to ban landmines while encouraging landmine victims. It endeavors to prevent another century of human tragedy from the use of landmines. DAIICHI SANKYO was a special sponsor of the 2007 race.



Patient Support Program (United States)

DAIICHI SANKYO INC. maintains the Daiichi Sankyo Open Care Program for financially struggling patients, providing pharmaceuticals free of charge. About 18,000 patients used this program in fiscal 2007, receiving around \$8 million worth of prescription drugs.

DAIICHI SANKYO INC. also provides broad medical, educational, and employment funding, and provides matching gifts to encourage employee volunteerism.

Contributing to Childhood Cancer Organization (Korea)

Employees at DAIICHI SANKYO KOREA CO., LTD., voluntarily participate in various charity activities. Twice annually, they donate money from savings to a child leukemia association. In 2007, this company gave money to the Taean Peninsula, where an oil spill caused extensive damage. A special employee group gives daily necessities to children at orphanages and takes them mountain climbing and to concerts.



Support for AIDS Orphans (Thailand)

DAIICHI SANKYO (THAILAND) LTD. focuses on supporting AIDS victims. In February 2008, employees visited Thammarak Home 120 kilometers from Bangkok, to deliver donations, as well as sweets and stationery goods to resident young orphans with HIV.



Educational Assistance (China)

Daiichi Pharmaceutical (Beijing) Co., Ltd., provides funds for cultivating human resources and developing medicines in China. To date, 337 students and researchers from Fundan University's Shanghai Medical College and from Peking University's Health Science Center have received scholarships from that company. It is also providing funds to improve Chinese medical technology, ensure the proper use of pharmaceuticals, and disseminate treatment guidelines.



Helping Slum Residents (Brazil)

DAIICHI SANKYO BRASIL FARMACÉUTICAL LTDA funded the Monte Azul Community Association in San Paolo. That body tackles local poverty, provides women's health and youth education. The company used proceeds to the association's emergency outpatients to donate funds to support monthly building maintenance and assist with a job training project for teenagers trying to free themselves from poverty.

Marketing department employees produced a logo and brand to improve the association's image.



Supporting Diverse Programs (Europe)

Employees of DAIICHI SANKYO FRANCE SAS support Mecenat Chirurgie Cardiaque, a heart surgery program for foreign children with heart abnormalities whose parents cannot afford operations. Employees voluntarily visit a school to provide business and medical health education.

DAIICHI SANKYO EUROPE donates money to several organizations. They include The Children's Rights Foundation, which supports the Baan Gerda Project in Thailand for orphans with HIV.

Environmental Management

● Environmental Management Stance

Caring for the environment is one of our social responsibilities. Our basic environmental policy is in line with the Group Corporate Conduct Charter, which states that, “We will voluntarily and actively engage in activities aimed at the protection of the global environment.”

We built an environmental management structure for domestic Group companies in fiscal 2007, and will create a global one in fiscal 2008.

Basic Environmental Management Policy

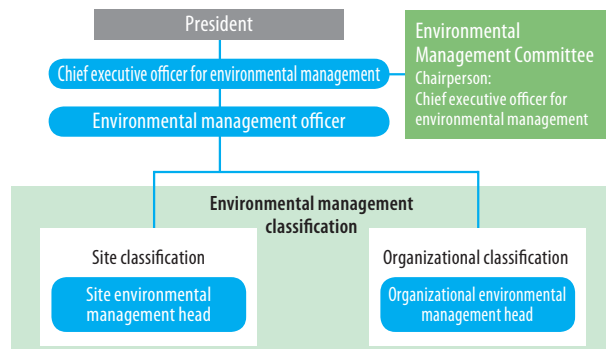
Safeguarding the environment is the bedrock of all Group operational management. We pursue environmental management that contributes to a sustainable society and enhances our good corporate citizenship.

Group efforts:

1. Confirm the environmental impacts of each business process, from R&D to production, distribution, usage and consumption, and disposal, and reduce environmental loads.
2. Comply strictly with environmental laws and ordinances, regional covenants, and voluntary standards.
3. Construct and operate an environmental management system.
4. Use resources and energy efficiently, reduce carbon dioxide emissions, and recycle and reduce waste.
5. Protect the environment and respect biodiversity by helping preserve the ecosystem.
6. Address environmental risks.
7. Communicate with internal and external stakeholders about environmental issues.

● Environmental Management System

The senior executive officer for CSR is chief executive officer for environmental management. We set up the Environmental Management Committee to advise him and deliberate on important environmental matters. We appoint officials to oversee site- and organizational-based environmental management. We formulate environmental action plans for each classification based on annual policies and employ PDCA cycles. Companywide efforts include initiatives to prevent global warming, conserve resources, recycle, prevent pollution, and manage hazardous substances.



(We base our management system on such factors as the nature of operations within each environmental management classification)

Environmental Education

Individual employee awareness is important to environmental management, so we put a lot of effort into enlightening our people about the issues according to site and organizational classifications. In fiscal 2007, we additionally held a seminar on relevant laws and ordinances for Group environmental officials.



Seminar on environmental laws and ordinances

Environmental Auditing

Our environmental auditing system comprises three complementary approaches. We internally assess our business sites, secure evaluations from ISO assessment organizations, and have the CSR Department perform checks. In fiscal 2007, the department prioritized auditing waste water management at 14 Group business sites with production and research facilities (see Progress Report on Improving Water Discharge Management on page 46). They identified no major environmental risks. They did point out the need for some minor improvements, and are formulating a response plan.

● Mid-Term Environmental Management Policy, Targets, and Fiscal 2007 Achievements

Evaluation: 😊 Good 😐 Average 😞 Bad

Mid-term environmental management plan	Environmental performance benchmarks	Fiscal 2007 results	Comparison with previous fiscal year	Fiscal 2008 targets	Mid-term environmental management plan (fiscal 2009 targets)
Cutting carbon dioxide emissions from all factories, R&D centers, offices, and other sites to help prevent global warming	Carbon dioxide emissions from energy usage at factories and R&D centers	181,624 metric tons	😐	2% less than in fiscal 2007	4% less than in fiscal 2007
	Carbon dioxide emissions from office building energy usage	4,836 metric tons	—	5% less than in fiscal 2007	7% less than in fiscal 2007
	Carbon dioxide emissions from company vehicles	8,655 metric tons	😊	5% less than in fiscal 2007	10% less than in fiscal 2007
Cutting landfill and endeavoring to reduce environmental impact by increasing resource recycling rates	Final disposal divided by total amount generated	1.28%	😊	Less than 2%	Between zero and less than 1%
	Amount of office paper consumed	97 million sheets	—	5% less than in fiscal 2007	7% less than in fiscal 2007
Cutting atmospheric releases of chemical substances	Atmospheric releases of PRTR* substances	151.3 metric tons	😞	2% less than in fiscal 2007	4% less than in fiscal 2007
Properly addressing soil remediation risks	—	Have identified soil remediation risks	😊	Steadily deploy individual soil remediation measures	Reduce Group soil remediation risks and establish response basics
Pursuing green purchasing to balance quality and supply stability	Percentage of online purchasing of environmentally friendly office supplies	71.2%	😐	At least 80%	At least 85%
Employing green chemistry to reduce environmental impact	—	Have developed assessment technique	😊	Undertake and manage process research that incorporates in-house environmental impact assessment indices and verify results	Fully deploy process research incorporating in-house environmental impact assessment indices

*PRTR = Pollutant Release and Transfer Register

● ISO 14001 Certification Progress

We use a classification-based environmental management system, and are pursuing ISO 14001 certification for factories with larger environmental impacts. We received no major improvement guidance in audits to renew or maintain certification in fiscal 2007.

ISO14001-Certified Sites

Company	Site	Certification date
DAIICHI SANKYO PROPHARMA CO., LTD.	Akita Factory	March 2000
	Onahama Factory *1	January 1998
	Hiratsuka Factory *2	November 2000
	Odawara Factory	February 1998
	Shizuoka Factory	October 2001
	Takatsuki Factory *3	June 2001
	Osaka Factory	December 2000
DAIICHI SANKYO CHEMICAL PHARMA CO., LTD.	Hiratsuka Office	November 1999
	Odawara Factory	January 2001

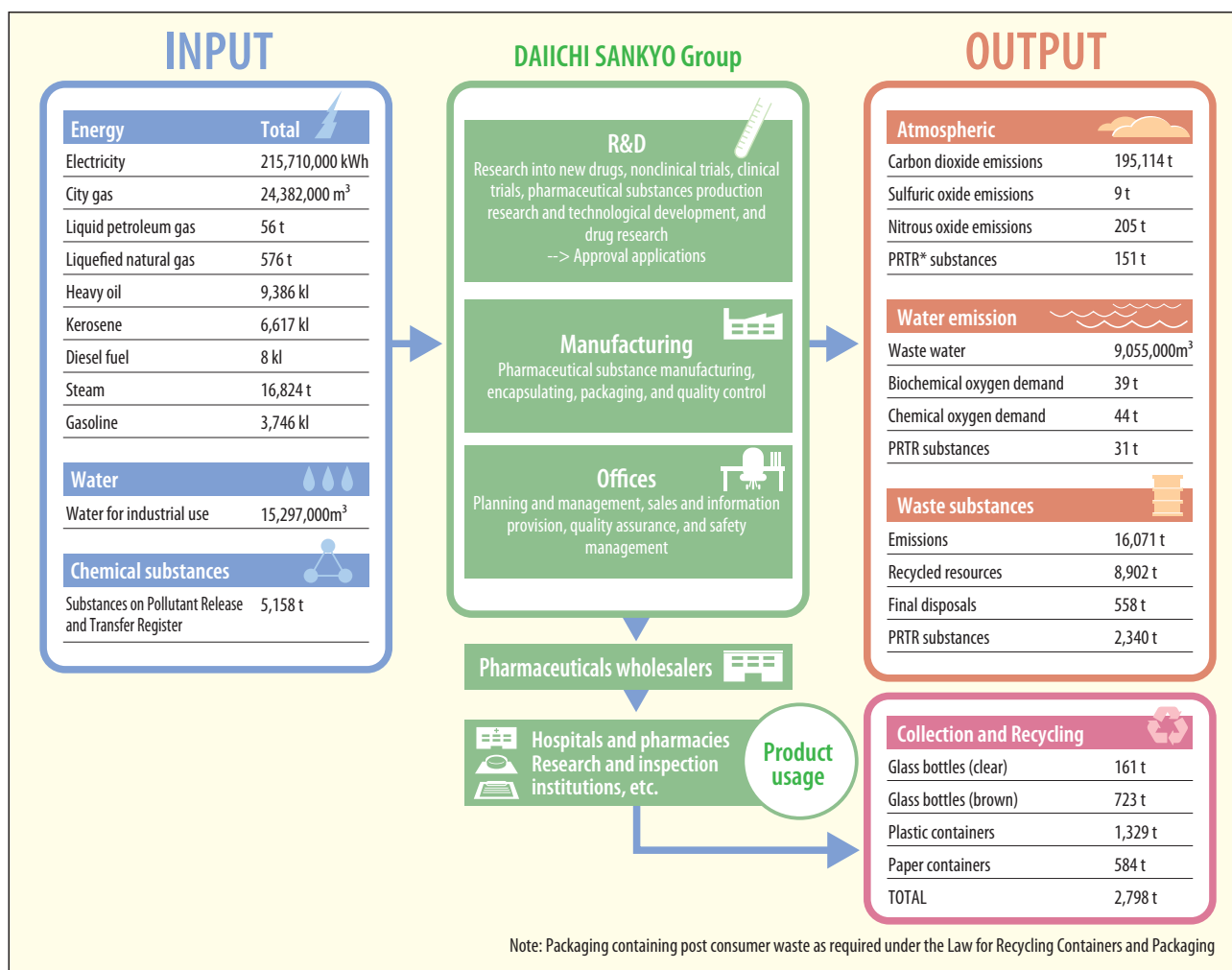
*1: Partially includes DAIICHI SANKYO Research Center

*2: Partially includes DAIICHI SANKYO Research Center and DAIICHI SANKYO HAPPINESS Co., Ltd.

*3: Partially includes DAIICHI SANKYO LOGISTICS Co., Ltd.

Business Activities and Environmental Performance

● Group Business Activities and Inputs and Outputs in Fiscal 2007



*PRTR = Pollutant Release and Transfer Register

● Environmental Accounting in Fiscal 2007

Conservation Costs (Millions of yen)

	Investments	Expenses
Pollution prevention costs	192	336
Global warming prevention costs	38	51
Resource recycling costs	116	1,292
Upstream and downstream costs	0	36
Management activity costs	0	1,319
R&D costs	0	20
Social activity costs	0	1
Environmental remediation costs	0	659
TOTAL	346	3,714

Economic Benefits (Millions of yen)

	Amount
Sales of wastes with commercial value	3

Environmental Conservation Benefits

	Units	Fiscal 2007	Change	Percentage change
Energy	1,000 GJ	4,310	292	7.3%
Water	1,000 m ³	15,297	▲ 9	▲ 0.1%
PRTR substances	t	5,158	57	1.1%
Carbon dioxide emissions	t-CO ₂	195,114	▲ 900	▲ 0.5%
Waste substances generated	t	43,488	1,828	4.4%
Waste substances discharged	t	16,071	2,896	22.0%
Waste recycling	t	8,902	1,188	15.4%
Final waste disposal	t	558	▲ 345	▲ 38.2%
Recycling ratio	%	55.4	▲ 3.2	—
Biochemical oxygen demand emissions	t	39	▲ 13	▲ 25.4%
Sulfuric oxide emissions	t	9	1	10.2%
Nitrous oxide emissions	t	205	▲ 35	▲ 14.5%

Addressing Environmental Risks

● Progress Report on Improving Water Discharge Management

In 2007, we learned that the BioPharma Center of ASUBIO PHARMA was inadequately treating waste water because it lacked the proper capabilities and procedural manuals. We reflected on what had transpired and followed government instructions to improve waster treatment methods, rebuild our internal compliance structure, and continue to strengthen our environmental management system to prevent a recurrence.

As part of those efforts, we conducted water treatment inspections at the research and production facilities of all domestic Group companies and instituted theme-based site surveys. These activities ensured that all business sites now properly treat waste water based on our environmental management system. We will pursue ongoing improvements to reduce environmental risks.



Site survey



New waste water treatment facility

● Preventing Soil and Groundwater Pollution

Group factories and research centers properly implement measures to prevent soil and groundwater pollution.

Even when not subject to legal restrictions in closing facilities or altering their usage as part of business reorganizations, we conduct voluntary soil and groundwater surveys at all these sites in line with the Soil Contamination Countermeasures Law. We perform such surveys even when planning to sell properties at which there has been no recorded use of hazardous substances.

At sites where soil or groundwater contamination with such substances has exceeded environmental standards, we have disclosed our findings to government authorities and have undertaken remediation efforts with guidance from those bodies and experts.

Specific Remediation Projects and Progress

Business site	Overview
Former Sankyo Yasugawa Factory (in Yasugawa, Shiga Prefecture)	In 2006, we excavated and removed soil contaminated with heavy metals and agrochemicals and began purification at a water processing plant. We completed this work in May 2008. We will continue to monitor and oversee groundwater, using a barrier well as part of that management.
Former Kyushu Sankyo Kumamoto Factory (in Uto, Kumamoto Prefecture)	In 2005, we used a national grant to start removing persistent organic pollutants and undertake other remediation work. We are continuing to monitor groundwater.
DAIICHI SANKYO PROPHARMA Takatsuki Factory (in Takatsuki, Osaka)	In 2004, remediation efforts entailed excavating soil contaminated with volatile organic compounds and arsenic and injecting iron filings. We are continuing to monitor groundwater.
DAIICHI SANKYO CHEMICAL PHARMA Hiratsuka Office (in Hiratsuka, Kanagawa Prefecture)	A voluntary survey identified some volatile organic compound contamination, and we installed a barrier well to pump and purify the water.
DAIICHI SANKYO CHEMICAL PHARMA Odawara Factory (in Odawara, Kanagawa Prefecture)	A voluntary survey found some volatile organic compound contamination, so we began soil remediation in March 2008. We plan to complete that work in fall 2008.



Former Sankyo Yasugawa Factory after remediation completed



Work at Odawara Factory of DAIICHI SANKYO CHEMICAL PHARMA

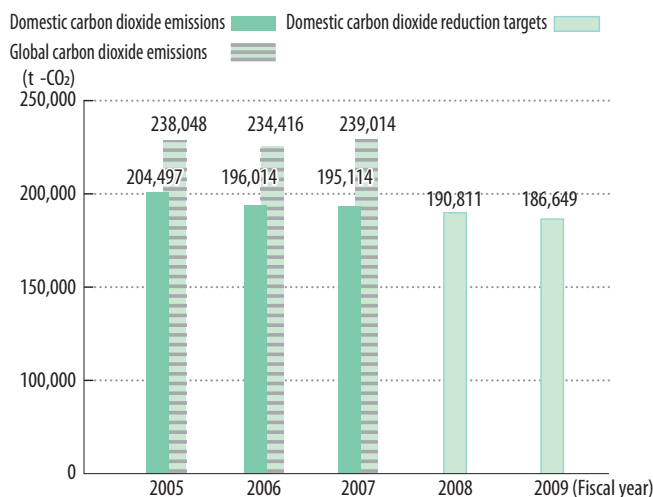
Initiatives to Prevent Global Warming

● Initiative Guidelines

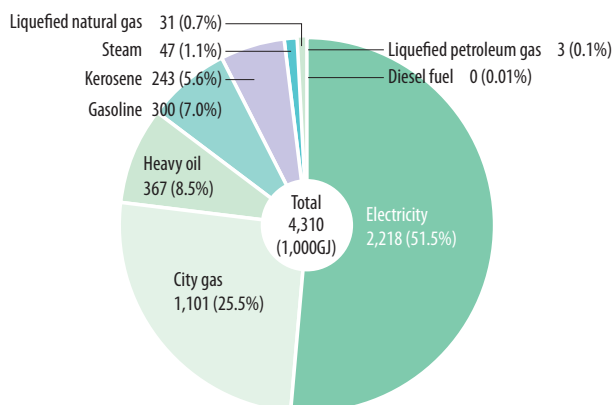
Preventing global warming is one of our most important environmental management issues. We have endeavored to cut carbon dioxide emissions in all aspects of our operations. We established fiscal 2007, the first year after integration, as a benchmark for setting goals for fiscal 2009. A groupwide structure to combat global warming is underpinning those efforts.

Our domestic Group objectives are to lower emissions by 4% from factories and R&D centers, 7% from offices, and 10% from company vehicles. We completed measuring our global carbon dioxide emissions through fiscal 2007, and are now exploring new goals.

We are looking into a vision to prevent global warming that goes beyond our operations to encompass providing education at the homes of employees and for communities.



Our energy usage in gigajoules, including for company vehicles



● Kyoto Protocol-Related Initiatives

The Japan Pharmaceutical Manufacturers Association voluntarily aims to reduce the carbon dioxide emissions of members to fiscal 1990 levels by fiscal 2010. We are endeavoring to fulfill that aim, as shown in the graph on the left.

Our emissions of Group production and R&D operations in Japan were 127,848 metric tons in fiscal 1990. Our fiscal 2007 emissions were 181,624 metric tons.

We have long endeavored to use energy sources that emit less carbon dioxide. These efforts have resulted in electricity and city gas together accounting for more than 80% of our energy usage.

We plan to deploy more thermally efficient cooling and heating processes and improve energy efficiency in manufacturing while continuing to switch to energy sources that generate less carbon dioxide. We will also adopt Japanese government-approved economic methodologies as part of diverse measures to reach our goals.

Implementation Structure

Environmental management officers and contact personnel for site- and organizational-based classifications will drive efforts to fulfill mid-term and annual environmental management policies and goals. We have established and are pursuing specific targets for each environmental management classification.

In keeping with our annual plans, we are providing training at factories and R&D centers with large environmental impacts. At sales branches, managers of general affairs sections inform all MRs about our requirements. We have set up an intranet site that employees can always access to read features on global warming issues.

● Specific Initiatives to Reduce Carbon Dioxide Emissions

Factories and R&D Centers

In fiscal 2007, each site prevented carbon dioxide emissions from rising with pharmaceuticals production. DAIICHI SANKYO PROPHARMA's Shizuoka Factory cut carbon dioxide emissions by around 1,500 metric tons by switching from A-grade heavy oil to liquefied natural gas and operating its compact boilers more efficiently. DAIICHI SANKYO PROPHARMA's Hiratsuka Factory saved 190 metric tons of carbon dioxide by reviewing its air-conditioning and refrigerator system usage and simultaneously closing factory and research center operations. The Fukuroi Research Center reduced emissions by about 160 metric tons by replacing refrigerators. The Kasai R&D Center cut its emissions around 140 metric tons by using experimental draft release controls and carefully controlling room temperatures.

The Shinagawa R&D Center won an award for its initiatives from the Director of the Kanto Bureau of Economy, Trade and Industry during the Kanto region energy-saving month.



Receiving award from the Director of the Kanto Bureau of Economy, Trade and Industry



Satellite liquefied natural gas facility at DAIICHI SANKYO PROPHARMA's Shizuoka Factory

Offices

We instituted in various energy-saving activities at headquarters, the branch offices, and distribution centers. For example, we encouraged employees to dress casually throughout the year, turned off unnecessary lights, kept air-conditioners operating at reasonable temperatures, and reviewed operating hours. At headquarters, we switched to more energy-efficient sensor-based lighting for emergency exits, corridors, and staircases.

The Tokai and Osaka branches participated in a



Poster highlighting ways to prevent global warming

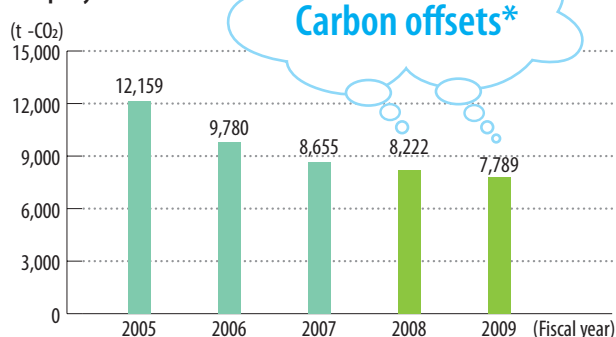
lighting conservation campaign of the Ministry of the Environment and engaged in enlightening people inside and outside their offices about saving energy.

Company Vehicles

We promoted eco-driving, switched to gas-powered or hybrid and other vehicles that consume less fuel, and reduced fleet numbers in line with usage. We thus reduced carbon dioxide emissions from gasoline-fueled vehicles by around 1,100 metric tons from a year earlier.

In fiscal 2008, we began leasing vehicles under a carbon offsetting arrangement. We begun an initiative to effectively reduce carbon dioxide emissions from company vehicles to zero by offsetting their roughly 8,500 to 9,000 metric tons in emissions with purchases of emission credits under the Clean Development Mechanism.

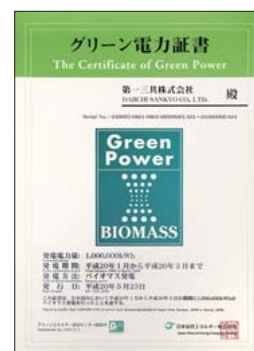
Carbon dioxide emissions of company vehicles



Note: Carbon offsetting means paying for the reductions in or absorption of greenhouse gases in one place to offset emissions in another place.

Using Recyclable Energy

Since fiscal 2005, we have continued to buy green power created by Bagas, which is derived from sugar cane waste. The Plaffenhofen Factory of DAIICHI SANKYO EUROPE GmbH in Germany creates energy from onsite biomass. Recyclable energy is essential for a sustainable society. We will continue to deploy such energy to help prevent global warming.



Green purchasing certificate

Initiatives to Conserve Resources and Reduce Waste

● Reducing and Controlling Wastes

For the DAIICHI SANKYO Group, zero emissions means that final disposal represents less than 1% of total production. We target zero emissions by fiscal 2009. This is an important step to reduce waste and more efficiently use the resources we input. We are also pursuing savings in manufacturing and packaging processes, thoroughly separating wastes, and collecting information and assessing usage for recycling. As well as separating waste, we print on both sides of paper for research activities and office operations. We reduce wastes and recycle through the use of equipment to remove water. As far as possible, we choose waste disposal firms that recycle significantly.

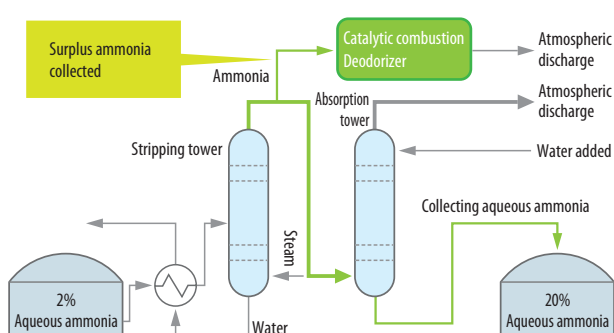
In fiscal 2007, we generated 1,828 metric tons more waste because of increased production volume. Our recycling rate has dropped 3.2 percentage points. Final disposal declined 345 metric tons, for a final disposal rate of 1.28%.

● Specific Waste-Reduction Initiatives

Cutting Final Disposal of Ammonia

The Shizuoka Factory of DAIICHI SANKYO PROPHARMA collects and reuses ammonia from its drug manufacturing process. It sends the surplus to an industrial waste firm. The factory installed a catalytic combustion device to dramatically reduce odors and lower surplus ammonia water by 74 metric tons, or 55% less than a year earlier.

Treatment flow

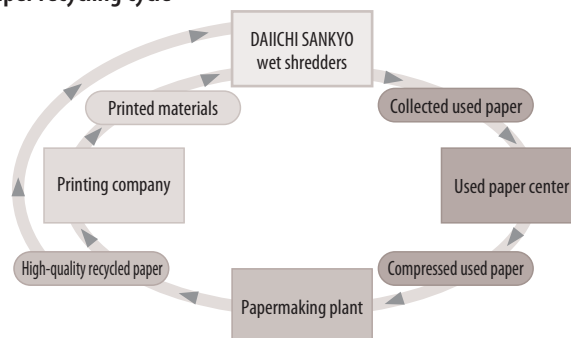


Recycling Paper

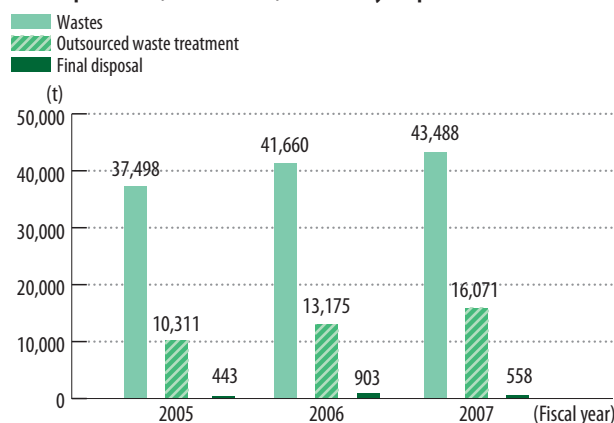
We are installing wet shredders to recycle office paper waste into high-quality paper. We installed one unit at the Shinagawa R&D Center in April 2007 and another at the Hiratsuka Office in April 2008. We aim to complete a paper recycling system that allows us to purchase recycled paper from wastes generated by Group operations.

We printed this report on this recycled paper.

Paper recycling cycle



Waste produced, outsourced, and finally disposed



Recycled waste and recycling rates



Chemical Substances Management and Antipollution Initiatives

● Reduction and Management of Chemical Substances

Chemical substances are crucial to pharmaceuticals R&D and production. We are fully aware of the potential impacts of these substances on the human body and the environment, and accordingly operate after carefully considering usage and management. In fiscal 2009, we will strive to replace chemical substances with safer alternatives and reduce discharges and transfers of chemical substances. We aim to reduce atmospheric discharges of PRTR substances by 4% less than in fiscal 2007.

We have adopted green chemistry principles, and are building processes that incorporate environmental impact assessments in product development. We consider manufacturing optimization and efficiency from the R&D stage. The table below shows PRTR substances for which our annual usage exceeds 10 metric tons. Annual amounts change according to R&D and production levels. We will continue to properly use and manage chemical substances.

PCB Management

Each business site strictly manages wastes containing polychlorinated biphenyl (PCB) in keeping with the PCB Special Measures Law. We employ the early registration system to accelerate processing. We have already partly shipped such wastes to processing facilities. We will continue to properly control PCB management from shipment through processing.

Discharges and transfers of PRTR Substances

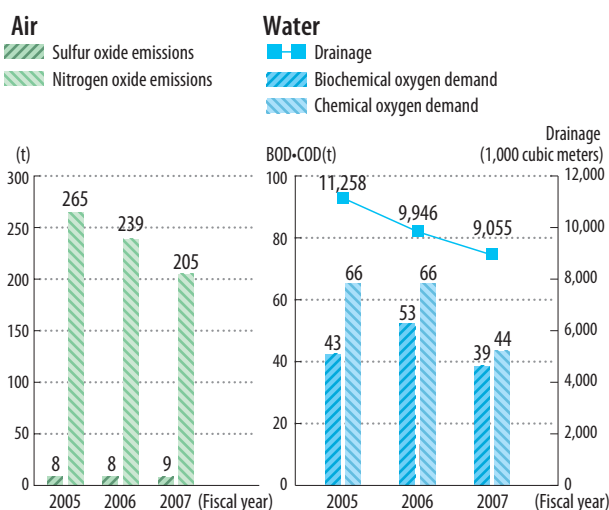
(Metric tons, or mg-TEQ for dioxins)

Substance	Amounts Handled	Amounts Discharged		Amounts Transferred	
		Air	Water	Sewers	Wastes
Acetonitrile	1,007	7.24	0.00	23.00	584.74
Para-Octylphenol	52	0.07	0.00	0.10	0.01
Xylene	23	6.47	0.00	0.01	9.10
Chlorobenzene	19	1.20	0.00	0.00	0.00
Chloroform	17	1.49	0.00	0.05	9.31
Chloromethane (Methyl chloride)	240	39.12	0.00	0.00	0.00
Dichloroethane (Methylene chloride)	59	7.96	0.00	0.01	49.71
N,N-Dimethylformamide	443	3.91	0.00	0.01	358.30
Organotin compounds	757	0.00	0.01	0.10	1.20
Styrene	109	0.01	0.00	0.00	0.00
Toluene	2,071	78.31	0.00	0.01	1,310.27
Bis (2-ethylhexyl) phthalate	52	0.00	0.00	0.00	0.00
Benzyl chloride	30	3.40	0.00	0.00	0.00
Boron and its compounds	25	1.18	7.50	0.00	2.90
Maleic anhydrides	207	0.00	0.00	0.00	0.00
Dioxins	—	1.393	0.046	0.056	13.682

Note: We handled more than 10 metric tons annually of each of the above substances. There were no discharges into soil.

● Preventing Air and Water Pollution

To prevent air and water pollution, each business site sets up monitors, and measures emissions based on voluntary standards that are stricter than legal requirements.



● Preventing Noise, Vibration, and Odors

We strictly comply with laws and ordinances to prevent noise and vibration, and constantly monitor and measure conditions. All measurements in fiscal 2007 were within standard values. We promptly investigated resident complaints about noise from one factory and undertook improvements.

Communicating with Communities and Employees

● Communicating with Communities

We communicate extensively with communities in keeping with local characteristics and the nature of our operations.

Local Communication Meetings

The Hiratsuka Factory of DAIICHI SANKYO PROPHARMA held a local communication meeting in February 2008. After viewing a video introducing the facility and receiving an orientation about environmental and safety initiatives, participants visited environmental areas and an emergency disaster assistance warehouse.



Environmental Orientation

The Onahama Plant of DAIICHI SANKYO PROPHARMA held an environmental orientation for local residents in February 2008. Although the gathering was on a weekday, 21 people from three nearby residents' associations participated. After an orientation about the facility, the environmental impacts of production processes, and specific initiatives to reduce these loads, participants went on a tour that highlighted environmental areas.



● Communicating with Employees

Individual mindsets are central to resolving environmental issues. Employee awareness has significantly reduced the environmental impact of our business activities. We undertake various educational activities to foster environmental thinking and move to more specialized training.

We held a contest for environmental communication tools during Environment Month in June 2007. We distributed global warming prevention posters in December. We maintain an environmental information site on our intranet.

Environmental Art Contest

During Environment Month, we solicited communication tool entries from employees and their families, awarding prizes for the best works.

The many contributions included scenes of coral protection and an iceberg in Canada, as well as examples of eco-cycling. We used the top works on posters that highlight global warming issues.



Third-Party Opinion

Impressions of the DAIICHI SANKYO Group Corporate Social Responsibility Report 2008

Eiichiro Adachi, *Research Chief of the Japan Research Institute, Limited*

As someone who provides corporate information to financial institutions for socially responsible investments, I submitted the following third party opinion on my impressions from this report about the DAIICHI SANKYO Group's CSR initiatives, activities, and disclosure.

- This is the first CSR report on the operations of DAIICHI SANKYO, as it was formed in April 2007. I understood that the Group progressed well with its initiatives over the past year, particularly those focusing on employees and how the Group seeks to create and disseminate a new corporate culture. I look for the Group to complete building its CSR activity foundations and reduce its negative impacts on society while reinforcing activities that have positive influences.
- For example, the report states that fiscal 2007 carbon dioxide emissions from the Group's domestic factories and research centers were 181,624 metric tons, compared with 127,848 metric tons in fiscal 1990. It mentions that the consumption of drinking water, industrial water, and groundwater was 15.3 million cubic meters, yet it did not disclose a previous figure. I would like the Group to report on steady reductions in environmental impact.
- I was pleased to see an acknowledgement that pharmaceuticals can have side effects. I look forward to disclosure on how the Group prevents side effects from occurring and aids those suffering from them. Concerns have risen in recent years about the possible impact on the ecosystem of pharmaceuticals that are disposed of or passed through the human body. I would like the Group to present its stance on that issue and how it is responding.
- I looked carefully through the Fostering Employees section for specifics about the Group's

focus on humanistic values. But unfortunately there was little said about such achievements. It was also with some regret that most disclosure was only about domestic business site initiatives.

The Group should adopt key performance indicators. One goal of Vision 2015 is to raise overseas revenues to more than 60% of net sales, so would like to see employee-related CSR efforts encompass foreign business units as well.

- I took particular interest in perusing sections on the Group's CSR awareness survey for executives and employees and the recommendations of the Corporate Social Responsibility Report 2007 Reading. I was pleased to see a process that reflects opinions in compliance improvement efforts and social contribution activities. I would like the Group to gather the opinions of outside stakeholders, verify gaps between external and internal perceptions, and show how it is reflecting the findings in its initiatives.
- Global pharmaceuticals companies in Europe and the United States are devoting a lot of energy to social support in emerging countries in keeping with the Millennium Development Goals of the United Nations. In that respect, Japanese companies face some of the same issues as foreign counterparts in tackling CSR. I think that it is important to consider generic drugs in emerging countries from the CSR perspective.

I would like the Group's next CSR report to disclose management's stance on supplying pharmaceuticals to such countries.

Please note that my comments do not constitute a declaration that I have evaluated whether this report conforms with generally accepted standards in producing environmental reports, nor do they represent a conclusion that the Group has disclosed all important items.



Mr. Adachi provides corporate information to environmental and socially responsible investment funds. His specialty is studying and assessing industries and companies from the environmental management and CSR perspectives.

Reflecting on the Third-Party Opinion

Akio Ozaki, *Member of the Board, and Senior Executive Officer for Human Resources/CSR*

We asked Eiichiro Adachi to provide a third-party opinion. He interviewed the president for the Top Interview section of last year's CSR report.

Among other things, he suggested that we disclose more about how we are addressing environmental issues and reinforce personnel policies and efforts in emerging countries. I think that his suggestions were very valuable for prioritizing and setting timelines to tackle specific CSR issues. I also think that Mr. Adachi's input will contribute to us enhancing our CSR activity management cycles, so I am grateful for his thoughts.

I am very pleased that he understood our initiatives to improve humanistic values in our focus on employees as stakeholders. We believe that

efforts to disseminate our mission, "Our Values and Commitments" will drive improvements in our social, economic, and humanistic values.

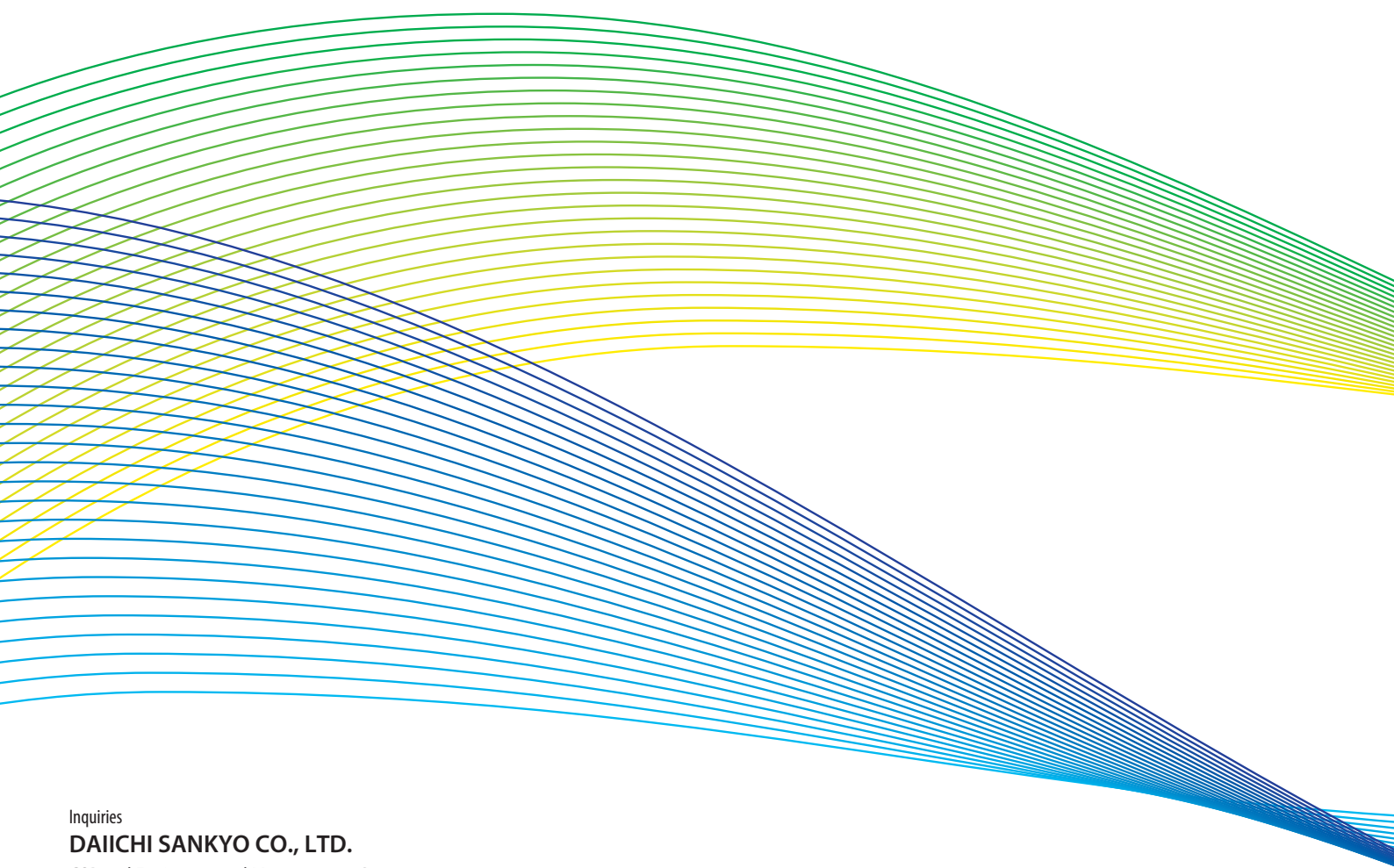
We plan to choose and define key performance indicators/benchmarks for all aspects of CSR, explore monitoring preparations and other specifics, and similarly step up endeavors at overseas business units.

CSR activities are essentially just getting under way under a fully integrated DAIICHI SANKYO. It is important for us to learn what all our stakeholders want from us and improve our activities. We will do our best to report on visible results and keep striving to become a company that society trusts and remains sustainable.





Daiichi-Sankyo



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