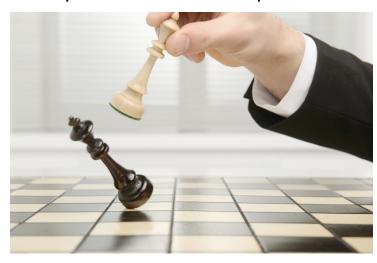


Daiichi Sankyo incurs 15 B yen loss after terminating vaccine biz with Sanofi

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Due to a problem in the manufacture of pertussis vaccines



Daiichi Sankyo Company, Ltd. has announced that it will terminate its marketing alliance agreement for the Squarekids® subcutaneous injection syringe (hereafter, Squarekids), a tetravalent combination vaccine and its joint development agreement on pentavalent combination vaccine (VN-0105) with Sanofi K.K., effective March 31, 2021.

Japanese firm Daiichi Sankyo decided to suspend the production of Squarekids and its supply to the market due to a problem in the manufacture of pertussis vaccines.

Although the company has looked into ways to address the problem with a view to resuming the manufacture and supply of the product, it has recently decided to discontinue production by terminating its agreement with Sanofi, and to discontinue distribution effective March 31, 2021.

In addition, Daiichi Sankyo will also end joint development efforts for VN-0105. Daiichi Sankyo will incur a 15 billion yen loss as it compensates Sanofi for the loss sustained from the termination of the two agreements.

The cost will be recorded in the fourth quarter of fiscal year 2020, and the impact of this decision will appear in the company's consolidated financial results for this fiscal year at a later date.

Daiichi Sankyo will continue working with Sanofi to enhance public health and prevent and treat diseases through the manufacture and supply of pharmaceutical products, including vaccines, thereby contributing to promoting people's health.