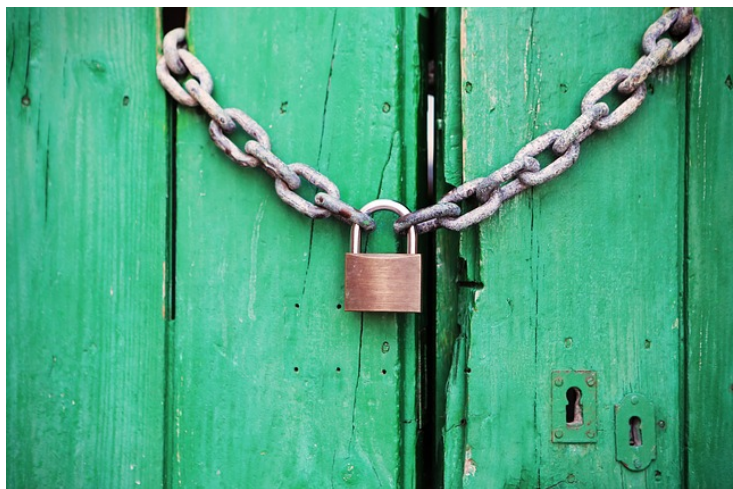


Daiichi Sankyo closes its Japanese research subsidiary

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Singapore: Daiichi Sankyo recently announced its plans to close its Japanese research subsidiary Asubio Pharma that focuses research primarily on psychiatric and neurological diseases, immune and inflammatory diseases, and regenerative medicine. The subsidiary carries out research as a drug discovery venture within Daiichi Sankyo Group.

Daiichi Sankyo said it will shift Asubio's approximately 150 employees and their work to other entities in Japan as part of a continued reorganization of its R&D operations. The closing will occur by the end of March 2018. Further details about the reorganization would be disclosed at an unspecified future date, Daiichi Sankyo said in a statement. Daiichi Sankyo in 2015 merged its U.S. subsidiary with Asubio, in a move designed to integrate Asubio's drug development projects into the broader Daiichi Sankyo global development organization.

"We expect the integration of the venture spirit of Asubio Pharma into other Daiichi Sankyo research activities to contribute greatly to improving R&D productivity," the company added.

This is the pharma giant's second shutdown in a few months period. Last month, Daiichi Sankyo said it will close its R&D division in Guragon, India, near New Delhi. The pharma terminated the contracts of all 170 employees effective the end of January, the Indian business newspaper Business Standard reported at the time.

Daiichi Sankyo acquired its India R&D outpost when it bought Ranbaxy Laboratories in 2008, and kept it in 2014, even as it sold Ranbaxy to Sun Pharmaceutical for \$3.2 billion. The following year, Daiichi Sankyo sold its entire 8.9% stake in Sun for \$3.2 billion to a group of investors led by Goldman Sachs, the government of Singapore, and Aranda Investment.

The company said in a statement, "Daiichi Sankyo is reviewing its global R&D system with the aim of decreasing R&D operations costs and redistributing resources to the further development of its R&D pipeline."

The shutdowns in Japan and India follow some 2 years of R&D retrenchment by Daiichi Sankyo, during which the pharma closed its 80-person U.K. development subsidiary in Gerrards Cross, U.K., in February 2016, transferring operations to its U.S development subsidiary in Edison, NJ, and its European subsidiary Daiichi Sankyo Europe, based in Munich, Germany. Two months earlier, the company announced the shutdown of its 40-person U3 Pharma research subsidiary in Martinsreid, Germany, with its operations transferred to Daiichi Sankyo's Biologics Function in Tokyo.