



DAIICHI SANKYO, INC.  
Two Hilton Court, Parsippany, NJ 07054  
Tel 973 359 2600, Fax 973 359 2645

Susan Romanus  
Vice President, Chief Ethics & Compliance Officer

RE: Annual Written Declaration of Compliance

July 1, 2010

Daiichi Sankyo, Inc. has established and is maintaining an effective compliance program in accordance with "Compliance Program Guidance for Pharmaceutical Manufacturers," published by the Office of Inspector General, U.S. Department of Health and Human Services (the "HHS-OIG Guidance"). As part of Daiichi Sankyo's continuing efforts in the area of compliance, Daiichi Sankyo has reviewed its on-going program in light of the requirements of Cal. Health and Safety Code Sec. 119400-119402 and believe to the best of our knowledge and based upon our good faith understanding of the statutory requirements that we have a comprehensive compliance program in compliance with California law.

Our Compliance Program is one of the key components of our commitment to the highest standards of corporate conduct. The purpose of our Compliance Program is to prevent and detect violations of law or Company policy. We realize and the HHS-OIG Guidance recognizes, however, the implementation of such a program cannot guarantee that improper employee conduct will be entirely eliminated. We believe, however, that our program is reasonably designed to identify potential violations and it is Daiichi Sankyo's expectation that employees will comply with our Standards of Business Conduct, and the policies established in support of such Standards. In the event that Daiichi Sankyo becomes aware of violations of law or Company policy, we will investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations

Daiichi Sankyo has described below the fundamental elements of our Corporate Compliance Program. We have developed and implemented compliance elements to uniquely address the issues raised by the California law, and will continue to refine these compliance elements as necessary. As both HHS-OIG and California law calls for, we have tailored our Compliance Program to fit the unique environment of our Company. Moreover, our Compliance Program is dynamic; we regularly review and enhance our Compliance Program to meet our evolving compliance needs.

### **Overview of Compliance Program:**

As of the date of this letter, the described systems are in place and these systems will be reassessed on an annual basis.

#### **1. Leadership and Structure:**

**Compliance Officer.** Daiichi Sankyo has established a Business Practices and Ethics Department led by the Company's Vice President, Chief Ethics & Compliance Officer. The Business Practices and Ethics Department serves as the focal point for compliance activities.

We are committed to ensuring that the Business Practices and Ethics Department has the ability to effectuate change within the organization as necessary and to exercise independent judgment. The Vice President, Chief Ethics & Compliance Officer is charged with the responsibility for developing, operating and monitoring the Compliance Program.

**Compliance Committee.** The Daiichi Sankyo Executive Committee has established a Corporate Ethics & Compliance Committee to advise the Compliance Officer and assist in the implementation of the Compliance Program.

## **2. Written standards.**

Daiichi Sankyo's Standards of Business Conduct are our statement of ethical and compliance principles that guide our daily operations. The Standards establish that we expect management, employees, and agents of the Company to act in accordance with law and applicable Company policy. The Standards articulate our fundamental principles, values and framework for action within our Company.

## **3. Risks.**

The HHS-OIG Guidance has identified several potential risk areas for pharmaceutical manufacturers, and called on companies to develop compliance policies in these risk areas. These risk areas are (1) data integrity pertaining to government reimbursement practices; (2) kickbacks and other illegal remuneration; and (3) compliance with laws regulating drug samples. We also have established annual spending limits for certain promotional activities directed toward healthcare professionals in California.

## **4. Education and Training.**

A critical element of our Compliance Program is the education and training of our employees on their legal and ethical obligations under applicable federal health care program requirements. Daiichi Sankyo is committed to taking all necessary steps to effectively communicate our standards and procedures to all affected personnel. Daiichi Sankyo has committed to training all levels of employees up to and including its Executive Committee on compliance issues. The Business Practices and Ethics Department is charged with the responsibility to regularly review and update its training programs, as well as identify additional areas of training on an annual and "as needed" basis.

## **5. Internal Lines of Communication.**

Daiichi Sankyo is committed to fostering dialogue between management and employees. Our goal is that all employees, when seeking answers to questions or reporting potential instances of fraud and abuse, should know who to turn to for a meaningful response and should be able to do so without fear of retribution. To that end, we have open-door policies, as well as confidentiality and non-retaliation policies that have been widely disseminated and enforced. Daiichi Sankyo has contracted with an independent third party to operate a confidential hotline available to all employees, vendors, customers, contractors and the public. The number is 1-877-48-ALERT.