

Passion for Innovation.
Compassion for Patients.TM

Daiichi Sankyo Group
Value Report

2025

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The Message Behind the Cover

The cover design embodies the strength of the growth momentum generated by our greatest strength, Science & Technology, as well as our determination and aspirations for the future as we move toward the next stage.



Notes on the Publication of the Value Report 2025

In the Value Report, we aim to communicate the challenges and activities we are addressing from short-, medium-, and long-term perspectives to realize our Purpose and achieve the Vision of our Group. Additionally, we strive to convey our sustainable value creation cycle model, driven by initiatives that provide and co-create value with stakeholders, as a cohesive story. We hope that this report will help our stakeholders gain a deeper understanding of our Group's initiatives and encourage more constructive dialogue and efforts toward value co-creation.

Editorial Policy

Since FY2013, we have been issuing the Value Report, our integrated report. This report, which refers to the IIRC* framework, provides updates on our sustainability activities and their outcomes as we work toward enhancing corporate value and realizing our Purpose and Vision. We position this report as a communication tool to help our shareholders and investors understand our initiatives aimed at achieving long-term corporate value and a sustainable society.

* International Integrated Reporting Council

Cautionary Note Regarding Forward-Looking Statements

Management strategies and plans, financial forecasts, future projections and policies, and R&D information that our Group discloses are all classified as “Daiichi Sankyo's future prospects.” These forward-looking statements were determined by the Group based on information currently available with certain assumptions, premises, and future forecasts, and thus, there are various inherent risks as well as uncertainties involved. As such, please note that actual results of our Group may diverge materially from our outlook or the content of this material

Reporting Scope

Reporting Period: April 1, 2024 to March 31, 2025 (FY2024),
with some information included from after April 2025.

Sustainability-Related Information

Value Report

A communication tool designed to explain our company's short-, medium-, and long-term value creation process from both financial and pre-financial perspectives, helping stakeholders understand the story behind our efforts to achieve sustained corporate value enhancement. Additionally, it serves as a tool for reporting our annual activities and data from an ESG perspective.



Environmental Data Book

A communication tool designed to help stakeholders understand our Group's environmental management initiatives, providing information from the Value Report and environmental data on our website, along with supplementary information



Sustainability Website

A comprehensive communication tool designed to help stakeholders fully understand Daiichi Sankyo's sustainability activities and philosophy, as we work toward achieving our Purpose and achieving a sustainable environment, society, and economy.



Guideline Reference Table

A reference table comparing the principles and standards of various guidelines (UN Global Compact, GRI Standards, Environmental Reporting Guidelines 2018) with our company's disclosure information.



Inquiries Regarding the Value Report

Sustainability Department
<https://www.daiichisankyo.com/contact/form/index.php>

About Daiichi Sankyo

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Where We Are

We create innovations that bring hope to each individual patient and deliver value globally.

Enhertu treated patients

Cumulative total of approximately
94,650 patients

Our products are delivered to cancer patients worldwide, serving as a treatment option in 69 countries and regions.

Revenue

¥1,886.3 billion

Our sales have grown approximately twofold over the past three years. With overseas sales accounting for over 60%, we are expanding our business globally.

R&D expenses

¥432.9 billion

We are actively pursuing strategic investments in our research and development infrastructure to continuously generate innovations, focusing on maximizing the value of our key pipeline including 5 DXd ADCs and creating next-generation innovative pharmaceuticals.

ROE

17.9%

We maintain a high level of ROE (Return on Equity) within the industry, and with a core operating profit margin before R&D expenses of 39.5%, we ensure high profitability.

Number of employees

19,765

Employees dedicated to creating and delivering medicines for patients. We operate globally across 32 countries and regions.

* The five figures presented are based on data as of fiscal year 2024.

Where We Came from

We have continuously created innovative pharmaceuticals and responded to the unmet medical needs of each era.

1899

■
Digestive enzyme
preparation
Takadiastase®

1989

■
Hypercholesterolemia
treatment
Mevalotin®

1993

■
Broad-spectrum oral
antibacterial agent
Cravit®

2002

■
Antihypertensive drug
Olmetec®

2009

■
Antiplatelet
agent
Effient®

2010

■
Anti-influenza
drug
Inavir®

2011

■
Anticoagulant
Lixiana®

2019

■
Pain management
drug
Tarlige®

■
Hypertension
treatment
Minnebro®

2020

■
Anticancer drug
Enhertu®

2022

■
Anticancer drug
Ezharmia®

2023

■
COVID-19 vaccine
DAICHIRONA®
Intramuscular Injection

2024

■
Anticancer drug
Datroway®

What Makes Us Grow

We have key growth drivers that will enable us to realize our 2030 Vision.

Science & Technology (S&T)

Drug discovery capabilities that create innovation, and a DNA that inherits challenges

P 27

We create breakthrough innovations centered on our R&D DNA and culture inherited as a drug discovery company, and unique technological capabilities, exemplified by DXd ADC technology.

Human Resources

People grow, the organization thrive

P 33

Positioning “people” as the source of value creation, we develop competitive talent and promote building a strong global organization through strengthening human capital.

Patient Centricity

Value creation starting from patients

P 39

We place Patient Centricity at the foundation of all corporate activities, with all employees united by shared values to contribute to more patients more quickly.

Where We Go

2030 Vision

An Innovative Global Healthcare Company Contributing to the Sustainable Development of Society

- 1 Deliver “hope” to patients
- 2 Aim to be a Global Top 10 Oncology company, bringing innovation from Japan to the world
- 3 Contribute to sustainable social development together with diverse stakeholders

We will continue to take on challenges to contribute to the enrichment of quality of life around the world.

CEO Message



As a Global Pharma Innovator with Competitive Advantage in Oncology, We Continue to Take on New Challenges by Leveraging Our Excellence in Science and Technology and the Power of Our Human Resources.

Representative Director,
Executive Chairperson & CEO

A handwritten signature in blue ink, appearing to be 'A. Q.', written over a light background.

The Challenge of Sustainable Growth with Our Purpose at the Core

First and foremost, I would like to extend my sincere gratitude to all our stakeholders for your continued support and understanding of our management.

Our company is accelerating efforts toward sustainable growth, to realize our purpose of contributing to the enrichment of quality of life around the world. Looking ahead to 2030, we have set forth a vision to become an "Innovative Global Healthcare Company Contributing to the Sustainable Development of Society." This fiscal year marks the final year of our current 5-year Business Plan (FY2021-FY2025), and all our employees are working together as one to deliver outcomes that exceed the targets we set at its launch. In parallel, we are advancing discussions on our 2035 Vision and our next 5-year Business Plan (FY2026-FY2030) as a roadmap for our next stage of growth. Taking on the significant responsibility of serving as CEO of Daiichi Sankyo at such a pivotal juncture in our journey, I feel a profound sense of mission and renewed determination to lead the company forward.

Under our current 5-year Business Plan, we have accelerated growth in oncology with the goal of becoming a "global pharma innovator with competitive advantage in oncology" as a FY2025 target. In FY2024, we achieved numerous remarkable results, particularly with our DXd ADC products. Enhertu®, our strongest growth driver, continues to transform cancer treatment by acquiring new indications primarily in breast cancer and providing new therapeutic options for patients for whom conventional therapies had limited efficacy. In recognition of its global innovation, Enhertu was awarded the Prix Galien USA the equivalent of the most prestigious award in the pharmaceutical industry, in November 2024. Datroway®, our second DXd ADC product, has also obtained regulatory approval in Japan, the United States, and Europe, expanding access to new treatment options for more patients. We are accelerating development for our five late-stage DXd ADCs, through strategic partnerships with AstraZeneca and Merck & Co., Inc., Rahway, NJ, USA, so that we can deliver these innovations to as many patients around the world and as quickly as possible.

I have placed great value on the Japanese management philosophy of "sanpoyoshi" (Three-Way Good). This philosophy embodies the idea that the revenues and profits generated through Daiichi Sankyo's business activities, conducted in line with our Purpose, should be distributed fairly and in a well-balanced manner to all stakeholders. It reflects our fundamental belief in the importance of value co-creation with multiple

stakeholders. The world today is experiencing an extraordinary level of uncertainty and complexity, brought about by factors such as multipolarity of the international order, shifts in trade policies. In such an environment, companies are required not only to respond swiftly and flexibly to immediate changes, but also to take a long-term view of risks and opportunities, and to adapt with resilience and agility. Precisely because we are navigating such an era, we are more committed than ever to genuine, open dialogue with all our stakeholders. By actively listening to their voices and engaging with them to create value, we aim to build relationships rooted in trust and collaboration, and to co-create value that benefits all. Through our business activities, we will continue to contribute to solving social issues and remain firmly dedicated to realizing sustainability management that delivers both, social and economic value.

And to remain a company that all our stakeholders can truly say they are glad it exists, I wholeheartedly reaffirm our unwavering commitment to continuously creating new value for the future.



Q What kind of leadership style and organization are you aiming for as a top leader?

A I place great importance on a "coaching-style leadership" —one that trusts in people and draws out their potential through open dialogue, along with fostering a company-wide quality culture. Under my leadership, I will continue to build a trustworthy organization that earns trust from within and outside the company.

To realize our Purpose through our business activities and to build an organization that earns the trust of society, I am focusing on two essential pillars in my daily leadership: people and quality. These two elements form the foundation of how I approach management on the ground each day.

First, regarding the "people" front, I view the enhancement of talent as a key management priority. I have placed a strong emphasis on respecting the diverse potential and empowerment of our employees, and encouraging them to use their talents through meaningful dialogue. As our Group continues to grow at an unprecedented speed and scale, I am convinced that the key to sustaining this momentum lies in how we can unlock the strengths of each individual and unite them as the collective power of the organization. This is the essence of what we call "coaching-style leadership," not only leading from the front, but also running alongside, offering support, and at times leaning on others, all while mutually elevating each other. By nurturing each employee to be a true protagonist in achieving our goals, we aim to build an organization where team building and sustainable value creation are driven from within.

Since FY2024, I have been working with Chief Human Resources Officer (CHRO) Matsumoto on "CEO & CHRO's Visit," visiting our Group companies around the world to engage in direct dialogue with employees. This initiative is aimed at enhancing employee engagement and strengthening organizational cohesion, with the goal of reaching all approximately 20,000 employees across the Daiichi Sankyo Group by the end of FY2025. At each site, I engage in dialogue about the company's direction and my own thoughts while sincerely listening to employees' voice and encouraging open and lively exchanges. What I feel through these interactions is that the sense of unity within the Daiichi Sankyo Group has grown even stronger through dialogue, and there are moments when employees reframe the company's goals and challenges as their own. This represents an accountable mindset - the awareness that they too are part of the change - and this

mindset is what serves as a wellspring of strength for our organization.

The other pillar I value is "quality." Through my past experience of confronting serious issues related to quality and integrity at a generic pharmaceutical company we had acquired, I came to deeply understand that "quality is trust itself." I believe that, no matter the situation, if we return to this foundational principle of quality, we will always be guided to make the right decisions.

People use Daiichi Sankyo's products with confidence because they can trust the quality. Maintaining this unwavering stance in all processes related to products and services leads to Daiichi Sankyo's credibility and continued growth. What embodies this philosophy is the value of "Patient First, Quality Always" declared by our Chief Quality Officer (CQO) Shimizu. We aim to embed this value as a quality culture, enabling employees to naturally act in alignment with it.

Furthermore, by fostering a workplace culture where employees feel empowered to speak up and openly share on-the-ground issues and insights, we aim to further strengthen our commitment to compliance—making the trust placed in us even more unshakable.

Both leadership and our commitment to quality are ultimately about earning and maintaining trust as an organization. As I continue to learn and grow myself, I aspire to build an organization that embraces change and takes on challenges together with my colleagues.



A Moment from the CEO & CHRO's Visit

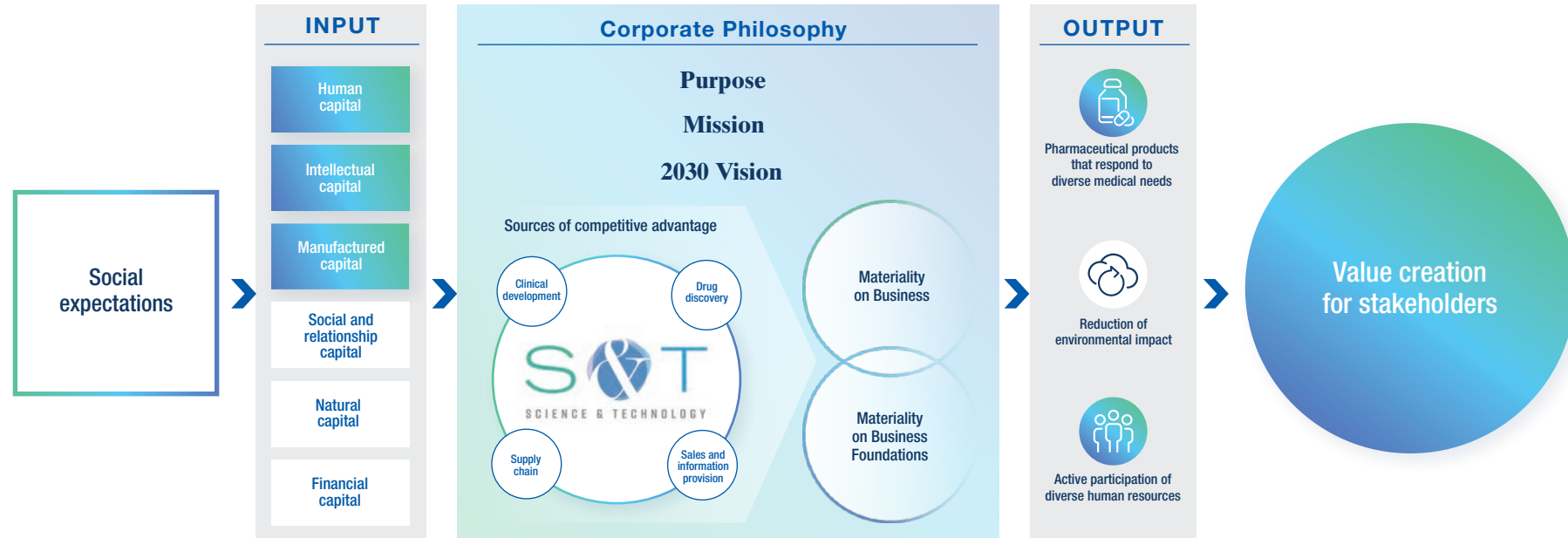
Q Please tell us about Daiichi Sankyo's unique competitive advantages, strengths, and related initiatives in driving value creation.

A Excellence in Science & Technology that we have cultivated over many years, the people of Daiichi Sankyo who are the driving force behind that excellence, and our deeply rooted patient-centric corporate culture. These three elements form the solid foundation of our competitive advantage.

Our Group has created numerous innovative pharmaceuticals through our advanced research and development capabilities, leveraging our strengths in Science & Technology. As an innovative pharmaceutical company, we are united in addressing even the most difficult challenges by putting patients first and basing our decisions on sound science.

Daiichi Sankyo's Uniqueness - Bringing Japanese Innovation to the World with Science & Technology at its Core

Daiichi Sankyo has a proven track record of creating global products such as olmesartan and edoxaban, as well as, more recently, innovative oncology drugs like Enhertu and Datroway. All of these products originated from our research laboratories in Japan, which demonstrates our world-class drug discovery capabilities. What underpins this high level of drug discovery capability is our strength in Science & Technology namely, exceptional talent with a deep understanding of and curiosity about science, as well as a robust R&D culture that has been cultivated over many years as a pharmaceutical company. This culture embodies the following concepts: Scientific Freedom, which encourages researchers to engage in open and active discussions regardless of their role or level of experience and to propose their own research themes, and craftsmanship, which represents our dedication to quality and careful coordination of techniques and attention to detail. Furthermore, there is the attitude of Learning from success and failure, which is, recognizing that research is a continuous journey



of challenges, where both successes and failures are valuable learning opportunities.

While science remains our foundation, we place strong emphasis on cross-functional and cross-disciplinary collaboration, driving integrated, company-wide efforts across discovery, development, manufacturing, and supply. For example, in drug discovery research that creates seeds for future medicines, we actively challenge ourselves with modality diversification. Additionally, through early information sharing and close collaboration with our Technology Unit, our ability to globally design and build optimal production technology, manufacturing systems, and supply frameworks for products from the early research stage is also a unique strength of Daiichi Sankyo.

To further strengthen these capabilities in a sustainable manner, we are expanding our global research innovation hubs, and in 2025, we established a cutting-edge smart research laboratory in San Diego, USA.

We will continue to value the perspective of "from Japan to the world" as we strive to create innovative pharmaceuticals. Backed by our global organizational capabilities, we aim to become a unique global pharmaceutical company originating from Japan that consistently executes the entire value chain - from drug discovery and clinical trials to manufacturing, supply, and information provision.

For more information about our Science & Technology strengths, please see [P27](#)

"People" as the Driving Force of Value Creation —Aiming for an Organization Where People and Business Grow Together

The uniqueness of Daiichi Sankyo and the strength of our R&D are supported by the power of our people. Since becoming President, I have been deeply committed to strengthening our human capital. Based on the belief that "people are the source of Daiichi Sankyo's value creation," I have focused on this as an important theme while aligning our human resources strategy with our overall management strategy. Currently, we are advancing large-scale investments in three areas: R&D, facilities, and human resources. A common thread running through all of these is the vital role of people. It is people who conduct research, and it is people who operate and manage sophisticated facilities - everything relies on human capabilities. I believe these investments will bring new challenges and growth opportunities to each employee, helping them expand their expertise and deepen their experience.

As part of our human resource development, we are advancing the training and strengthening of specialized talent globally—particularly in priority areas such as



biopharmaceuticals—centered on enhancing our competitive advantage in Science & Technology. In addition, in FY2024 we launched the "DS Academy," a two-year development program for approximately 30 next-generation leader candidates selected from around the world, who are expected to drive our future global growth. This program not only strengthens leadership but also cultivates a company-wide strategic perspective. Participants are also given opportunities to elevate their viewpoint through direct dialogue with Executive Management Committee members, helping them elevate their leadership mindset. Feedback from participants has been highly positive and encouraging.

For specific initiatives regarding human capital, please see [P33](#)

Starting with the Patient: Company-wide Implementation of Patient Centricity

By bringing together the power of people and organizations, we are advancing all of our business activities based on the shared value of for patients.

Patient Centricity is the very reason for our existence as a drug discovery company and our greatest motivation. With our corporate slogan "Passion for Innovation, Compassion for Patients.®" in our hearts, approximately 20,000 employees around the world embrace patient centricity as a shared value. With a deep sense of purpose—knowing why we work and why we exist—each of us approaches our daily responsibilities with commitment and care. As employees with diverse roles collaborate across borders and languages, this shared value binds us together and strengthens our sense of cohesion as an organization.

Furthermore, in April 2024, we newly established a Special Assignment on Patient

Centricity role, strengthening our ability to oversee and promote initiatives across our entire group in a global and cross-functional manner. By consistently engaging with patients in an open and sincere manner and listening carefully to their voices, we are elevating innovation even more meaningful.

No matter what challenges lie ahead, I will continue to lead with determination so that all employees can continue to move forward together with pride in contributing to patients.

For specific Patient Centricity initiatives, please see **P39**

Q Please tell us about your initiatives for achieving sustainable growth and the current status of discussions on the next 5-year Business Plan.

A Even amid an uncertain market environment, we plan to develop a robust strategy together with all EMC* members to drive growth over the short, medium, long, and extended time horizons.

*Executive Management Committee

We have been striving to achieve sustainable growth by strengthening our R&D capabilities and accelerating global product launches through strategic partnerships with external partners.

At the core of our efforts lies the R&D of DXd ADCs, an area in which we possess world-class competitiveness. We are steadily advancing initiatives toward the market launch of products following Enhertu and Datroway. At the same time, with a view toward the maturity phase of the DXd ADC franchise, we are focusing on the research and development of next-generation ADCs, as well as exploring novel modalities beyond ADCs. These efforts are aimed at continuously generating technologies and products that underpin sustainable growth.

In the area of clinical development, we have strengthened our ability to deliver innovative drugs more rapidly to more patients through strategic alliances with global partners such as AstraZeneca and Merck & Co., Inc., Rahway, NJ, USA. Alliances themselves are one of our key investment areas; however, we recognize the critical importance of optimizing R&D expenditures through appropriate partnership management based on clear prioritization, while maintaining a comprehensive view of Daiichi Sankyo's asset portfolio.

Looking ahead, we will further accelerate our global expansion and evolve into an even more resilient organization—one that not only builds on the organizational strength cultivated through these alliances but is also capable of pursuing development and commercialization independently.

During the next 5-year Business Plan period, several of our key products, including Lixiana®, which has supported our business and oncology investments, will reach important milestones in their product life cycles. In order to secure short-term earnings while continuing to invest for the future, it is increasingly important to reassess and optimize our business and organizational structure, set clear priorities for areas of focus, and make timely and accurate decisions.

To define our future direction, we have been engaging in deep discussions at the EMC since April 2024 such themes as: What do our stakeholders expect from Daiichi Sankyo? What should our 2035 Vision and the next 5-year Business Plan look like? What should we prioritize, and what should we not pursue? Through this process, each member of the management team has come to strongly embrace an enterprise mindset, taking responsibility as a leader for the entire Group. We are working together as one, with the mindset that we are an “EMT (Team)” rather than an “EMC (Committee)” to make decisions with a forward-looking view.

Our discussions are still ongoing, but we aim to present our 2035 Vision and our goals and strategies through 2030 in the early part of the next fiscal year. We sincerely hope you look forward to these updates.

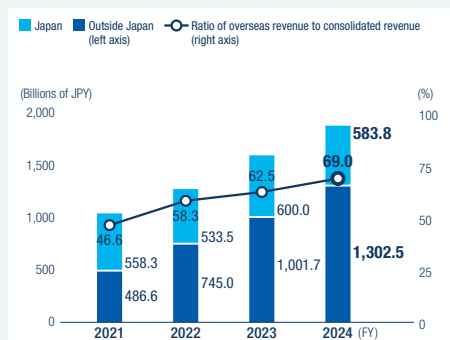
Financial and Pre-Financial* Highlights

*This term is used to illustrate the enhancement of capital that will generate cash ow and contribute to future financial performance as our company strengthens its investments, aiming to more clearly demonstrate the connectivity to financial outcomes

For changes in revenue and other financial data, please see [P65](#)
For more information on Daiichi Sankyo's pipeline, click [here](#)

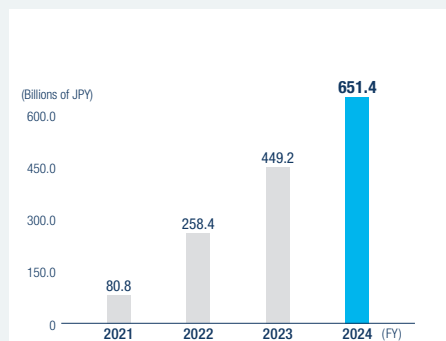
Changes in financial data

Ratio of overseas revenue to consolidated revenue



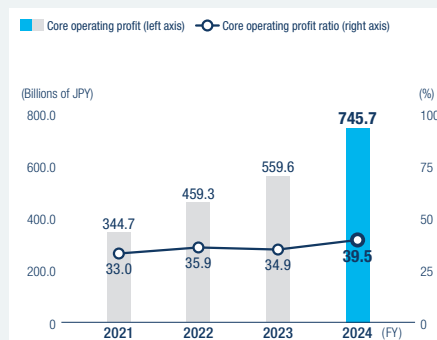
Due to the growth of global key products such as Enhertu and Lixiana, along with increased revenue driven by the depreciation of the yen, the ratio of overseas revenue is rising.

Global revenue / Enhertu



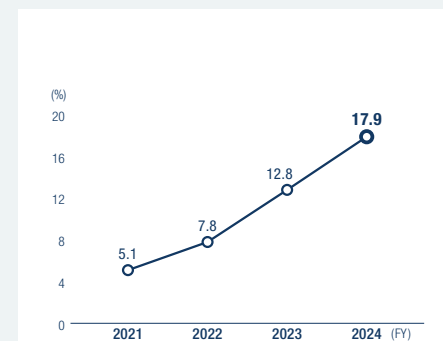
Significant revenue growth was achieved through market penetration in countries and regions where the product is already launched and expansion into new markets.

Core operating profit before R&D expenses / Core operating profit ratio



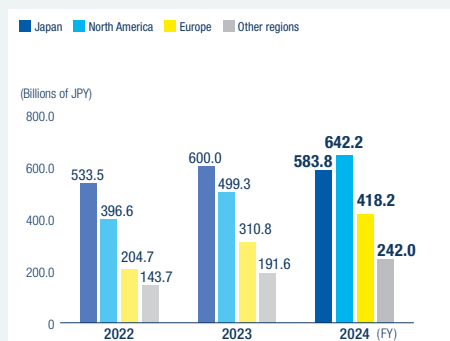
Along with the increase in revenue, core operating profit also grew.

ROE



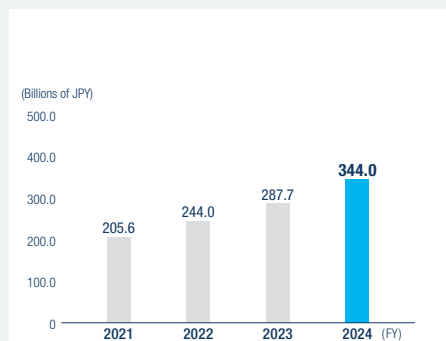
We achieved 17.9% in FY2024, exceeding our FY2025 target of 16% or more.

Revenue by segment



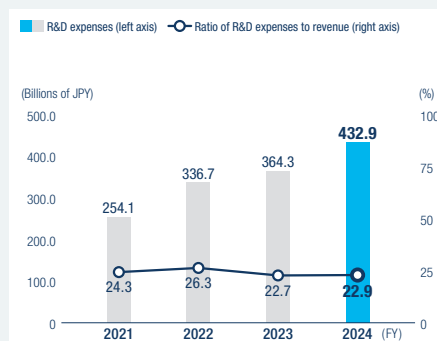
Revenue increased across all regions except Japan, primarily driven by sales growth of global key products.

Global revenue / Edoxaban



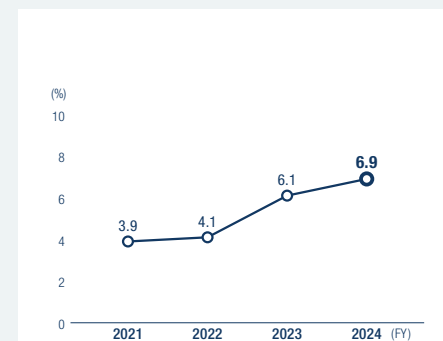
Sales in Japan, Europe, and other regions showed steady growth.

R&D expenses / Ratio of R&D expenses to revenue



R&D expenses increased due to investments aimed at maximizing the product value of 5DXd ADCs and other related initiatives.

DOE*



Along with the dividend increase, DOE has risen, and we are striving to maximize shareholder value with FY2025 target.

*Dividend on Equity = Total dividend amount / Equity attributable to owners of the Company

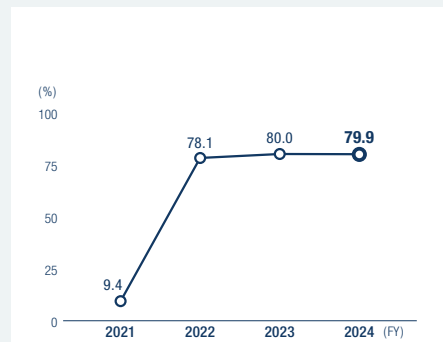
Changes in environmental data

CO₂ emissions (Scope 1 + Scope 2) reduction rate



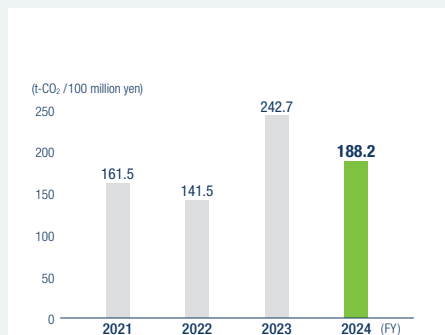
Since FY2022, we have switched to renewable energy for the electricity used at our domestic facilities, significantly reducing Scope 2 CO₂ emissions.

Renewable electricity utilization rate



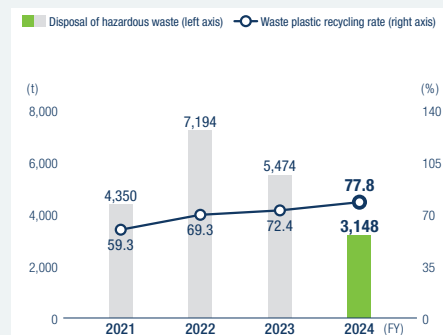
We are actively promoting the transition to renewable energy for electricity use at our domestic facilities.

CO₂ emissions (Scope 3, Cat.1) intensity based on sales



Due to increased revenue and the sale of a consolidated subsidiary, CO₂ emissions intensity based on sales decreased. Moving forward, we will consider introducing a calculation method that reflects actual emissions based on the activity volume of our suppliers.

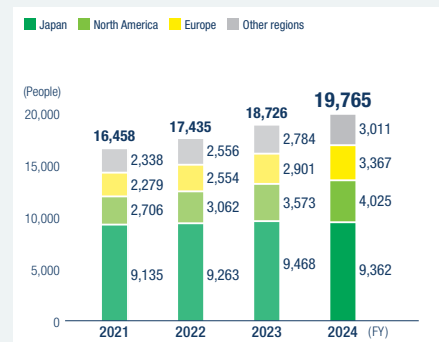
Disposal of hazardous waste, Waste plastic recycling rate



As a result of our reduction efforts, disposal of hazardous waste fell below the baseline year level of FY2020 (5,607 tons). Additionally, our waste plastic recycling rate has achieved the target of 70% or more by advancing resource recovery.

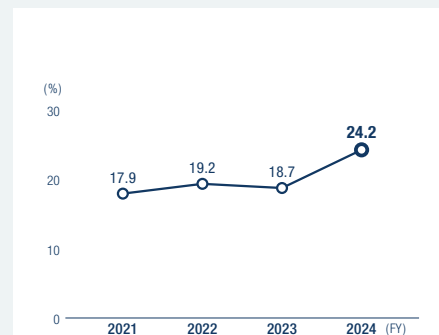
Changes in social data

Number of employees by region



We are strengthening efforts to secure outstanding global talent in response to the expansion of our global operations.

Percentage of female in senior managerial employees (global)



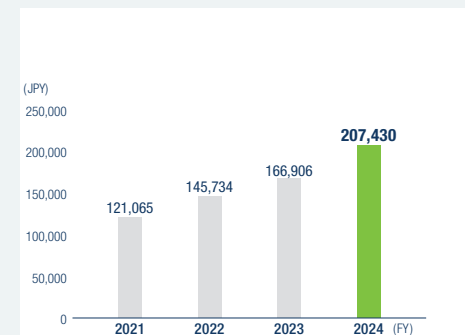
We are committed to promoting women's empowerment to ensure that female employees can build long-term careers and excel in their roles.

Positive response rate on engagement survey



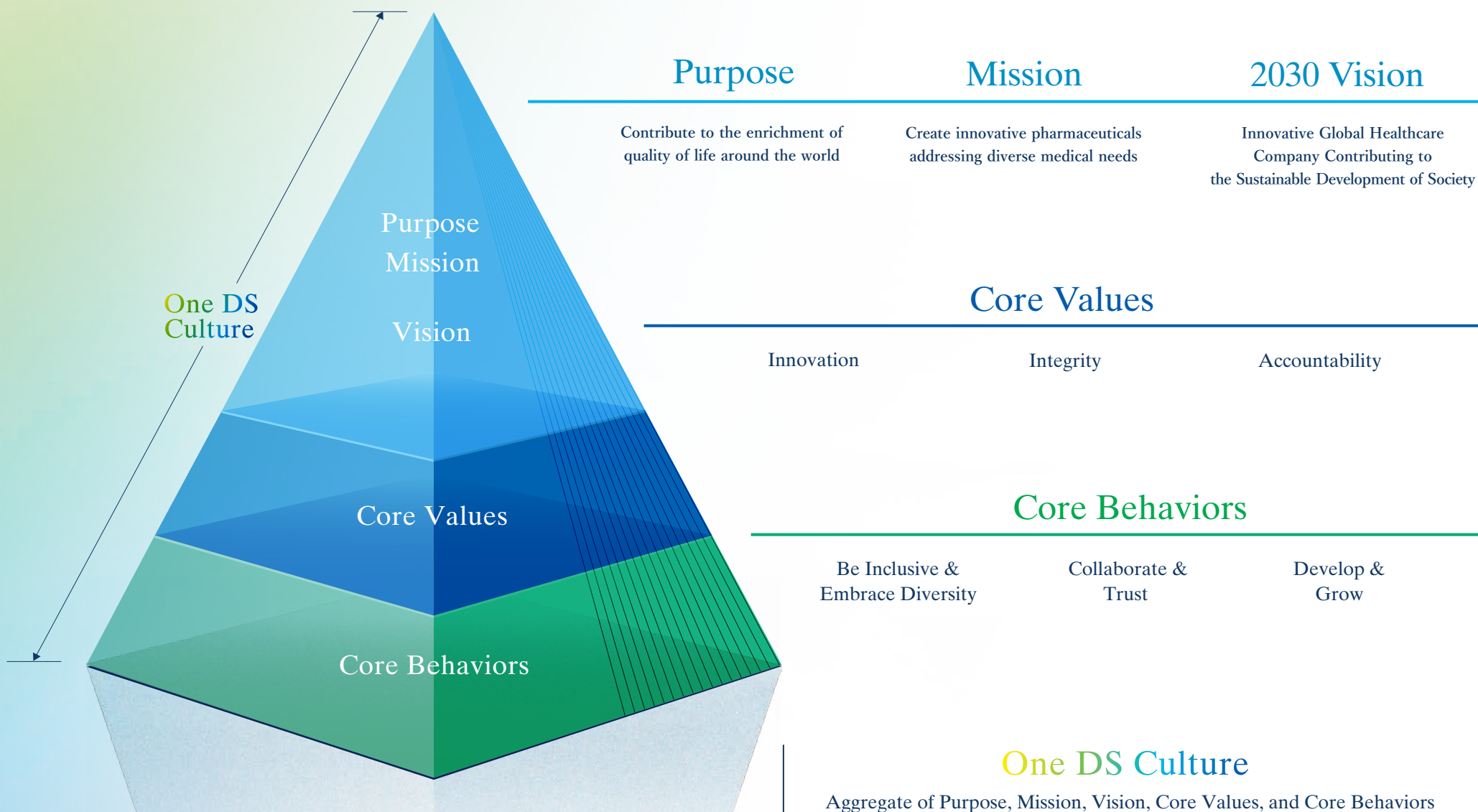
We are implementing analysis and improvement measures based on a global engagement survey to enhance employee engagement.

Amount of training / development investments per employee



We are focused on developing and strengthening our talents to enhance business competitiveness through various approaches, including internal education programs.

Daiichi Sankyo Group Philosophy

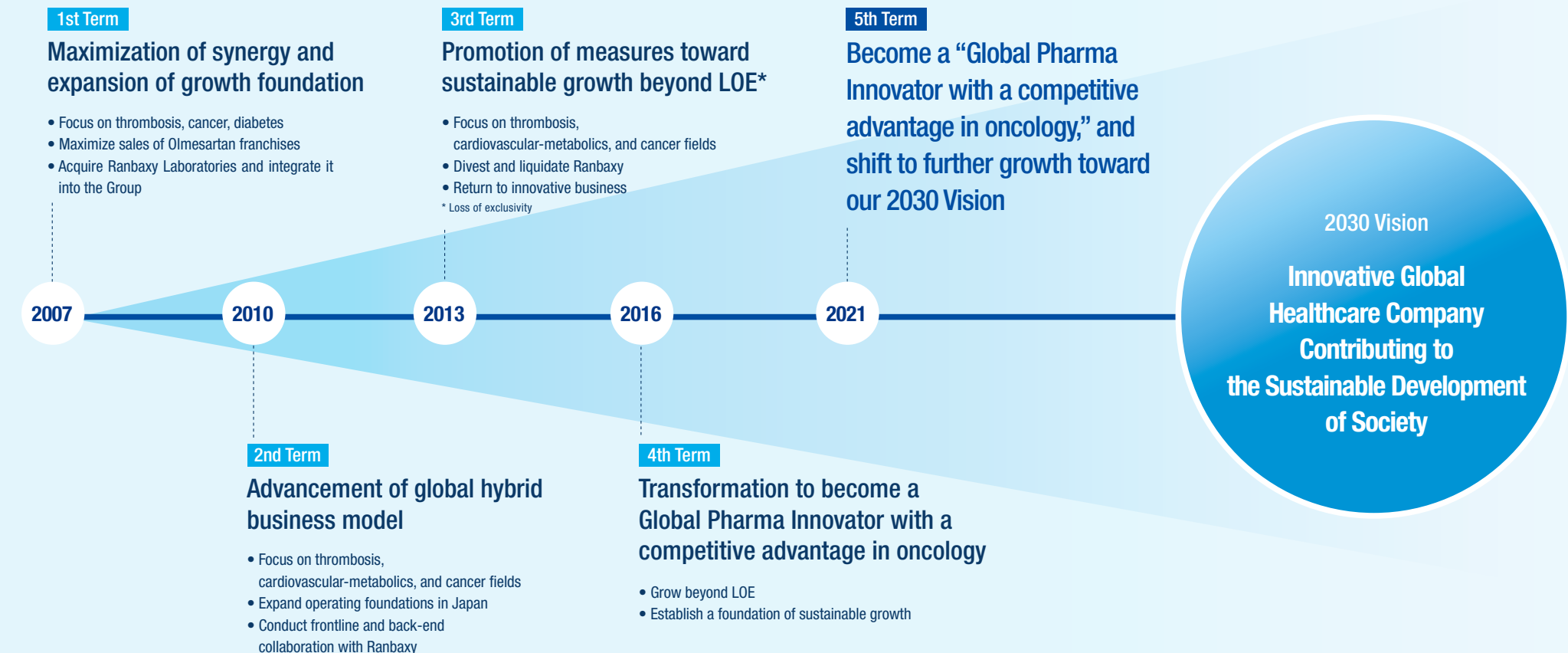


History of the Daiichi Sankyo Group

Challenging to continue contributing to patients throughout a history of over 100 years

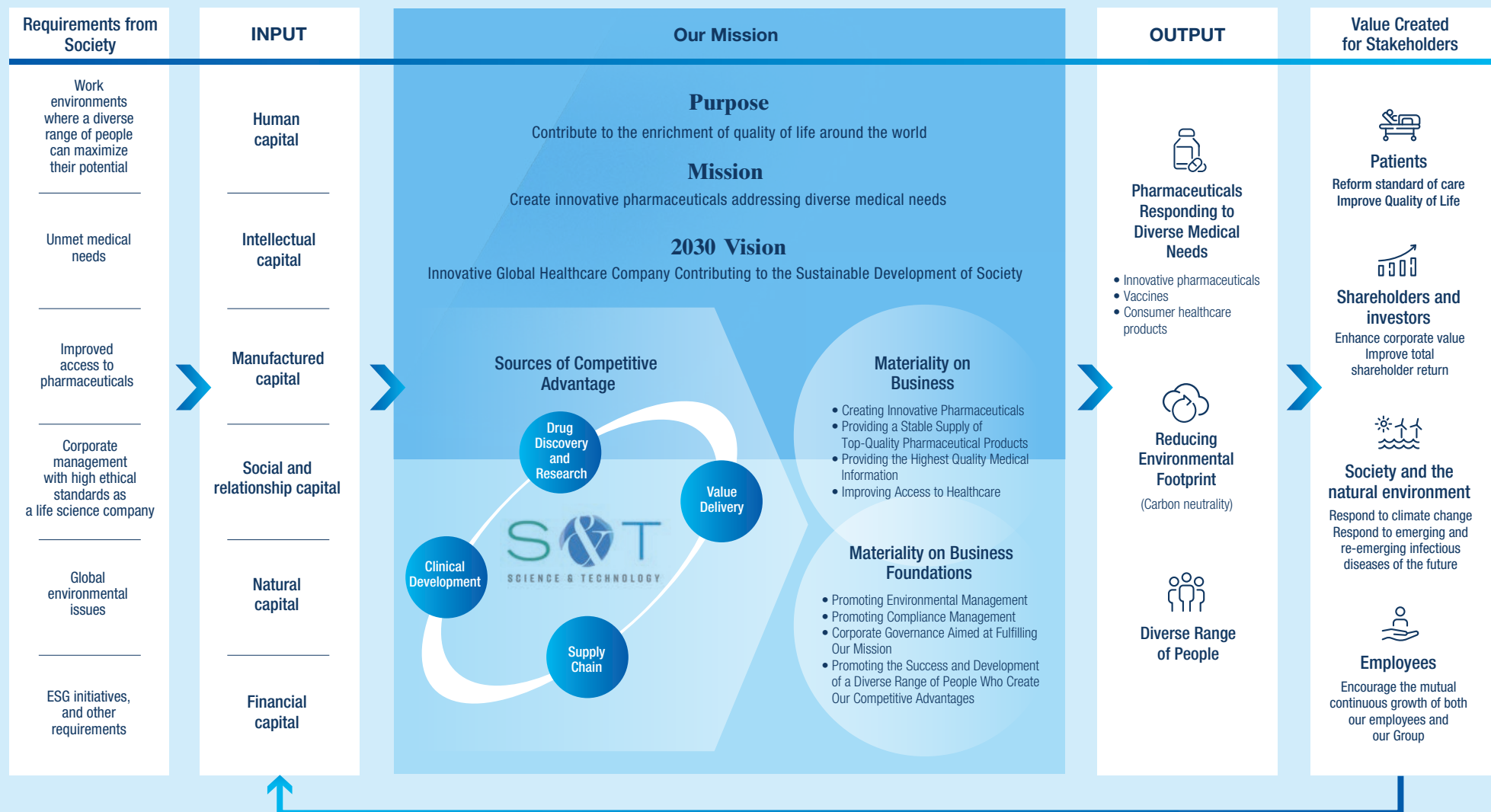
Daiichi Sankyo continues to take on the challenge of continuously creating innovative pharmaceuticals, leveraging our strengths in Science & Technology cultivated over more than 100 years of history. In our current 5-year Business Plan starting from 2021, we have clearly positioned “Global Pharma Innovator with Competitive Advantage in Oncology” as our 2025 Goal and have been accelerating our growth. Looking ahead, we aim to further contribute to the health and enrichment of people’s lives around the world, with our 2030 Vision of becoming “Innovative Global Healthcare Company Contributing to the Sustainable Development of Society.”

Our 5-year Business Plan

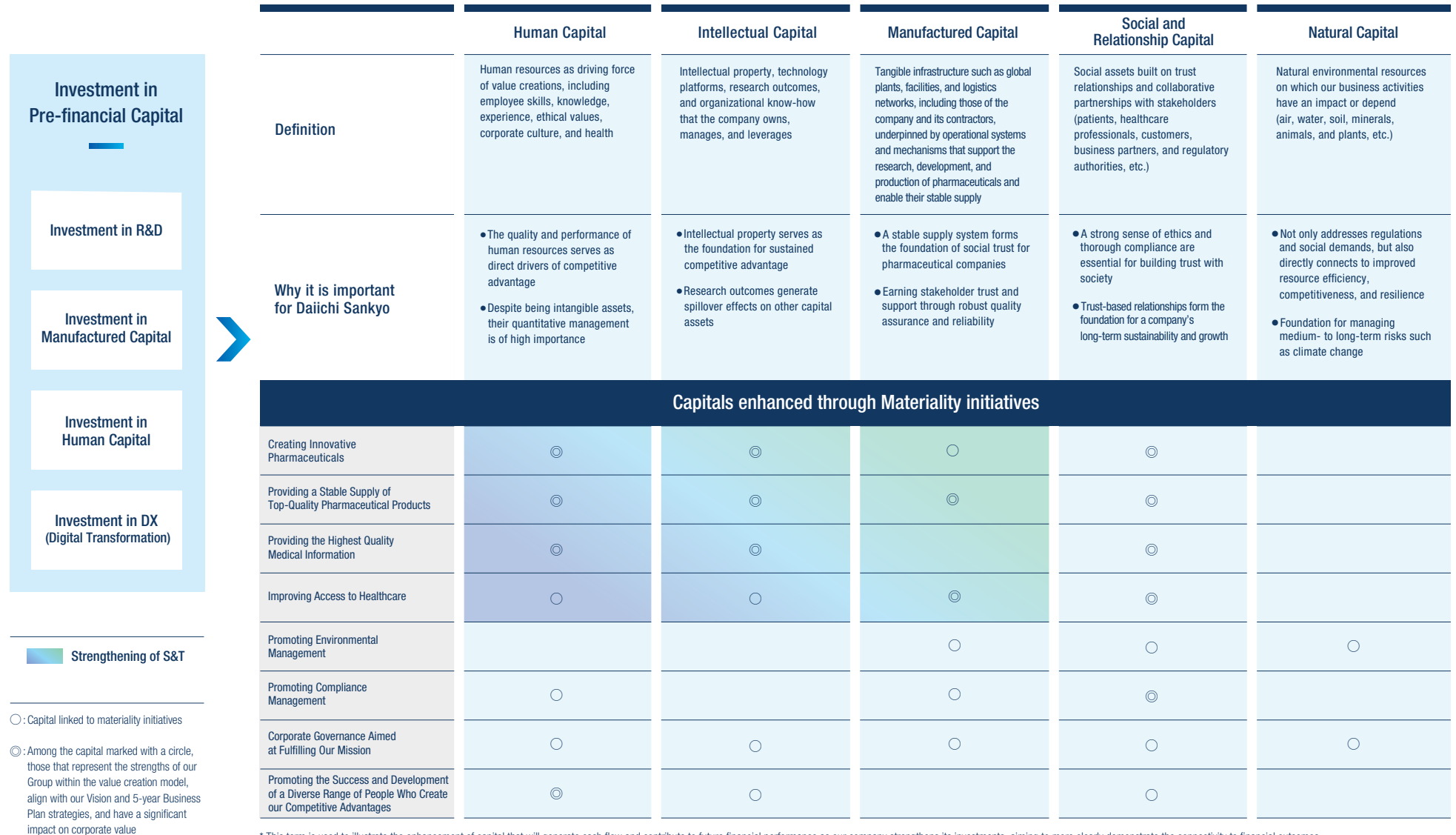


Achieving Sustainable Value Creation through Value Co-Creation with Stakeholders

The Daiichi Sankyo Group, as a global pharmaceutical company, is addressing various demands from society, including responding to unmet medical needs. To meet these demands, we invest various forms of capital, including human and intellectual capital, and leverage our strength in Science & Technology—our source of competitive advantage—across the entire value chain. Through the development of pharmaceuticals that address diverse medical needs, the reduction of environmental impact, and the active participation of diverse talents, we provide social and economic value to a wide range of stakeholders, including patients and society at large. We aim to enhance our Group's sustainable corporate value and contribute to the sustainable development of society by co-creating value with stakeholders and continuously circulating the value creation.



Approach to Pre-financial Capital*



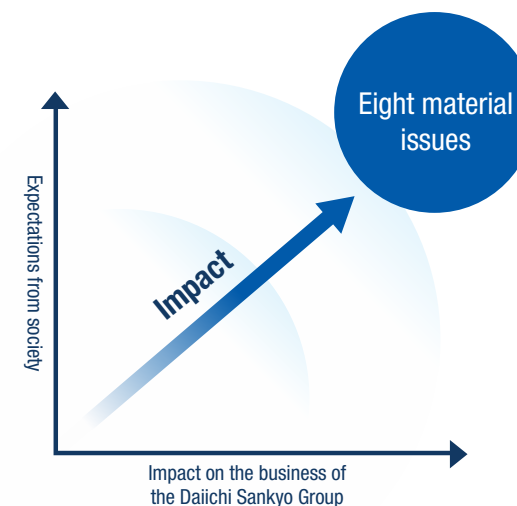
* This term is used to illustrate the enhancement of capital that will generate cash flow and contribute to future financial performance as our company strengthens its investments, aiming to more clearly demonstrate the connectivity to financial outcomes

Materiality

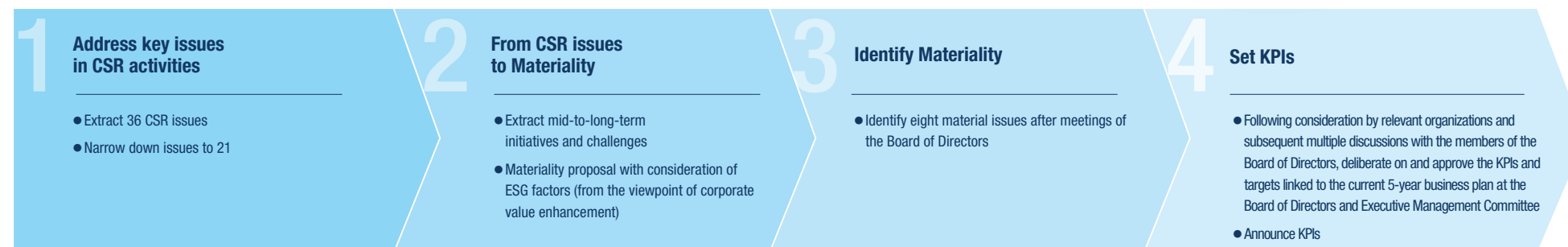
We identified eight material issues to be addressed to sustain growth based on the impact on the Group's mid-to-long-term corporate value enhancement and expectations from society. We then sorted these issues into two groups: Materiality on business and Materiality on business foundations. Upon formulating our current 5-year Business Plan, in addition to long-term targets and challenges for each Materiality, we set Materiality key performance indicators (KPIs) as initiative indicators.

Materiality Identification and KPIs Setting Process

In identifying and sorting material issues, 36 issues were selected from the corporate social responsibility (CSR) perspective in FY2015. In March 2020, we identified eight material issues based on several reviews and active discussions at Executive Management Committee and Board of Directors, and dialogue with our stakeholders. Subsequently, we announced KPIs, indicators of initiatives for each Materiality in April 2021. Our Materiality identification and KPI setting process is shown in the figure below.



Materiality identification and KPI setting process (FY2015 to FY2021)



Sustainability Management

Under the direction of the CEO, the Head of Global Corporate Strategy is responsible for establishing and operating a global promotion system addressing sustainability issues including human rights, Environment, Health and Safety (EHS), sustainability information disclosure, and social contribution. This system integrates measures in each organization and region into company-wide strategy. We have established a dedicated Sustainability Committee (Chair: Head of Global Corporate Strategy), which convenes at least twice a year in principle. As an advisory body to the Executive Management Committee (EMC), it deliberates on company-wide strategies and policies while monitoring annual and semi-annual plans and results. The strategies, policies, and material issues discussed and reported at the Sustainability Committee are then deliberated and reported at the EMC.

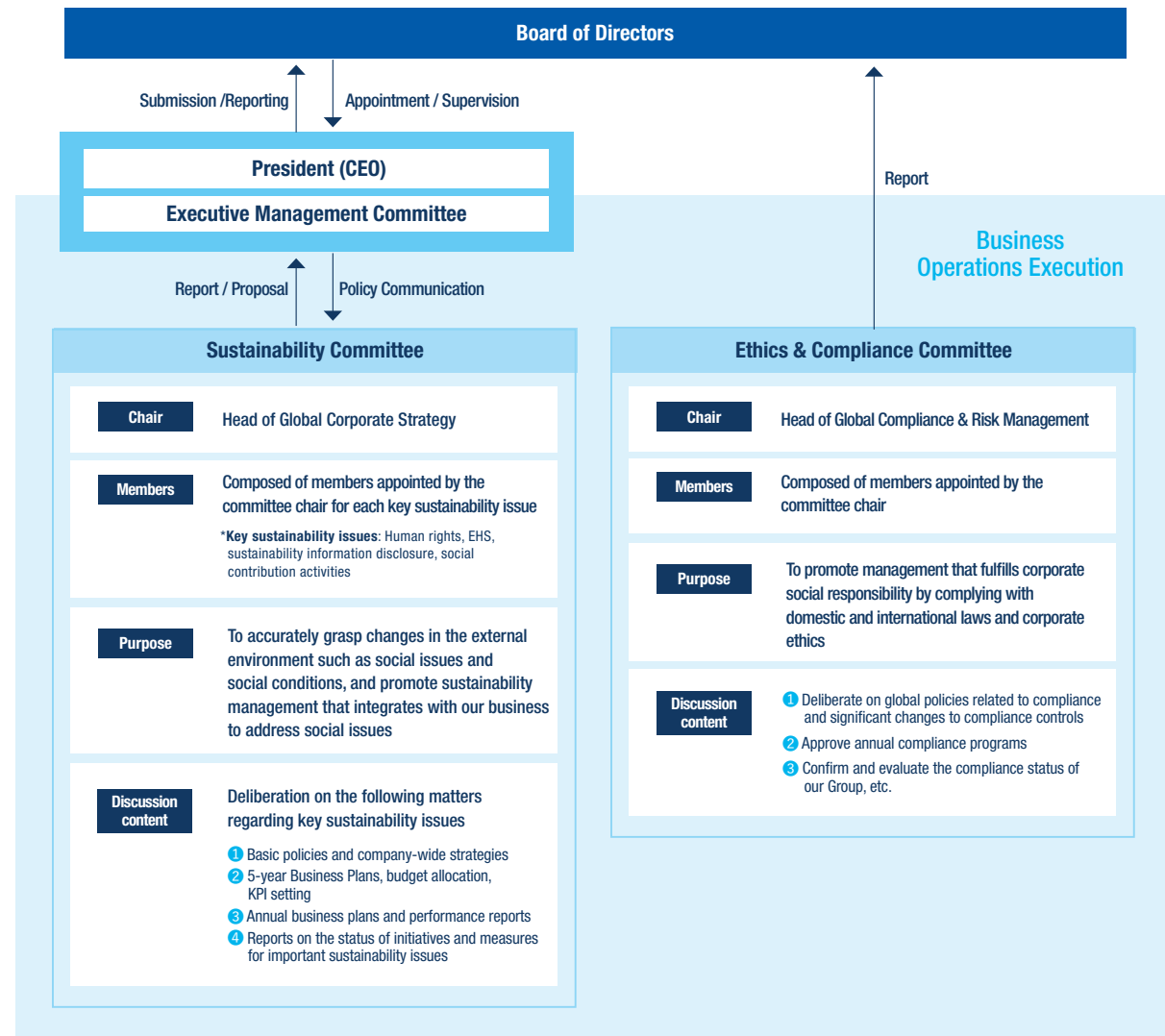
Corporate ethics and compliance promotion activities are deliberated and reported at the Ethics & Compliance Committee (which convenes at least once a year in principle), and then reported to the Board of Directors.

The Sustainability Committee met in January and March of FY2024. Discussions include the FY2025 plan and the status of net-zero transition plan for EHS, response plans for new SSBJ^{*1} and CSRD^{*2} standards for sustainability information disclosure, and human rights assessment results. Subsequently, matters related to EHS and sustainability information disclosure were reported to the EMC.

^{*1} Sustainability Standards Board of Japan

^{*2} Corporate Sustainability Reporting Directive

Sustainability Management System



List of Materiality KPIs and Results

Materiality on Business

	FY2025 KPI Targets	FY2024 results	① Economic value creation ② Social value creation
Creating Innovative Pharmaceuticals	① 3ADC: 8 indications launched (as new indications during the mid term plan period) ② Multiple projects to become the new growth driver after 3ADCs are in or above late development or more advanced stage ③ Post DXd-ADC modality is in development stage ④ Number of designations to the priority review system (report the cumulative number) ^{*1}	① Enhertu •Approval for HER2 positive solid tumors (US: Apr. 2024) •Approval for HER2 Low BC without prior chemotherapy (US: Jan. 2025, EU: Mar. 2025) •Top line result for Ph3 study in HER2 positive GC 2L (Feb. 2025) Datroway •Application for NSCLC w/EGFRmut/Voluntary withdrawal of application for NSCLC 2L/3L (US: Nov. 2024) •Approval for HR+/HER2- mBC (US: Jan. 2025, JP: Dec. 2024), HER3-DXd •Approval for EGFR mut NSCLC 3L CRL received (US:Jun. 2024) •Data read-out for EGFR mut NSCLC 2L (Sep. 2024) ② •Ezharmia Approval for Peripheral T-cell lymphoma (JP:Jun. 2024) •DS-7300 First subject dosed in small cell lung cancer (Ph3) (Jul. 2024) •DS-6000 First subject dosed in Ph2/3 study in Platinum Resistant Ovarian Cancer (Apr. 2024) •DS-3939 Ph1/2 study in several types of advanced solid tumors in progress ③ •DS-9606 Ph 1 in progress •DS-2325 Ph1b/2 in progress ④ FY2024 12 cases (Cumulative 25 from FY2023)	① Expand R&D pipeline and acquire intellectual property contributing to future revenue and profit ② Contribute to the enrichment of quality of life around the world
Providing a Stable Supply of Top-Quality Pharmaceutical Products	In house capital investment and CMO investment for the construction of ADC production system and stable supply of top quality pharmaceuticals to patients (including capital expenditure): Maximum 300 billion yen	•Expansion of supply capacity in response to demand forecast (Decision made to invest approx. 226 billion yen FY2024 (cumulative total since FY2021, approx. 522 billion yen))^{*2} •Stable inventory secured for current commitments	
Providing the Highest Quality Medical Information	Improvement of evaluation scores from stakeholders including healthcare professionals	Japan Business Unit MR: 1st in all markets, Product Information Center: 1st both in health insurance pharmacy pharmacists and hospital pharmacists ^{*3}	① Increase revenue and profit, reduce/prevent the risk of declining corporate value ② Contribute to the enrichment of quality of life around the world
Improving Access to Healthcare	① Increase the number of launched countries through collaboration with partners ② Achievement of supply of COVID-19 vaccine (AZD-1222) of AstraZeneca as planned to contribute to mitigating new risks through cooperation with the regulatory authorities and other companies, Progress in development of DS-5670 as planned	① Enhertu launched: 69 countries and regions (FY2024: 17 countries and regions), Number of patients treated: Appx. 94,650 patient ^{*4} ② DS-5670 Launched Omicron JN.1-adapted mRNA vaccine in Japan (Sep. 2024)	

*1 Addition of KPI target in FY2023

*2 Recalculate the total investment amount up to 2023

*3 MR: Aug. 2024, INTAGE Healthcare Inc. , Product Information Center: Nov. 2024, transcosmos inc. and The Japan Research Institute, Limited

*4 Estimated based on the formula dividing "total sales volume" by the "amount of use required by one patient per year"

Materiality on Business Foundations

	FY2025 KPI Targets	FY2024 results	① Economic value creation ② Social value creation
Promoting Environmental Management	① Reduction of CO ₂ emissions (Scope1 + Scope2) ^{*5} by 42% from FY2015 ② •Reduction of CO ₂ emissions intensity based on sales (Scope3, Cat1) ^{*5} by 15% from FY2020 •At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target) ^{*1} ③ Renewable electricity utilization rate more than 60% ④ Maintenance of waste plastic recycling rate by over 70% ⑤ Reduction of disposal of hazardous waste by 10% from FY2020	① 42.7% reduction from FY2015 (116,312 t-CO ₂ ^{*9}) ② 2.4% reduction from FY2020 (188.2 (t-CO ₂ /100 million yen) Business partners with 1.5°C level targets: 43.1% ③ 79.9% ^{*6} ④ 77.8% ^{*6} ⑤ 43.9% reduction from FY2020 (3,148t ^{*9})	① Enhance corporate value by improving evaluation of environmental management initiatives (reduction/avoidance of the damage risk to corporate value) ② Contribute to the development of sustainable living infrastructure through the early realization of a decarbonized society, solving of the marine plastic problem, and prevention of environmental pollution
Promoting Compliance Management	① Number of significant compliance violations ^{*7} : 0 ② Number of Notable Industry Code Violations (NICV) ^{*8} : 0 ③ Improvement of periodic employee survey scores on ethical culture following baseline ④ Conduction of continuous compliance and promotional activities monitoring at each company ⑤ Sustainable procurement survey coverage rate 75% ⑥ Internal education and dissemination of our thoughts with business partners, Disclosing the result of education and training ⑦ No case of violation with ILO Core Labour Standards ^{*9} as a result of human rights risk assessment through DS Group ⑧ Disclosure of results of business partners risk reduction initiatives related to ILO Core Labour Standards ^{*9}	① 0 ② 3 ③ 93% of positive response rate(+7 YoY) ④ Conducted monitoring at each company ⑤ Currently conducting the 3rd sustainable procurement survey globally ⑥ Conducted the 2nd external training session on the theme of health management for approximately 20 companies (approximately 100 participants) ⑦ Conducted the 2nd internal risk assessment and analyzed the result ⑧ Currently conducting the 3rd sustainable procurement survey globally	① Enhance corporate value by improving trust in our corporate brand (mitigation/prevention of the risks of damage to corporate value) ② Maintain and enhance trust in the pharmaceutical industry, improving social compliance through sustainable procurement
Corporate Governance Aimed at Fulfilling Our Mission	① Complying 100% with all the principles of the revised Corporate Governance Code in Japan ② Evaluating the Board of Directors and implementing measures for improvement (third party evaluation, two times by the end of FY2025) ③ Continuously evaluating and improving the effectiveness of the Audit & Supervisory Board ④ Disclosure through various communication materials with improved transparency in order to help stakeholders to understand the company's corporate governance	① Confirmed 100% compliance with the revised Corporate Governance Code ② •Continued to optimize the operation of Board of Directors Meeting based on the agenda selection rules •Continued to discuss priority themes, as priority measures to address challenges identified in the Board Evaluation for FY2023 •Conducted self-assessment of the Board Evaluation for FY2024. Discussed priority themes for FY2025 and proposed disclosure content related to the Board Evaluation at the Board of Directors meeting ③ •Implemented improvement measures to address issues identified in the FY2023 effectiveness evaluation •Conducted self-evaluation on the FY2024 effectiveness evaluation of the Audit & Supervisory Board and identified challenges to be addressed in FY2025 ④ •Enhanced the disclosure of corporate governance information in various media •Participation of the Chairpersons of the Nomination Committee and Compensation Committee at the Discussion Meeting on Sustainability in December 2024	① Improve sustainable growth of the company and enhancement of corporate value in the mid-to-long-term ② Total value provided through our business operations, realize management with a high transparency to meet the expectations of shareholders, investors, and other stakeholders
Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages	① Percentage of female in senior managerial employees ^{*10} to 30% ② Positive response rate (%) on corporate culture & work environment through engagement survey to 80% or more, or 10% or more increase compared to FY2021 ③ Positive response rate (%) on development & growth opportunities through engagement survey to 80% or more, or 10% or more increase compared to FY2021 ④ Disclosure of the result of the amount of training/development investments per employee	① 24.2%(+5.5pt YoY) ② 76% of positive response rate(- 3pt YoY) ③ 77% of positive response rate(+1pt YoY) ④ ¥207,430 (+¥40,524 YoY)	① Enhance corporate value through developing talents to carry out business activities ② Diversity of human resources, respect for human rights, talent development

*5 Scope1: Direct emissions from the reporting company's factories, offices, vehicles, Combustion of fuels etc.

Scope2: Indirect energy-derived emissions from electric power and other energy consumed by the reporting company

Scope3: Indirect emissions other than Scope1 and Scope2. Category 1 is emissions from activities up to manufacturing of raw materials, parts and containers/packaging materials

*6 Subject to the third-party assurance

*7 Compliance violations which occur in domestic and overseas group companies are regarded as significant when disclosure under the relevant laws or regulations is required by the DS group

*8 Cases where there have been healthcare-related findings by the pharmaceutical regulatory authorities and industry-related organizations that may materially discredit or reduce confidence in Daiichi Sankyo Group of companies

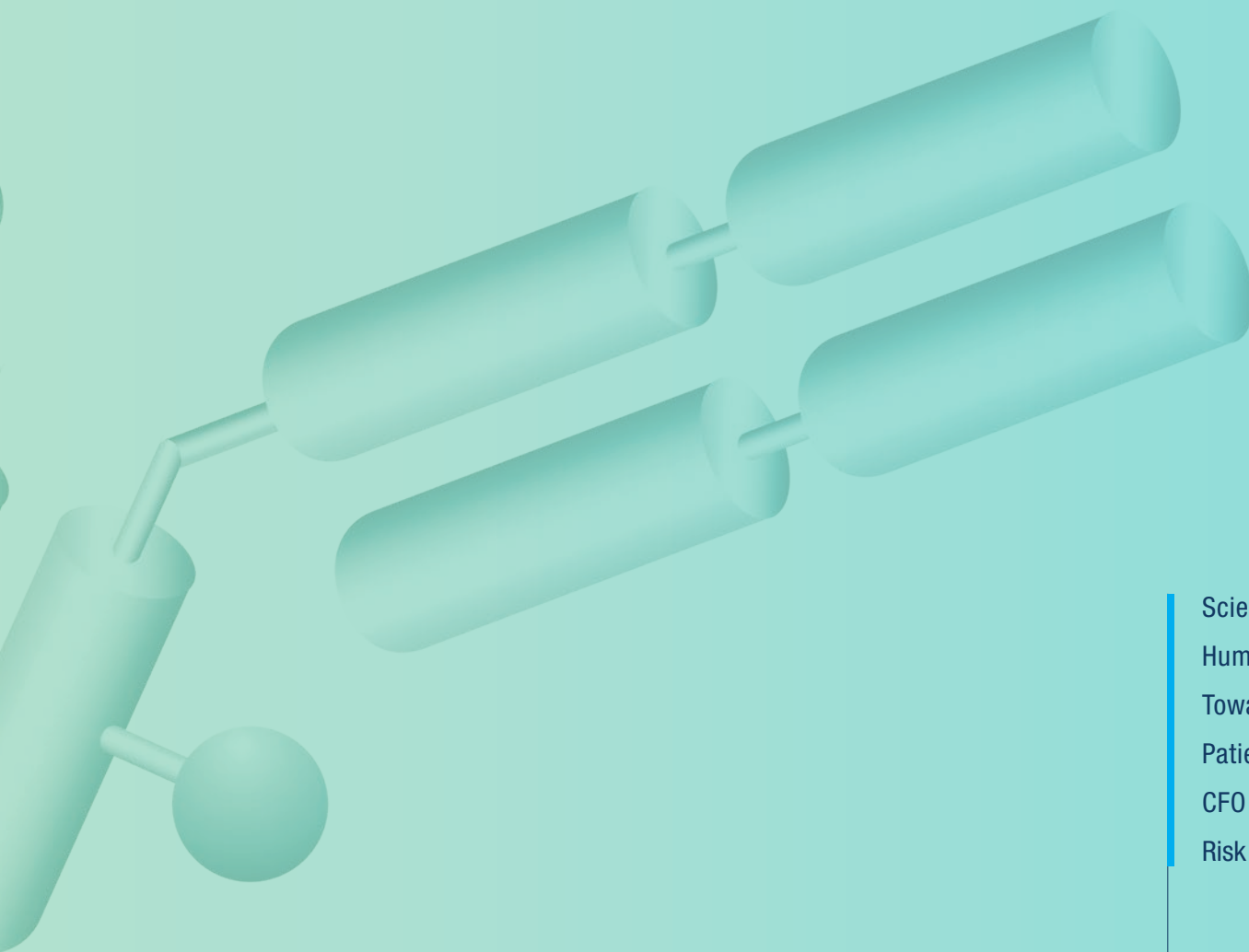
*9 Freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation, occupational safety and health

*10 Senior managerial employees: percentage of women who are in positions equivalent to division heads or higher positions. The definition of senior managerial employees in the Group companies was changed in FY2020.

02

Value Creation Story





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S&T

Science & Technology

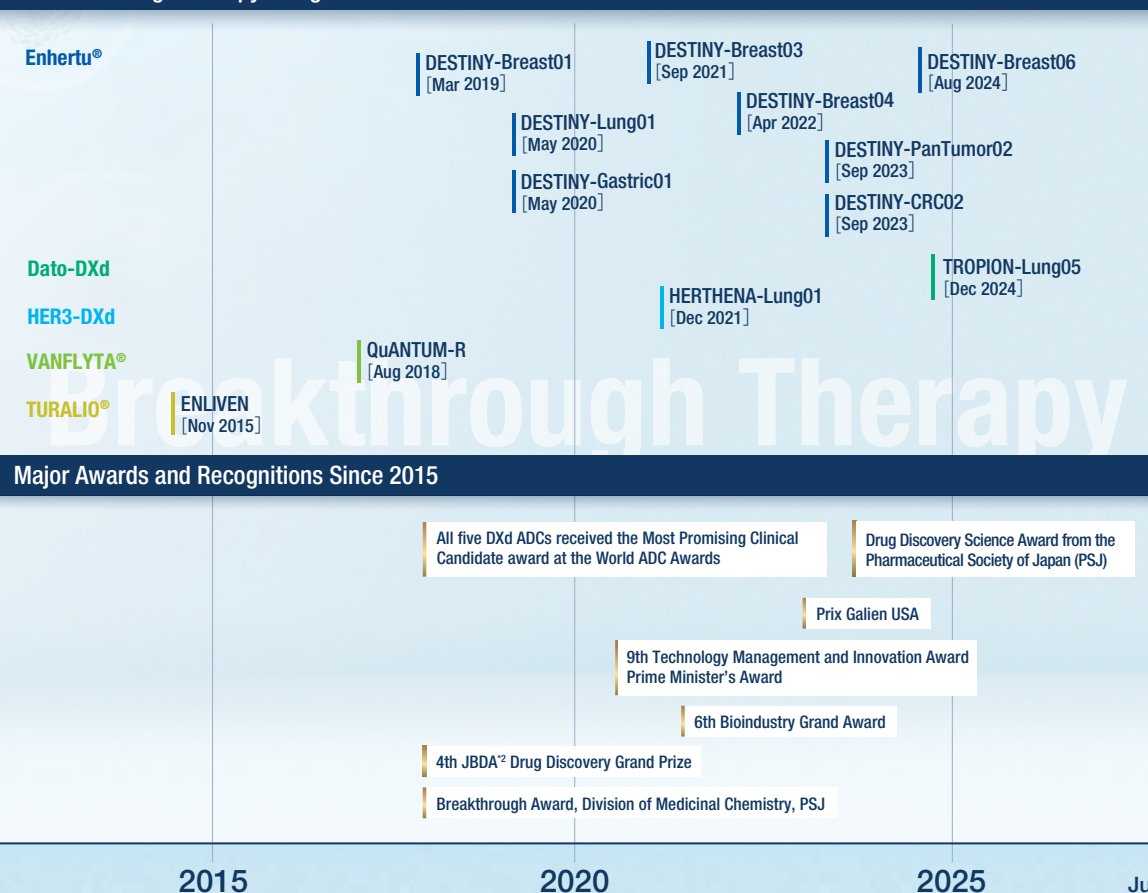
Drug Discovery Capability that Drives Innovation, and a DNA of Inherited Challenge

Over the past decade, the Daiichi Sankyo Group's Science & Technology has earned high acclaim, including 12 Breakthrough Therapy Designations^{*1} by the FDA and numerous prestigious drug discovery awards, such as the 2024 Prix Galien USA Award, the equivalent of the most prestigious award in the pharmaceutical industry.

1 Introduction: S&T's Strengths and Path to Growth

Daiichi Sankyo's greatest strength lies in its Science & Technology (S&T) capabilities. Built over many years, our unique research and development expertise is fully integrated across the entire pharmaceutical value chain, including manufacturing and supply. This foundation has enabled the creation of innovative medicines such as Enhertu[®] and Datroway[®], allowing us to deliver differentiated value in the global market.

12 Breakthrough Therapy Designations Granted Since 2015



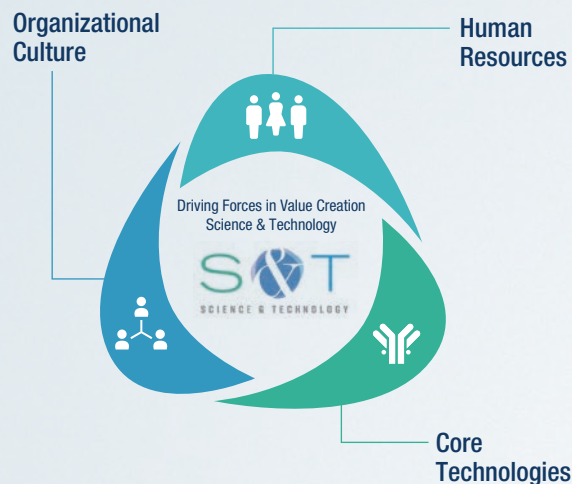
Major Awards and Recognitions Since 2015



^{*1} Breakthrough Therapy Designation: A program established by the FDA to accelerate the development and review of drugs intended to treat serious or life-threatening conditions. The designation enables pharmaceutical companies to work closely with the FDA, receiving intensive guidance throughout the development process. This close collaboration can significantly shorten the time required for regulatory approval, allowing innovative therapies to reach patients faster.

^{*2} Japan Bioindustry Development Association

2 Competitive Advantages Based on Research & Development (S) and Proprietary Technologies (T)



• Strengths in Drug Discovery Activities

Our drug discovery activities are based not only on the successful experiences with our proprietary products, but also in the wealth of knowledge gained from extensive research and development (R&D) experiences that did not lead to new drugs. This accumulated expertise is shared across generations, fostering a culture in which researchers continuously deepen their work through mutual learning and collective growth.

Products such as Enhertu and Tarliger® are the culmination of research and development efforts that pursued drugs capable of transforming standard of care. In drug discovery, where the probability of success is extremely low, it is essential to respect the creativity and original thinking of researchers and clinical members. Daily work is carried out in a free and open manner within a culture where even failures are regarded as valuable lessons. For example, in the development of Enhertu, the discovery of DXd as a superior payload—building on past learnings, including Exatecan and the discontinued DE-310—led to the creation of our proprietary DXd ADC platform.

At the heart of our drug discovery activities is a strong desire to deliver medicines that are truly needed by patients. In selecting research themes, we place great importance on both scientific validity and medical significance, examining them from the perspectives of feasibility and potential therapeutic impact. Only those that meet the high criteria set through this rigorous evaluation process proceed to clinical development. Many themes, however, are discontinued for not meeting the criteria and projects are halted during the development stage. Even in such cases, we establish opportunities for reflection by conducting a lessons learned exercise and maintaining a system for sharing valuable insights from these experiences that are shared and applied to future R&D efforts. Where appropriate, and following a formal review process, these insights are also presented externally to help ensure the credibility and transparency of our research.

• Strengths of R&D Organization and Culture

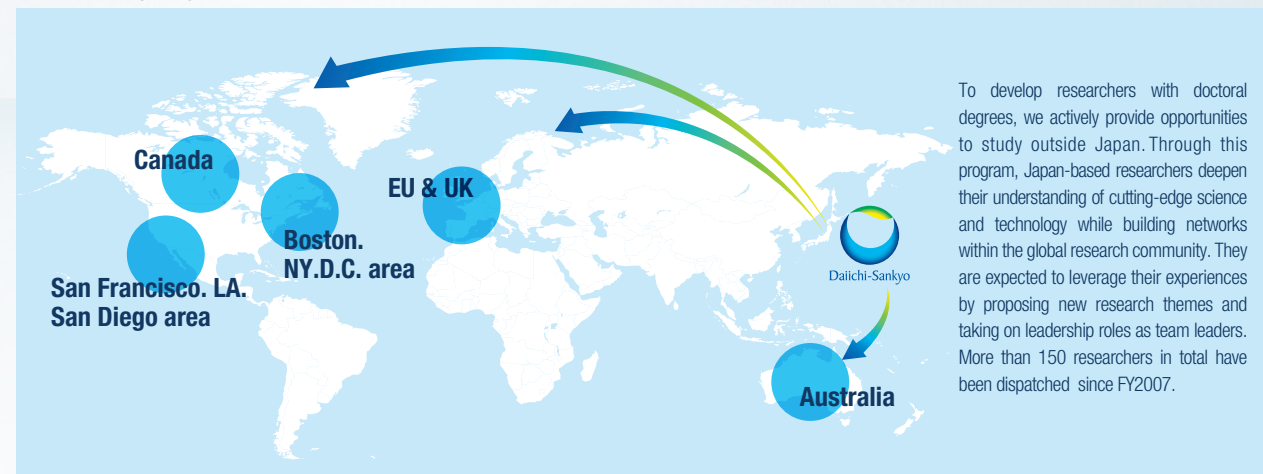
Our R&D organization operates under a culture that values creativity and autonomy. A bottom-up environment that encourages open and candid discussions unconstrained by seniority or position has taken root, empower-

ing researchers and clinical members to take initiative.

In human resource development, we prioritize a long-term perspective. To support the continuous growth of our researchers and clinical members, we have established a framework for nurturing “masters of drug discovery & development” by building clear career paths and promoting the transfer of skills and expertise through senior-to-junior mentoring. We also offer diverse growth opportunities, such as support for obtaining doctoral degrees, overseas study and assignments, fellowships, broad learning and development programs, cross-functional rotations within and beyond R&D, and strategic placement that leverages individual expertise.

Through our R&D activities, we have cultivated serial drug inventors—researchers who have created multiple successful medicines—as well as R&D leaders who drive research initiatives. Many inventors on the patents for Enhertu have been involved with other compounds that have successfully reached the market. Engagement in multiple projects enables the accumulation of knowledge and experience, which in turn drives the continuous creation of innovation. The presence of leaders with such experience and track records also serves as a strong source of motivation for junior R&D personnel.

Overseas Study Program



To develop researchers with doctoral degrees, we actively provide opportunities to study outside Japan. Through this program, Japan-based researchers deepen their understanding of cutting-edge science and technology while building networks within the global research community. They are expected to leverage their experiences by proposing new research themes and taking on leadership roles as team leaders. More than 150 researchers in total have been dispatched since FY2007.

Nearly all leaders who drive R&D possess scientific expertise, and deep understanding and respect for science, which is firmly embedded in our organizational culture. This shared mindset enhances trust and teamwork among R&D personnel, forming the foundation for achieving both scientific creativity and effective organizational leadership.

Furthermore, with discovery research and clinical development within the same organizational unit, collaboration between the two functions takes place regularly. This allows the intentions of both teams to be quickly integrated and reflected when setting research and clinical development criteria, enabling seamless execution of R&D.

Our R&D structure also possesses strong adaptability to external

changes. During the era of the former Sankyo and Daiichi Pharmaceutical, small molecule drug discovery was the mainstream; however, following their integration, we expanded our area of research to the biologics field under a multimodality strategy. In 2013, we established the Biologics Oversight Function to strengthen our research capabilities and production technologies in new modalities such as antibodies, ADCs, and nucleic acid medicines. Furthermore, in 2016, we appointed R&D leader from global pharmaceutical companies to enhance our development capabilities in the oncology area. Since then, we have significantly expanded our global development capability in oncology by hiring many physician scientists as development leaders. The number of clinical members who have relocated

from Japan to the United States and are playing key roles in global development has also increased. These changes are clearly reflected in the transformation of our major pipeline between FY2014 and FY2024.

What enables these transformations is the continuous investment in R&D from a long-term perspective, along with strong leadership that sets a clear direction while respecting the expertise of R&D personnel. By clearly articulating R&D policies and balancing them with creative-thinking, R&D leaders have driven the breakthrough innovations. A relationship of trust and mutual respect between management and R&D serves as the foundation for an organization capable of responding flexibly and agilely to a rapidly changing external environment.

Dedication to quality and careful craftsmanship that has been passed down for over 120 years. It refers to careful coordination of techniques and attention to detail. By combining knowledge, experience, and skills, teams work with perseverance and collaboration to bring new drugs to completion.

A research culture where people can freely discuss and propose ideas based on one's own thinking, regardless of position or rank

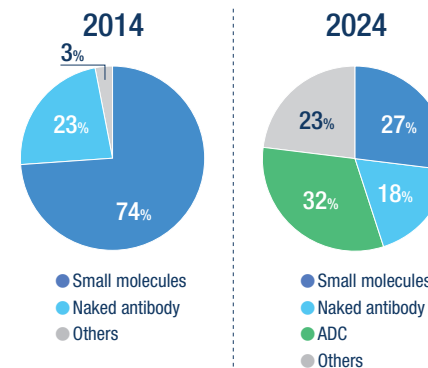
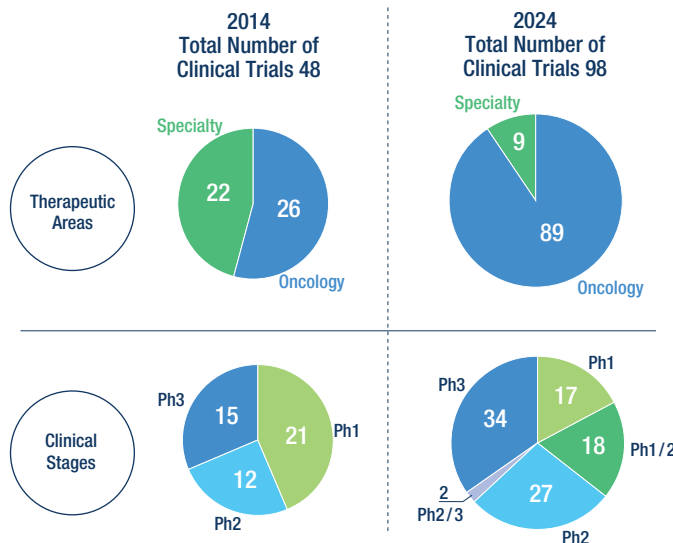
"Three R&D Cultures"



In research and development, researchers and clinical members experience many failures as they repeatedly test and refine hypotheses to reach conclusions. Such a process, involving trial and error, is sometimes referred to as "intelligent failure" and is actively encouraged, as it contributes to scientific learning and progress.

Changes in Major Pipeline

The major pipeline has significantly expanded, with the number of clinical trials doubling.
The strategic overhaul has led to a shift in our priority disease areas.

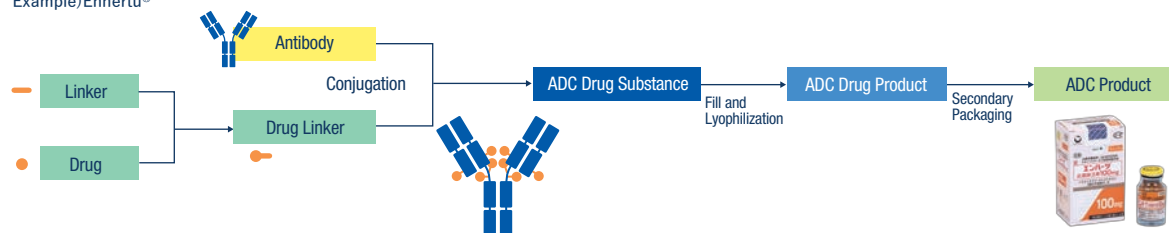


Pipeline transformation to multimodality

The pipeline composition has shifted from only small molecules/naked antibodies to multi-modalities including ADC, bi-specific antibody, mRNA, etc.

The ADC consists of multiple components, each of which is manufactured and managed separately.

Example) Enhertu®



ADCs consist of an antibody, a drug, and a linker that connects the antibody to the drug. The manufacturing process of an ADC involves four main steps: (1) the antibody production process (cell culture), (2) the synthesis process for linking the drug to the linker, (3) the conjugation process that attaches the drug-linker to the antibody, and (4) the formulation process, including filling and lyophilization, to produce the final product. Daiichi Sankyo's strengths are particularly evident in the molecular design and manufacturing process development of ADCs. As the company's internal R&D focus has shifted from small molecule pharmaceuticals to biopharmaceuticals, its continued excellence in synthetic chemistry has been effectively applied to linker design and drug-linker synthesis in ADCs. In addition, the conjugation process—binding the antibody to the drug-linker—embodies our proprietary expertise in reliably producing high-quality ADC drug substances with consistency.

Currently, the Daiichi Sankyo Group is expanding its supply capacity while managing the balance between in-house production and the use of CMOs^{*3} as part of establishing a robust manufacturing system. Because ADC manufacturing is highly complex, building a stable production system is not an easy task. However, we have been strengthening our partnerships with CMOs that have been able to meet high-quality standards from an early stage. In addition, to prepare for future growth in product demand, we are also making capital investments on the scale of several hundred billion yen.

^{*3} CMO (Contract Manufacturing Organization)

As we expand our production capacity, new challenges have also emerged. Even when the manufacturing process itself remains the same, differences in production sites necessitate fine-tuning of the processes, and it is essential to make appropriate adjustments. To ensure stable product quality, such adjustments must be repeated multiple times, placing a significant burden on internal resources. However, we work closely with various stakeholders involved with the Daiichi Sankyo Group to continuously pursue further improvements in quality.

We are also considering initiatives to realize the “one-stop shop” concept. Currently, each of the major manufacturing processes for ADCs—antibody production, drug-linker synthesis, conjugation, and formulation—is carried out at multiple global sites. Coordinating these processes requires combining the appropriate sites, which results in long lead times for final product delivery and necessitates complex production planning and supply chain management. By pursuing the “one-stop shop” concept, where multiple ADC processes can be carried out at a single site, we can shorten the transportation lead time between manufacturing sites and significantly improve the overall speed of manufacturing. This would also allow for greater flexibility in responding to sudden schedule or quantity changes during the development stage, thereby accelerating the overall development process.

MESSAGE

From Early-Stage Development to Commercial Production and Supply — A Seamlessly Integrated Organization Supporting our "Science & Technology" —

We are continuously working to improve our manufacturing processes to deliver better medicines to patients in a stable manner and to provide products that are accessible to people around the world at appropriate prices.

In 2023, we established the Technology Unit, which integrates three functions—Biologics, Pharmaceutical Technology, and Supply Chain—which plays an important role as part of Daiichi Sankyo's “Science & Technology.” The concept behind the Technology Unit is integration of clinical and commercial. By integrating and closely coordinating activities from early-stage development to commercial production and supply, we have built a system that enables the rapid and stable delivery of high-quality medicines to patients. Two years have passed since its establishment, and collaboration within the Unit has been strengthened, allowing us to examine various issues from multiple perspectives and grow into an organization capable of responding flexibly. The Technology Unit is also a large global organization with more than 4,000 members. While sharing the overarching direction of achieving a balance between global alignment and local autonomy, we aim to build an organization where each member can think and act proactively.



Executive Officer
Head of Technology Unit
Hiroto Kashiwase

3 | To Generate the Next Innovation

With the aim of sustainable growth, we strive to continuously deliver new value to patients and society by consistently delivering a pipeline of products based on our proprietary technologies and strengthening the human capital base that creates and them.

● R&D Strategy Centered on Technical Superiority

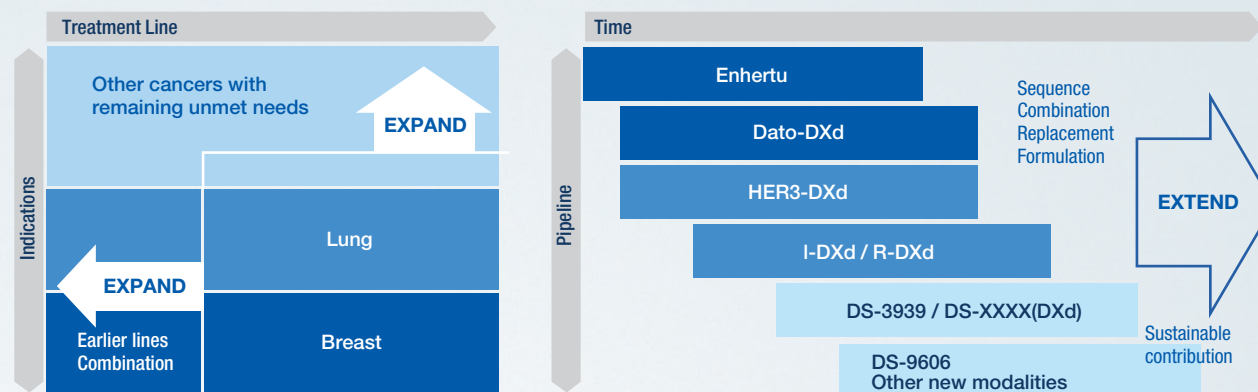
We have continuously created breakthrough new drugs such as Olmesartan, Edoxaban, and Enhertu, which have supported the growth of our business. All of these products originated from our research laboratories in Japan and are signature achievements that exemplify our drug discovery capabilities. The development and launch of Enhertu marked a turning point, establishing our position as a global leader in the ADC field. In particular, ADCs based on our proprietary DXd ADC technology, are enhancing our global presence not only through five products in collaboration with partner companies but also through follow-on candidates such as DS-3939.

In clinical development, we are working to maximize the value of our pipeline through two strategic approaches: EXPAND, which aims to broaden indications and shift treatments to earlier lines of therapy; and EXTEND, which seeks to prolong treatment duration through sequencing and combination therapies. To sustain and further enhance our continuous creation of new drugs, we are committed to establishing highly innovative technology platforms and continuously generating multiple new products based on these platforms.

Achievements with DXd ADCs are driving the acceleration of research and development of technology platforms across multiple modalities. We have a robust foundation in multi-modality research, including small molecules and antibodies. Building on this, we are developing proprietary technologies across various modalities—spearheaded by next-generation ADC technologies that leverage novel payloads—and are working to create new treatment options. Through these efforts, we aim to achieve more stable and sustainable growth.

These initiatives are expanding not only in the oncology area but also in

EXPAND & EXTEND to deliver our technology to more patients



- Establish and expand DXd ADC therapies in **Breast and Lung cancers**
- **Go Earlier** explore early lines of therapy/ stage of diseases; replace chemotherapy
- **Go Wider**: into new indications beyond currently focusing areas to serve more patient needs

- **Address unmet needs after** Enhertu treatment
- Seek effective treatment sequencing, novel combination, or formulation to enhance efficacy and improve treatment
- Grow early pipeline following 5DXd ADCs to contribute to more **patients in the future**

the specialty medicine area⁴. Multiple candidates in both fields are expected to progress to the development stage, and they are anticipated to become key pillars supporting our medium- to long-term growth.

⁴ Disease areas other than oncology

● Strengthening Research and Development Foundation for Achieving Continuous Creation of New Drugs

To realize continuous creation of new drugs, it is essential to further enhance our R&D capabilities. A key initiative in this effort is the strengthening of our human capital base. By increasing the number of R&D personnel through expanded hiring of both new graduates and mid-career professionals, we are actively welcoming talent from diverse global backgrounds. Through this, we aim to invigorate our organization and elevate our technological capabilities, while enabling the integration of external knowledge and expertise.

We are also making progress in establishing a global-scale open

innovation ecosystem. In addition to leveraging our strong presence in Japan, where our research laboratories are located, we have set up bases in Boston (DS Research Institute Boston) and Munich (DS Research Institute Munich), two of the world's leading innovation hubs⁵. Through collaborations such as with the Tissue & Cell Research Center Munich (TCRM), we are actively exploring promising drug discovery seeds and advancing cutting-edge research that leverages the unique strengths of each region.

Also, we have newly established a Smart Research Laboratory in San Diego. By implementing an automated experimentation and data integration environment that utilizes robotics and our proprietary high-performance software, we have made 24/7/365 research possible, dramatically improving the reproducibility and productivity of drug discovery. Moreover, it represents an important step toward collecting the vast amount of data necessary for next-generation drug discovery processes such as AI-driven drug discovery. We are also working to create an environment where researchers can focus on intellectual and creative tasks. The results are

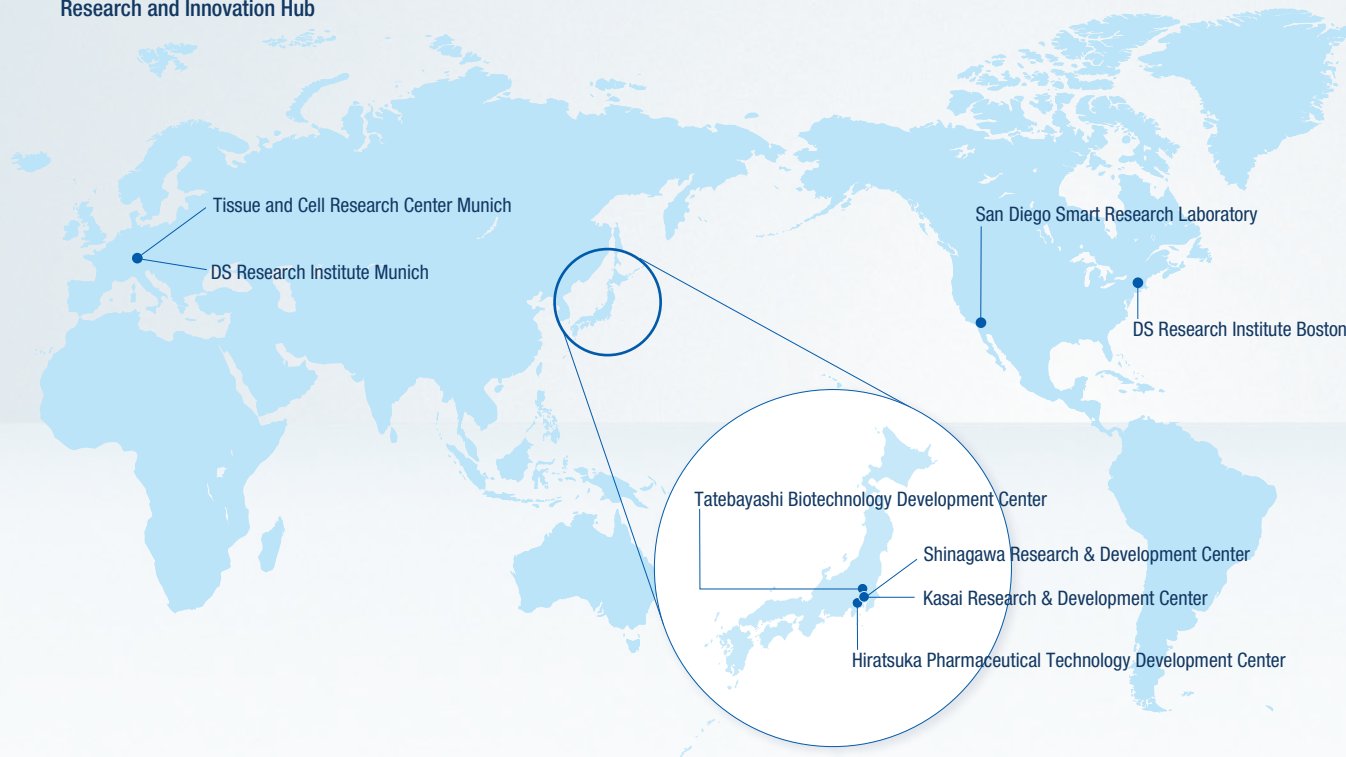
continuously shared with our research laboratories in Tokyo, helping to elevate the capabilities of our research infrastructure across the company.

Furthermore, these global sites play a key role not only in driving technological innovation but also in developing the next generation of leaders. Experienced researchers and management-level personnel from Japan have relocated to the research hubs in the US and Europe, where they gain hands-on experience that enhances both organizational capabilities, such as R&D execution, but also individual leadership skills, scientific

assessment capabilities, and management acumen. By aligning organizational development with individual growth, we are strengthening our global framework to continuously generate innovation.

*5 Innovation Hub: Bases and mechanisms where key players in innovation, centered on companies possessing knowledge and technology across a wide range of fields gather

Research and Innovation Hub



MESSAGE

Bringing together the power of professionals — The forefront of drug discovery that Daiichi Sankyo's research and development tackles

Since joining the former Sankyo Co., Ltd., I have spent the past 28 years honing my skills both as a drug discovery researcher and in research management. Through numerous trials and errors in research, I have come to deeply appreciate the importance of teamwork above all else. During my journey, I have had the privilege of being involved in the exploratory research of Tarlige® and Enhertu. Researchers with diverse areas of expertise draw out each other's strengths and work together to create promising development candidates. These are then taken forward by clinical development teams, who provide strong leadership to drive clinical trials and ultimately bring new drugs to market. There is a profound sense of fulfillment in this entire process that words alone cannot fully express.

We are driven by a single-minded desire to deliver new treatment options to patients and healthcare providers. With this conviction, our research and development team takes on challenges with earnestness every day. I am proud to say that this unwavering commitment is one of Daiichi Sankyo's greatest strengths in drug discovery. The journey of developing new medicines involves repeatedly formulating hypotheses and testing them. Even when we face failures and setbacks, we stay focused on the needs of patients, deepen our understanding of diseases, turn the lessons learned through these challenges into shared organizational knowledge, and pass them on to the next generation.

New science is being born every day around the world. Remaining ever mindful of these developments, we make continuous efforts to gather information and collaborate—always with humility. It is our mission to conduct drug discovery activities that earn the trust of patients and to consistently deliver new innovations to the field of medicine. The true driving force behind Daiichi Sankyo's Science & Technology lies in nurturing dedicated drug discovery professionals. This unwavering strength will undoubtedly be passed on to the next generation.



Corporate Officer,
Head of RD division,
Head of Research

Yuki Abe

Human Capital

Approach to Human Resources Strategy

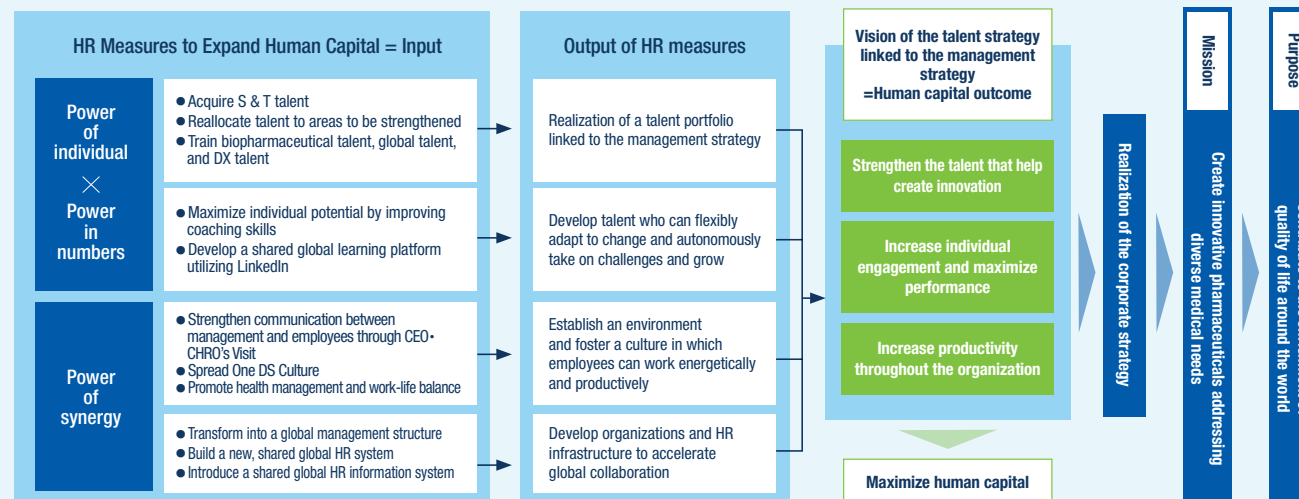
At the Daiichi Sankyo Group, our employees are our most important asset. We are investing in our workforce to create powerful and sustainable value toward the realization of our Purpose.

In short, our human resources strategy is aligned with our business strategy. We focus on three elements:

- The power of the individual: continuously developing and supporting individuals,
- The power in numbers: deploying talent in key strategic areas, and
- The power of synergy: creating an environment and mechanisms that lead to synergy among people and organizations.

While actively engaging each element, we verify the effectiveness of initiatives and further refine our human capital allocation and expansion. Additionally, we have established a People Philosophy as a shared global overarching concept and guideline for decision-making in human resources strategy.

For information about the People Philosophy, click [here](#)



Realizing a talent portfolio linked to the management strategy

Acquisition of Science & Technology (S&T) Talent

To realize our management strategy, we are strengthening talent acquisition globally with a focus on enhancing S&T, which is the source of our competitive advantage. In FY2024, we hired 2,023 career professionals worldwide, primarily in areas of clinical development and technology (Japan: 267, US: 836, Europe: 329, ASCA region: 591). Among them are multiple individuals with extensive experience and skills who were involved in global new drug business for many years at global major pharma companies and the FDA^{*1}. In Japan, where we have core research functions, we continue to focus on attracting and developing PhD talent and highly specialized talent to lead future R&D (18 in FY2022, 21 in FY2023, 31 in FY2024). We are also actively hiring in our production technology division which plays a critical role in ensuring the stable supply of ADC products.

^{*1} **U.S. Food and Drug Administration:** The FDA is a U.S. federal agency responsible for protecting public health by overseeing and ensuring the safety, effectiveness, and quality of drugs, medical devices, the nation's food supply and more.

Initiatives in Japan for Specialized Talent Development

Our group's global business is growing at an accelerating pace, and the business environment is undergoing rapid change. Accordingly, the skills required of our employees are also evolving significantly. To respond accurately and swiftly to these changes, we have identified three areas to continue strengthening within Japan: Biopharmaceutical (process development, manufacturing, quality assurance, regulatory affairs, etc.), Global Business, and DX.

In addition to proactive hiring and personnel reallocation to these areas, we are enhancing talent mobility to strategic areas through an internal job posting system (Career Challenge System) aimed at employees' self-motivated career development and up-and reskilling.

Specialized Professional Development (Focus Areas)		Desired Talent Profile
Biopharmaceutical Professional	(Antibody Manufacturing Process Development)	Individuals who thoroughly understand the manufacturing processes related to biopharmaceuticals and can conduct process development research that contributes to drug discovery research and cost reduction of 5DXd ADCs.
	(Quality Control/Assurance, Regulatory Affairs, Manufacturing)	Individuals who understand the manufacturing processes of biopharmaceuticals and can demonstrate expertise within the technology unit and across the entire value chain to advance biopharmaceutical-related operations.
Global Professional (Global Business Areas in Various Departments)		Individuals who can rapidly and equitably share information and decision-making globally, possess global skills (such as proficiency in English, cross-cultural adaptability, and an international perspective), and are capable of performing global tasks regardless of their location.
DX Professional (Global DX and DX-Related Business Areas in Various Departments)		Individuals who understand both the business requirements and digital/data aspects across the Daiichi Sankyo Group's value chain, and can drive DX transformation in existing businesses and operational processes.

Specific Initiatives for Biopharmaceutical Talent Development (Initiatives in the Technology Unit)

The development and stable supply of ADC products requires cultivating strong talent with specialized knowledge (process development, manufacturing, quality assurance, regulatory affairs, etc.). The Technology Unit is developing and securing talent from a medium- to long-term perspective by strengthening our recruitment activities, early development, training manufacturing engineers, and seamless personnel exchange across organizational and functional boundaries.

We are recruiting top talent through internship activities targeting students from technical colleges. For the development of manufacturing engineers, we made significant capital investments to create a dedicated training environment. In April 2024, we launched the Manufacturing Operator Development Program, which accelerates the efficient development of biopharmaceutical talent. We are also systematically advancing hands-on training education using actual manufacturing equipment.

Furthermore, leveraging our strength as a global unit that integrates functions from early development to commercial production, we are also focusing efforts on seamless people exchange. During the startup of ADC manufacturing facilities at the Pfaffenhofen plant in Germany, European manufacturing engineers worked in our factories in Japan to acquire technology expertise, advancing the development of engineers through cross-border collaboration. We will continue to actively develop and strengthen the talent needed to deliver a stable supply of high-quality pharmaceuticals to patients around the world.

DS Academy

We established an internal leadership training program called DS Academy in FY2024 with the purpose of developing next-generation global leaders. This program targets approximately 30 executive candidates globally and aims to build engagement around Daiichi Sankyo's DNA through the acquisition of advanced management and leadership skills, as well as cultivating an enterprise mindset and deepening understanding of our culture. Management members are fully committed to this program and are directly involved in participant development through interactive discussions and mentor sessions with participants.

Two DS Academy participants, Director, Executive Officer Ueno and Corporate Officer Abe, join as Executive Management Committee (EMC) members, demonstrating that next-generation leader development is progressing dynamically.

Details of DS Academy

Period	From April 2024 for two years (to be conducted as a pilot program, with full-scale implementation planned from 2026)
Method	In-person training sessions, group discussions, and mentoring sessions with EMC members, etc.
Participants	Approximately 30 people (Vice President level, by nomination)
Contents	- Core Skill Development (e.g., entrepreneurship, leadership, industry environment, vision, and strategy) - Understanding DNA of DS (e.g., DS history, Core Values & Behaviors, Patient Centricity)

Message from the Dean of DS Academy

Starting with Tokyo in April 2024, we have conducted three in-person sessions of the flagship program in Germany and the United States.

Through diverse experiences including dialogue with three former CEOs and visits to production sites in Japan and Germany, as well as the Research Institute Boston that are producing innovative results, we are broadening participants' perspectives and knowledge. In addition to in-person sessions, we provide opportunities for active mutual learning and networking among participants by conducting follow-up sessions involving management and project discussions on company-wide challenges in virtual format.

Through this program, participants gain a deep understanding of our company's history and the background behind decision-making, while comprehensively grasping company challenges and engaging in serious discussions from a global perspective. I find it reassuring to see them working hard to tackle management challenges as global leaders who embody Daiichi Sankyo's DNA, while motivating each other to excel.

EMC members also participate as mentors, absorbing new perspectives and learnings from participants, forming a model of mutual growth. I look forward to them leading the company's growth globally as leaders who will carry Daiichi Sankyo's future.



Dean, DS Academy
Senior Executive Officer,
Head of Global Corporate
Planning & Management, CFO

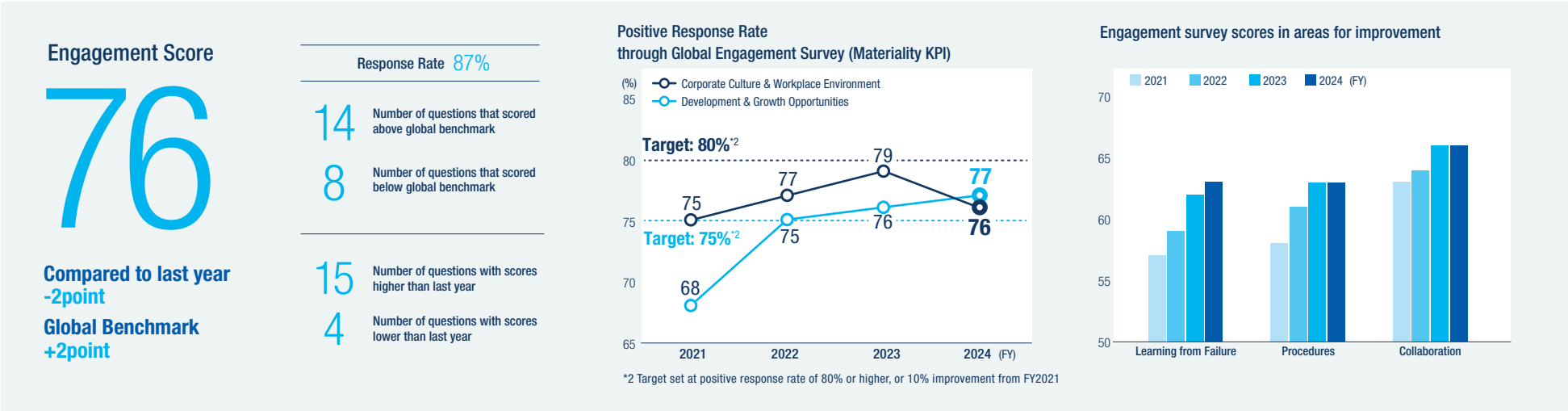
Koji Ogawa

Fostering a culture in which employees can work energetically and productively

One DS Culture

Our group's unique corporate culture, One DS Culture, is the foundation of our value creation. By permeating this culture throughout the group, we believe the global organization can work more cohesively to realize our Purpose. We use engagement surveys conducted globally since FY2021 to understand the current level of adoption and challenges and leverage those learnings and insights from employees to improve over time.

*Conducted for all global employees once a year, featuring 28 survey questions



Progress and Challenges of Engagement Survey

From FY2021 to FY2023, our group's engagement scores exceeded established global benchmark levels, but "Learning from Failure, Procedures and Collaboration" were areas for needed improvement. Management members discussed countermeasures for these areas and established "Learning from Experience" as a global commitment, implementing initiatives accordingly, leading to improvements in our scores in this area the following year.

In the FY2024 survey, while the "Engagement Score" and "Positive Response Rate for Corporate Culture & Workplace Environment" declined slightly from the previous year, the engagement score remained at a level above the global benchmark.

Based on the FY2024 results, we identified "Learning from Failure, Procedures, and Action Taking (post-survey response)" as areas with further room for improvement. Through discussions among management members, we have established "Foster an Environment where we Improve Procedures by Learning from Experiences" as our FY2025 global commitment and are advancing company-wide initiatives.

Specific initiative: Core Behavior Awards

Since 2022, we have hosted the 'Core Behavior Awards,' where the winners are honored during a globally streamed event. These awards recognize employees who proactively embody our Daiichi Sankyo Core Behaviors, fostering a sense of unity across our entire Group. They deepen understanding and adoption of these behaviors through the sharing of exemplary role models. In addition, in FY2024, we introduced the 'Culture Ambassador Awards' to honor the efforts of Culture Ambassadors who are driving the One DS Culture within their respective organizations. The celebration event has received highly positive feedback from participants saying it is 'a valuable opportunity to feel connected globally' and 'a great chance to learn from real-world examples.'



Scenes from the Core Behavior Awards

Developing HR infrastructure to accelerate global collaboration

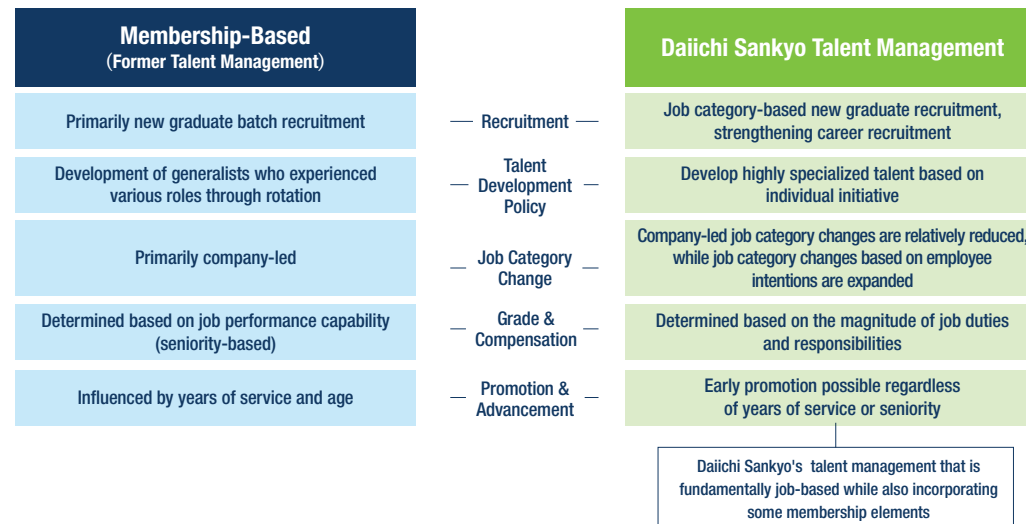
Overview of New Global Common HR System

Our group is developing and implementing a global HR processes to strengthen collaboration and generate synergies across the globe. By standardizing the key components for global collaboration that transcends across countries and regions, while taking into account the laws and practices of each country and region, we will enable smoother global collaboration and improve overall group performance.

Daiichi Sankyo's Distinctive Talent Management

By introducing a global standardized system, Japan is transitioning from conventional membership-based talent management to a system that incorporates job-based talent management.

Generally, in job-based talent management, employees are evaluated based on required job content, creating an environment where all talent can thrive regardless of seniority or length of service. It also enables fair treatment based on job content and results, leading to the acquisition and development of highly specialized, excellent talent. In addition, we will leverage our strengths by integrating membership-based characteristics, including company-led job changes and transfers for the purpose of long-term talent development and organizational strengthening. This also enables the development of next-generation leaders who have company-wide and medium-to-long-term perspectives through various job experiences.



Evaluation System

The new evaluation system focuses primarily on “promoting growth.” In goal setting, we foster awareness of contribution to the organization while encouraging the setting of challenging goals (stretch goals), leading to the enhancement of each employee’s skills and abilities and the achievement of higher organizational goals.

Throughout the year, we establish regular one-on-one dialogue opportunities between managers and employees, providing timely coaching and feedback to promote continuous employee goal achievement and growth. Since managers’ coaching and feedback skills are extremely important for promoting employee growth, we are continuously running learning programs globally to improve these skills.

In year-end evaluations, we eliminated overall evaluation rankings and instead adopted evaluations for each goal, enabling evaluation and feedback that focuses purely on employees’ goal achievement and growth, leading to the development of individual employees.

A survey conducted in Japan to measure the effectiveness of the new evaluation system found a positive response rate of 81%, indicating that the system was well understood and appropriately implemented in its first year.

Grade System

For the job grade system, we have built and introduced a global common grade structure based on job duties and responsibilities. This enables the clarification of career paths across countries and fair treatment, promoting global collaboration and career formation that transcends countries and regions.

Reward System

Our group has established a fair and competitive compensation system under a global common policy while respecting the laws and practices of each country and region. By redesigning compensation categories, we are strengthening market competitiveness and leading to further recruitment and retention of excellent talent. Starting salaries for new graduate employees are also set at appropriate levels aligned with market competitiveness.

Toward Value Co-Creation with Stakeholders

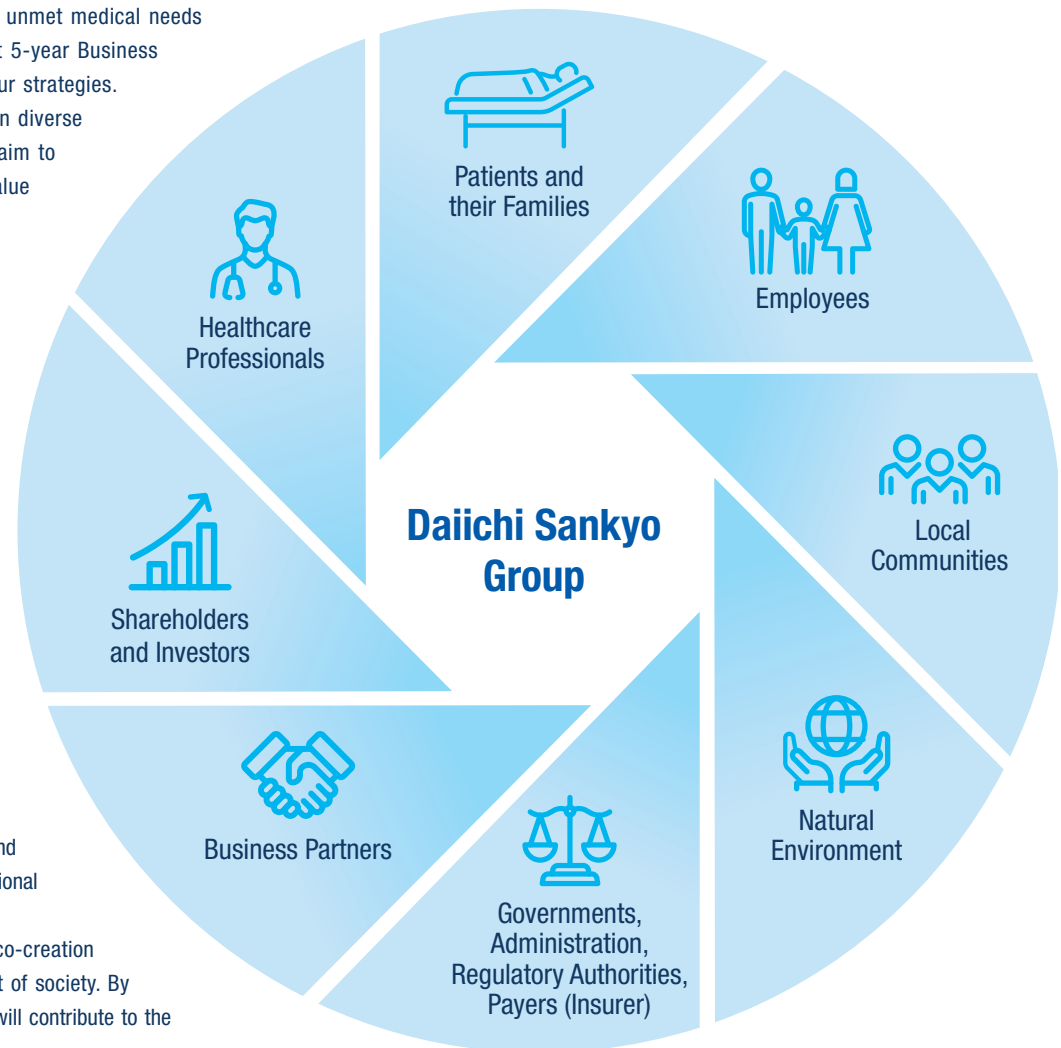
To achieve our Group's Purpose of "contributing to the health and enriched lives of people around the world," and continuously enhance corporate value, it is essential to understand and respond to various demands, including unmet medical needs from a constantly changing society, and to reflect these in our corporate activities. In our current 5-year Business Plan (FY2021-FY2025), we have positioned "creating shared value with stakeholders" as one of our strategies. We actively engage in dialogue with all stakeholders and identify expectations and needs rooted in diverse values. These are integrated into our management strategy as sustainability challenges that we aim to address. By aligning these perspectives with our business activities, we strive to create unique value that only Daiichi Sankyo can deliver.

Shared Value Creation Process with Stakeholders

Our Group believes that communication with various stakeholders is essential for sustainable growth in society and long-term enhancement of corporate value and social values. These stakeholders include patients and their families, employees, local communities, natural environment, governments, administration, regulatory authorities and payers (insurer), business partners, shareholders and investors, and healthcare professionals. We are committed to engaging in appropriate and constructive collaboration with all of these stakeholders.

Our Group actively engages in dialogue with stakeholders to better understand the social demands and expectations placed upon us. We aim to become a company that earns society's trust by responding to these expectations through our business activities, as well as by promoting initiatives that help stakeholders understand our efforts and approaches. Additionally, we strive to build and maintain relationships with stakeholders not only by complying with laws and regulations in the countries and regions where we operate, but also by respecting various international standards and diverse cultures and customs.

We believe that appropriately sharing the profits and outcomes generated through value co-creation via collaboration with these multiple stakeholders contributes to the sustainable development of society. By continuously advancing this value co-creation process and enhancing its quality and scale, we will contribute to the improvement of both corporate value and social values.

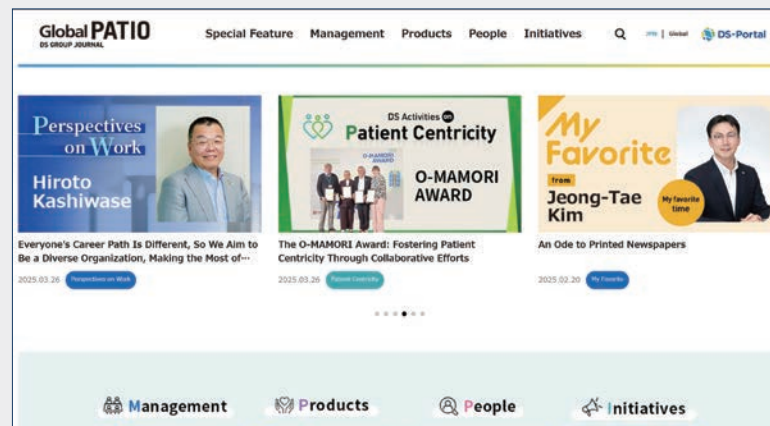


Case study

Case Study 1

Revitalizing Internal Communication

We are working to revitalize internal communication with the goal of “understanding and permeating management information” and “fostering a culture where the organization and employees unite globally to take on challenges.” We regularly publish the web-based internal newsletter “PATIO” for all global employees, which features management messages utilizing video and images, company-wide award recipients, and messages from new employees on our internal portal site. On our internal bulletin board “Management’s Daily Room,” management shares casual updates, insights and behind visions and strategies, and day-to-day thoughts, while employee can engage with these posts by likes and comments, promoting open and visible interaction. Another section of the bulletin board “Hot Topics,” highlights notable achievements from each department and unique internal activities. We also conduct two-way communication between management and employees through management caravans that visit various Group locations and global town halls open to all employees, while actively implementing internal communication to monitor progress and help achieve the goals of our current 5-year Business Plan.



Case Study 2

Sustainability Dialogue with Investors

In addition to traditional communication centered on financial information, we are increasingly engaging in dialogue on sustainability-related themes such as governance, access to healthcare, and environmental initiatives during meetings with institutional investors. To facilitate more constructive dialogue, we are working to enhance the quality and scope of our pre-financial information disclosure. In December 2024, we held our fourth “Sustainability Dialogue Session” (formerly ESG briefing) for institutional investors, securities analysts, and media representatives. This dialogue session utilizes our “Value Report 2024” published in September 2024, with the aim of deepening understanding of our management while incorporating feedback from investors and others into our future management practices to connect to sustainable value creation. This session was held in a hybrid format combining in-person and online participation, allowing for active dialogue with many participants. Both Inside and Outside Directors took the stage to explain our approaches to sustainability management and human capital, as well as our specific initiatives focusing on our greatest strengths of “Science & Technology” and “Governance,” while receiving valuable feedback from investors.



Patient Centricity

Our desire to help patients find hope in their treatment journey is the driving force behind all of our corporate activities. We are committed to actively engaging with patients, starting from their voices, and promoting value co-creation across the entire value chain—from drug discovery and development to manufacturing and information provision. To realize true patient centricity, we are strengthening our initiatives globally and across functions.

Message from the Special Assignment on Patient Centricity



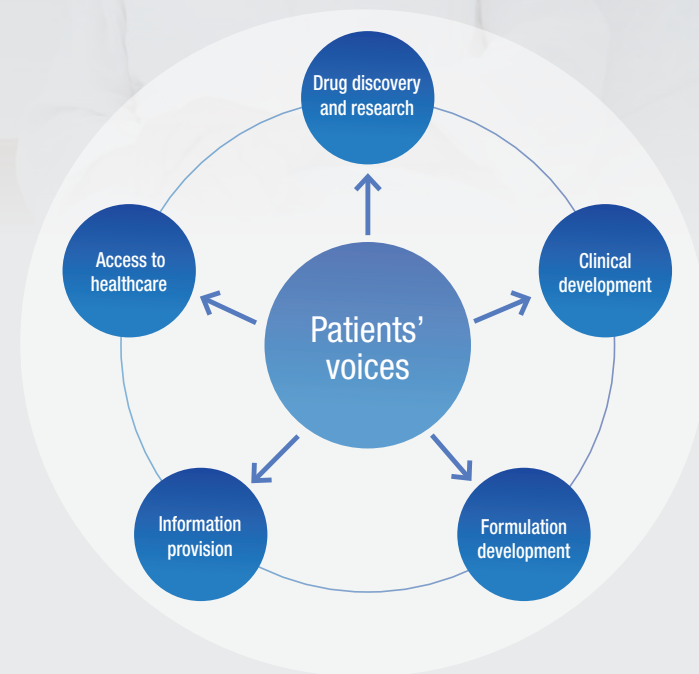
Director, Executive Officer,
Head of Japan Business Unit
and Head of Medical Affairs Division, Japan
Business Unit

Shizuko Ueno

It has been a year and a half since I was appointed to the Special Assignment on Patient Centricity. During this time, I have participated in various activities and initiatives both within and outside Daiichi Sankyo. Many talented people with a strong patient centric mindset—the desire to contribute to patients through pharmaceuticals—have joined Daiichi Sankyo, and this commitment has been deeply embedded in our corporate culture since the company's founding.

Many employees come together to discuss patient centricity in their own words, exchange views and strive to contribute to patients through their daily work. Through such efforts, patient centricity has been further promoted and internalized within our organization, and over the past year and a half, we have seen increased collaboration across units and functions throughout the company.

Patient Centricity, the source of our innovation, is spreading both vertically and horizontally throughout the entire organization in alignment with One DS Culture. I am confident that actively engaging with patients, listening to their voices, and continuing our relentless pursuit to overcome challenges will lead us to realize our Purpose.



Integration of Patient Centricity into One DS Culture

Approximately 150 leaders from Daiichi Sankyo's global organization participated in the Global Culture Initiative Leadership Forum hosted by Global HR. At the forum, leaders from each organization engaged in discussions on our Core Values, Core Behaviors, and patient centricity across regions, units, and functions, while also addressing business challenges faced by both Daiichi Sankyo and their respective units. In particular, there were active discussions around how patient centricity can be woven throughout the fabric of each organization and translated into tangible outcomes. This forum served as a valuable opportunity to reaffirm the organization's future direction and important values. Patient centricity, a key component of the One DS Culture, was positioned as a critical initiative in realizing our Purpose.



Vertical Integration Within the Organization

Initiatives for Next-Generation Leaders and New Employees

We are promoting the vertical integration of patient centrality across the organization by encouraging new employees and next-generation leaders -who will lead our global organizations- to think about and discuss keeping patients at the center of our decision making regardless of their career stages and positions.

Example from Leadership Level

During the “DS Academy” program, which is designed to foster next-generation global leaders, future leaders from diverse global departments gather to revisit key questions such as “What is patient centrality?” and “Why is it important?” The program served as a platform for participants to explore how these principles can be embedded into the work of their respective departments.

For more information on DS Academy, please see [P34](#)

Example from Junior Level

Both the Research & Development Division and the Technology Division have incorporated patient centrality-themed sessions into their respective orientation programs for newly employed graduates. As individuals begin their careers at Daiichi Sankyo, these sessions provide an opportunity for them to reflect together with their peers on what they should value as members of a pharmaceutical company and as Daiichi Sankyo employees.



Horizontal Integration Within the Organization

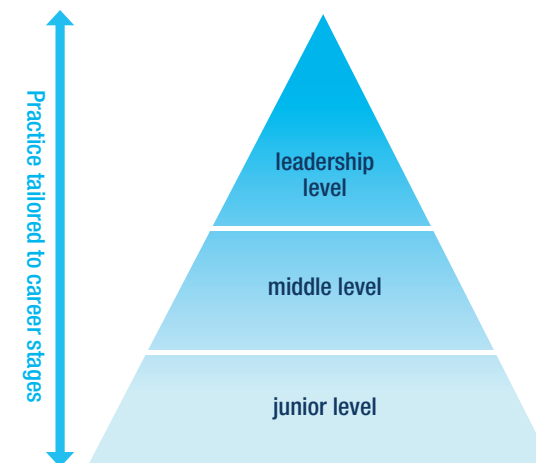
Value Chain Collaboration Framework in Japan

To organically connect patient centrality activities that had previously been carried out independently across various organizations and value chains in Japan, we established a new cross-functional working group to facilitate collaboration among responsible personnel. This working group aims to strengthen Daiichi Sankyo's collaboration with patients by mutually sharing patient centrality initiative plans, achievements, and best practices. Additionally, the group seeks to create company-wide value by incorporating patient voices horizontally across all value chains.

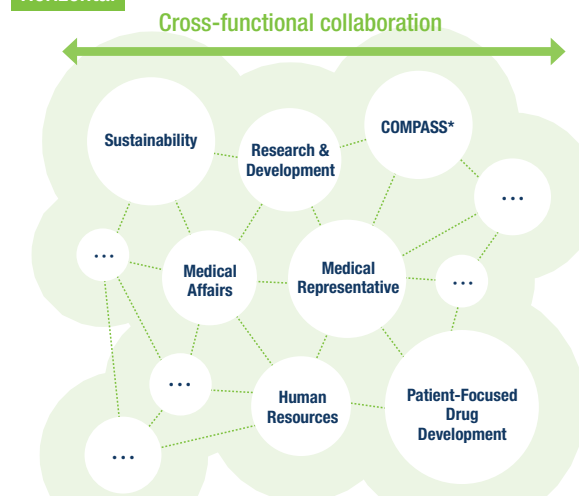
In this way, personnel from functions involved in research, development, manufacturing, and product information provision collaborate to better understand the challenges patients face and work toward solving them. Through this cross-functional effort, we are promoting the horizontal integration of patient centrality across the organization.

Patient Centrality Spreading Vertically and Horizontally Across the Daiichi Sankyo Group

Vertical



Horizontal



* **Compassion for Patients Strategy:** Initiatives to understand the realities of diseases and treatments, as well as patient needs through communication with patients

Putting Patient Voices into Action

Case Study 1

Value Co-creation Starting from Voices of Japanese Healthcare Professionals

At Daiichi Sankyo, we are advancing initiatives to accurately understand the challenges and needs faced by patients and healthcare professionals who work most closely with them through dialogue with frontline healthcare settings, and to reflect these insights in our products and services. By visiting medical institutions to tour facilities and exchanging opinions with healthcare professionals, our employees deepen their understanding of real-world conditions, challenges, and needs.

Dialogue sessions with healthcare professionals serve as valuable opportunities to explore specific initiatives. For example, in the case of injectable drugs, we ask healthcare professionals to demonstrate reconstitution procedures for lyophilized formulations based on actual preparation techniques used in clinical settings. These demonstrations help deepen our understanding of real-world usage conditions. In addition, we hold two-way discussions in which drug product designers ask healthcare professionals questions related to product design and gather feedback from the field, including specific challenges and burdens faced during use.

The insights gained are incorporated into formulation design and device specifications that better reflect frontline needs, with the goal of contributing to patient safety and improving the working environment in healthcare settings.

These initiatives extend beyond new products under development to the continuous improvement of products already on the market.



Case Study 2

Patient Centricity at Onahama Plant

-Fostering Shared Awareness Through Dialogue with Global Leaders-

Leaders from our US and European Oncology Business Units (OBU) visited the Onahama Plant, one of our key ADC manufacturing sites.

Onahama Plant has been responsible for active pharmaceutical ingredient (API) manufacturing of our core products for over 30 years. Currently, the facility is accelerating its transformation to a biopharmaceutical manufacturing system, evolving its role as a critical production site for delivering more effective products that meet patient needs.

During this visit, the leaders shared comments and expressions of gratitude from cancer patients with plant employees. Since manufacturing sites have limited opportunities for direct patient interaction in daily operations, sharing these perspectives served as a powerful reminder for heightening each employee's awareness that they are deeply connected to the frontlines of healthcare. The experience enabled staff to reaffirm the significance of their work, while also elevating plant-wide consciousness toward production activities that consider the patient perspective.



Case Study 3

The Spread of Patient Advocacy Driven from Germany

-Establishment of the O-MAMORI Award-

The O-MAMORI Award is an inspiring initiative primarily orchestrated by the Cardiovascular and Oncology departments of Daiichi Sankyo Deutschland GmbH. It was conceived by dedicated employees who envisioned a way to extend support to individuals and small local organizations dedicated to aiding patients battling cardiovascular disease and cancer, while also strengthening cross-divisional collaboration in line with our Purpose.

This initiative was driven by the strong passion of employees engaged in the cardiovascular or oncology fields. It was launched based on a shared commitment to Patient Centricity transcending departmental boundaries and fostering collaboration among diverse teams. Fueled by this collective mindset, the initiative has promoted cross-functional collaboration and teamwork across departments, while also serving as a catalyst for generating new perspectives and solutions in patient care. In fact, communities that received support through the award have seen numerous outcomes that have meaningfully contributed to improving the quality of life of patients.

The O-MAMORI Award functions not merely as an internal company activity, but also as a platform to foster dialogue about Patient Centricity within the healthcare industry.



The Photo below: Publication permission granted *Christoph Jackschies

Case Study 4

Self-Care Initiatives Supporting Cancer Patients as “Whole Person”

-Efforts to Improve Quality of Life-

Daiichi Sankyo Healthcare operates the skin care information website “Hada (Skin) College” to support patients who struggle with skin problems during and after cancer treatment. This website provides information on proper understanding and management of skin changes or other issues associated with cancer treatment, aiming to empower them to face daily life during and after treatment with greater confidence and peace of mind. Additionally, we regularly hold “Skin Care Seminars” that focus on post-treatment skincare and mental health. By providing information on appearance care and psychological self-management—areas that trouble many people during treatment—we aim to foster the ability to view life during and after treatment more positively.

We also organize roundtable discussions with cancer patients and conduct interviews with healthcare professionals such as nurses, creating opportunities to incorporate the voices of those directly affected into our activities. This enables us to gain deeper understanding of the challenges and needs patients face, generating a positive cycle that leads to improvements in our products and services. These initiatives contribute not only to supporting patients themselves, but also to forming patient-centered support networks that include the people around them and healthcare settings.



CFO Message



As a Fiscal Year of Stepping Up toward the Next 5-year Business Plan, We are Committed to Pursuing Sustainable Growth by Balancing Investments for Future Growth with Shareholder Returns.

Senior Executive Officer
Head of Global Corporate Planning and Management, CFO

Koji Ozawa

A Look Back over FY2024

Looking back on fiscal year 2024, there are three things that I feel are particularly important as CFO: first, we were able to achieve a good balance between "growth investments" such as R&D investments and capital expenditures for the future, and "shareholder returns." In determining this balance, we referred to the opinions and feedback we have received from many shareholders and investors over the years.

Next, we implemented agile acquisition of own shares taking stock price levels into consideration. In order to respond nimbly to situation where we believed our company's future profitability was not sufficiently reflected in the stock price, we acquired own shares from March to April 2025.

Finally, we made progress on Project 4D (Daiichi Sankyo Data-Driven Decision Making), which aims to unify information infrastructure and business processes on a global scale. The objective is to build a robust and solid business operations foundation through data-driven management that enables rapid decision-making and highly productive business operations, in preparation for the next 5-year Business Plan. We are currently accelerating the development of our business operations framework toward the full-scale launch of Project 4D.

Moving forward, I am committed to continuing to provide leadership toward realizing our 2030 Vision of achieving an "Innovative Global Healthcare Company Contributing to the Sustainable Development of Society."

Progress and Update on the Current 5-year Business Plan (FY2021-FY2025)

The Daiichi Sankyo Group is working on its current 5-year Business Plan (FY2021-FY2025) aimed to realize our 2025 Vision "Global Pharma Innovator with Competitive Advantage in Oncology" and shift to further growth toward our 2030 Vision. Specifically, by implementing the four

strategic pillars, "Maximize 3ADCs," "Profit growth for current business and products," "Identify and build pillars for further growth," and "Create shared value with stakeholders," and strengthening the foundation that supports these strategies, we aim to achieve our KPI targets of 1.6 trillion yen in revenue (600 billion yen or more from the oncology business), a core operating profit ratio before R&D expenses*1 of 40%, Return on Equity (ROE) of 16% or more, and DOE (dividend on equity ratio)*2 of 8% or more in FY2025, which is the final fiscal year of the plan.

Four years have passed since the launch of the current 5-year Business Plan, and the four strategic pillars are progressing smoothly, increasing our confidence in achieving the FY2025 goals. In the following, I will provide an update on the progress of "Maximize 3ADCs" and "Profit growth for current business and products."

Regarding the most important of the four strategic pillars, "Maximize 3ADCs," our global product, the anti-cancer agent Enhertu®, has been growing steadily across countries and regions, exceeding our initial expectations. Global product sales for FY2024 (excluding upfront payments and milestone income) grew to 552.8 billion yen. We will continue to pursue further market penetration in existing sales regions and expand into new countries and territories, while advancing the launch of new indications to further enhance the product value of Enhertu

Additionally, Datroway®, our second DXd ADC product

following Enhertu received approval in Japan, the United States, and Europe from December 2024 onwards for breast cancer indications where Enhertu has not been approved, and we began providing patients with new treatment options. In the development of Datroway for lung cancer, we did not achieve the expected results in the initial trial to apply for regulatory approval. However, by combining data from other Datroway studies we submitted regulatory application to the FDA in November 2024 and obtained approval in June 2025. By narrowing the indication, we aimed to obtain approval for a more limited lung cancer target patient population. By applying cutting-edge AI-powered imaging diagnostics to the data from the initial trial, the likelihood to identify the types of lung cancer where Datroway treatment effects could be expected has increased and we have gained significant insights. The identification of this new imaging diagnostic technology led to optimization of development plans for lung cancer types with larger target patient populations, representing a significant achievement toward maximizing the product value of Datroway. We are currently conducting clinical trials to add multiple indications, aiming to provide treatment options to a greater number of patients.

Regarding "Profit growth for current business and products," the sales of our global product, the anticoagulant Lixiana® are progressing smoothly in Japan, Europe, and the ASCA regions, with global product sales expanding to 344.0 billion yen in FY2024. Additionally, sales of the pain treatment

Expectation on achieving FY2025 KPIs (As of Apr. 2025)

	At the time of planning 5YBP	As of Apr. 2025
Revenue	1.6 Tr JPY	2 Tr JPY
Revenue in Oncology	600 Bn JPY	900 Bn JPY
Core Operating Profit ¹ ratio before R&D expenses	40%	40%
ROE	16%	16%
DOE ²	8%	8.5%
Currency rate assumptions	1 USD=105 JPY 1 EUR=120 JPY	1 USD=145 JPY 1 EUR=155 JPY

*1 Core Operating Profit: Operating income less temporary income and expenses (gains/losses related to sales of fixed assets etc.)

*2 DOE: Dividend on Equity = Total dividend amount / Equity attributable to owners of the company

Tarlige® in Japan, the iron deficiency anemia treatment Venofer® in the U.S., and the hypercholesterolemia treatments Nilemdo®/Nustendi® in Europe have shown steady growth, significantly contributing to the creation of resources that are necessary to invest in the company's sustainable growth and shareholder return. Furthermore, the profits from American Regent, which sells iron deficiency anemia treatment drugs and generic injectables in the United States, and Daiichi Sankyo Healthcare, which sells OTC pharmaceutical products in Japan, are steadily growing. In addition, the transformation toward a business structure centered on innovative drugs is progressing smoothly through the transfer of products following the expiration of exclusive marketing periods in various countries and regions, as well as the execution of the transfer of Daiichi Sankyo Espha shares. This has steadily strengthened the profitability of the group as a whole.

Expectation on FY2025 KPI Achievement (as of April 2025)

Based on the steady progress over the four years since the start of the current 5-year Business Plan, we anticipate that FY2025 consolidated revenue will reach 2 trillion yen, exceeding our target of 1.6 trillion yen by 400 billion yen, driven by increased revenue projections in the oncology field.

In FY2025, we anticipate that revenue from the oncology field will exceed 900 billion yen, within the consolidated revenue. Compared to the projections announced in April 2024, although a decrease in sales revenue is expected due to changes in Datroways development strategy in the lung cancer area and the voluntary withdrawal of the regulatory application for HER3-DXd in the United States, oncology area sales revenue is projected to reach 900 billion yen, exceeding the target by 300 billion yen, as Enhertu sales continue to grow steadily.

With the increase in revenue, we expect higher costs of sales and selling, general, and administrative expenses. However, improvements in cost ratios due to changes in product mix and

efficient, effective expense management will enable us to continue aiming for a core operating profit margin before R&D expense of 40%. Furthermore, by achieving a balanced cash allocation between R&D investments for sustainable growth and shareholder returns, we aim to maintain a ROE of 16% or more. Additionally, we anticipate that our DOE will exceed our target of 8% or more and reach 8.5% or more, due to improved capital efficiency and enhanced shareholder returns.

Four years have passed since the start of the current 5-year Business Plan, and we have deepened our confidence in achieving levels that exceed the targets set when the plan was formulated, giving us strong conviction as we move toward our next current 5-year Business Plan.

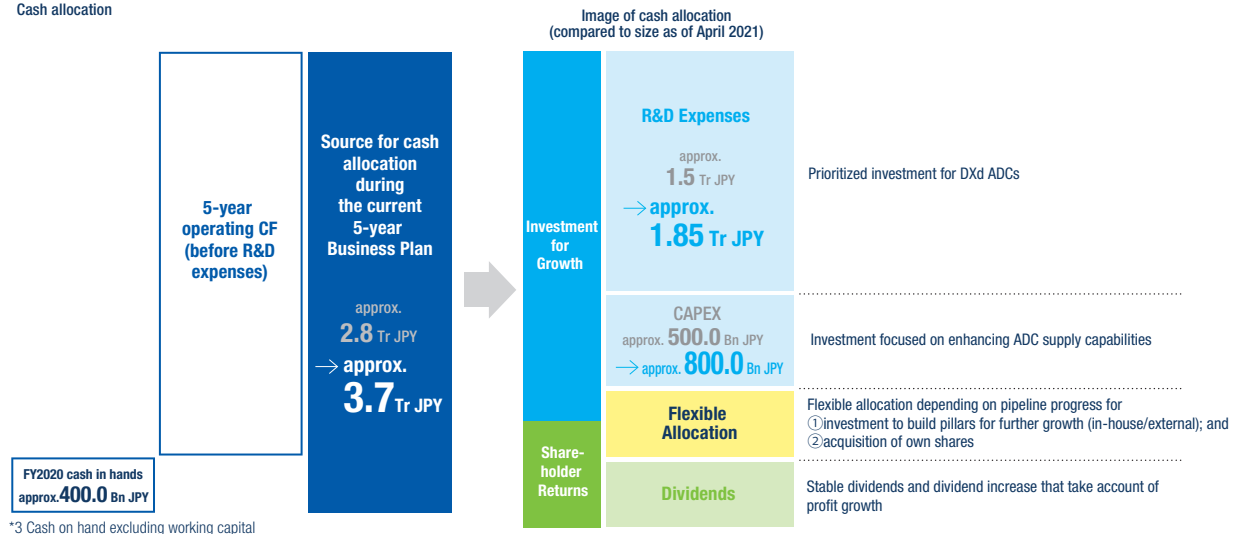
Well-Balanced Investment for Growth and Shareholder Returns (Cash Allocation)

During the current 5-year Business Plan period, we will

follow a policy of well-balanced cash allocation between investment for growth and shareholder returns. Specifically, a portion of the cash allocation will be dedicated to investment for growth (such as R&D investments and capital expenditures) and shareholder returns. The remaining portion will be flexibly allocated based on the progress of the R&D pipeline, considering a balance between further growth-oriented R&D investments and shareholder returns.

The cash allocation for the current 5-year Business Plan period, comprising the initial cash on hand at the start of the current 5-year Business Plan and the operating cash flow before R&D expenses over the five years, is expected to increase by approximately 900 billion yen to around 3.7 trillion yen compared to the initial forecast, due to the receipt of upfront payments from the strategic alliance with Merck & Co., Inc., Rahway, NJ, USA (Merck in the U.S.) The increased cash allocation will primarily be used for enhancing R&D investments, capital expenditures for future growth, and further strengthening shareholder returns.

Well-balanced investment for growth and shareholder returns Cash allocation



For R&D expenses prioritized for the development of DXd ADCs, we plan to increase the allocation by 350 billion yen compared to the initial forecast of the current 5-year Business Plan, totaling approximately 1.85 trillion yen over the five years. For HER3-DXd, I-DXd, and R-DXd, development to maximize product value is progressing through our strategic partnership with Merck in the U.S., including acceleration of indication expansion trials and initiation of new studies, we continue to make aggressive investments in research and development. On the other hand, as a result of refining our development plans following progress in our strategic partnership with Merck in the U.S., the projected research and development expenses for FY2025 have decreased compared to the April 2024 estimates. Additionally, medical affairs-related expenses, which involve efforts to improve treatment quality through the creation of new evidence and information dissemination, have also decreased compared to the projected amount from one year ago due to changes in Datroways development strategy in the lung cancer area and the voluntary withdrawal of the regulatory application for HER3-DXd.

Regarding capital expenditures, we plan to increase the allocation by 300 billion yen compared to the initial forecast of the current 5-year Business Plan, totaling approximately 800 billion yen over five years. The primary purpose of this increase is to strengthen our production infrastructure, with a significant portion allocated to enhancing the production infrastructure for DXd ADCs. By executing balanced investments in our production facilities in multiple countries and regions including Japan, the United States, and Europe, as well as external contract development and manufacturing organizations (CDMOs), we will continue to meet the anticipated growing demand for DXd ADCs.

We will further strengthen shareholder returns through increased dividends in line with profit growth and flexible acquisition of our own shares. These aspects will be explained in detail in the following section.

Shareholder Return Policy

In the current 5-year Business Plan, we have adopted DOE as a KPI for shareholder returns, aiming to achieve a rate of 8% or more, which exceeds the cost of equity capital, in FY2025.

DOE is an indicator that combines ROE and the dividend payout ratio, encompassing both capital efficiency and shareholder returns, which are crucial for enhancing corporate value. As the company transitions to a profit growth phase under the current 5-year Business Plan, it is essential to consider dividends in conjunction with capital costs and capital efficiency. Therefore, we have adopted DOE as one of our key indicators.

$$\begin{aligned} \text{DOE (Dividend on Equity)} &= \text{Total Dividends} \div \text{Shareholders' Equity} \\ &= \text{ROE (Net Income} \div \text{Shareholders' Equity)} \times \\ &\quad \text{Payout Ratio (Total Dividends} \div \text{Net Income)} \end{aligned}$$

Regarding ROE, we aim to achieve a rate of 16% or more for FY2025 by expanding capital efficiency through revenue growth driven by Enhertu® and flexible acquisition of our own shares.

Regarding the equity ratio, we consider approximately 60% to be an appropriate level from both financial security and capital efficiency perspectives. Although the equity ratio has temporarily decreased due to the strategic alliance with Merck in the U.S., where a portion of the upfront payment received is recorded as deferred revenue (liability) for future sales revenue, we expect to gradually bring the equity ratio back to around 60% over the coming years as we recognize deferred revenue as sales revenue.

Regarding cross-shareholdings, we generally do not hold listed shares, except when it is deemed to contribute to maintaining or strengthening long-term business relationships and enhancing our corporate value. We are progressively selling these shares, taking into account their impact on the market and other factors.

We aim to further enhance shareholder returns through increased dividends in line with profit growth and flexible

acquisition of our own shares. In line with the steady progress of our performance centered on Enhertu we have implemented dividend increases for three consecutive years since FY2022. For FY2025, given the continued profit growth expected from further sales expansion of Enhertu®, we plan to increase the dividend by 18 yen per share to 78 yen.

Additionally, to further enhance shareholder returns and improve capital efficiency, we executed 200 billion yen of own shares acquisition between April 2024 and January 2025. Furthermore, from March to April 2025, we implemented 50 billion yen of own shares acquisition as a flexible response to the situation where we believed our company's future profitability was not sufficiently reflected in the stock price. Moreover, in April 2025, we established upper limits for acquisition of own shares for the period from May 2025 to March 2026, with an upper limit of 200 billion yen in total acquisition amount and 80 million shares, as a flexible response taking into comprehensive consideration the stock price level and other factors.

As a result of these initiatives, we expect FY2025 DOE to exceed the target of 8% or more by 0.5%, reaching 8.5% or more.

Next 5-year Business Plan: CFO Commitment toward Maximizing Corporate Value

Our current 5-year Business Plan is progressing smoothly, and we believe we have achieved balanced growth investments and shareholder returns. For our next 5-year Business Plan starting next fiscal year, we are confident that we can create an even more robust growth story through swift decision-making enabled by data-driven management and the realization of highly productive business operations. We will continue to work toward maximizing corporate value through active dialogue with shareholders, investors, and all our stakeholders.

Risk Management

The Daiichi Sankyo Group defines “risks” as those factors that may prevent it from achieving its goals and targets and that can be predicted in advance. We take appropriate measures against risks inherent in our corporate activities through retaining, reducing, avoiding, and transferring these risks; should risks materialize, we promote risk management to minimize impacts on people, society, and the Group itself.

For details on our risk management system, crisis management, and BCP (Business Continuity Plan), please click [here](#)

Risk Management Promotion System

Our Group is overseen by the Head of Global Compliance and Risk Management (GCRM), who oversees the Group’s risk management activities. Within this structure, the Heads of each Unit and Function conduct risk identification, risk assessment, and countermeasure implementation, promoting autonomous risk management. GCRM handles operational affairs for the entire Group while providing necessary instructions, support, and advice to each Unit and Function.

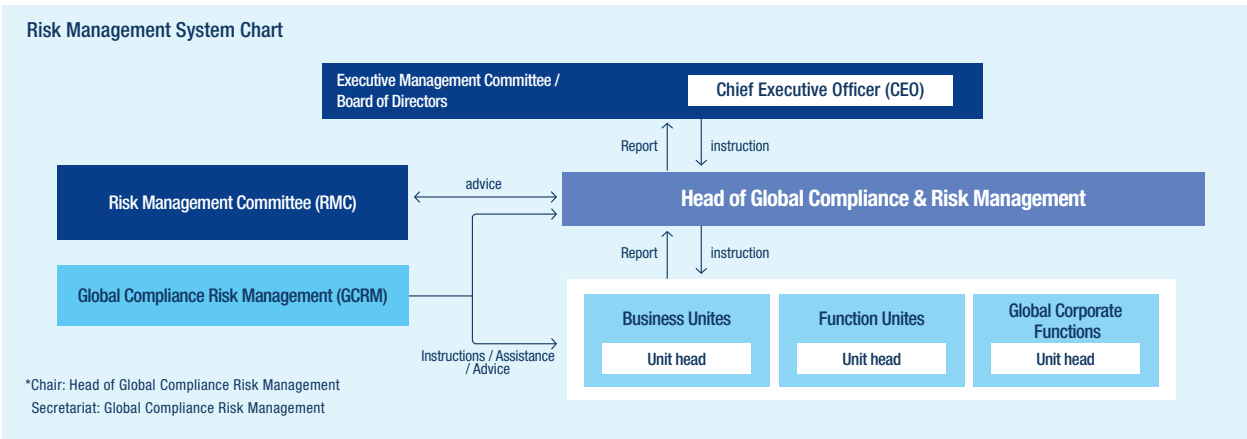
The significant risks of our Group are determined by the Executive Management Committee (EMC) and the Board of Directors. For each significant risk, each designated Head of Unit or Function (risk owners) is responsible for implementing countermeasures and monitoring them periodically. When signs of potential material risks are detected within a Unit or Function, the respective Head promptly reports them to the CEO and the Head of GCRM.

In FY2024, we enhanced the Daiichi Sankyo Group’s Risk Management by implementing improvements based on interviews with senior management and industry practice reviews. As part of this initiative, we established the Risk Management Committee (RMC) to facilitate discussions on risks at the EMC level. The RMC consists of core members

and additional flex members invited based on the agenda, and it engages in in-depth discussions on various risks. The Risk Management team invites external specialists as necessary to ensure that discussions benefit from up-to-date expertise on relevant topics.

Additionally, the Risk Management team has established a process

through which Risk Coordinators, designated by each Unit or Function, support the Head of Unit or Function and promote the risk management processes. Furthermore, we have introduced a recurring PESTLE analysis to monitor external factors and changes, establishing a systematic approach that enables us to respond promptly to emerging risks.



Response to Emerging Risks

We also monitor emerging risks (new risks that may affect the company over the next few years and are still under evaluation due to their high uncertainty and dynamic nature). Depending on discussions at the RMC and EMC, the assessment of an individual emerging risk may be changed to a material risk or a unit-level risk. We monitor the following risk as the emerging risk.

Areas	Risk Summary	Status of Risk Management
Risks Related to the Utilization of AI	1. Decline in competitiveness due to delays in applying AI and digital transformation Amid rapid advances in AI technology research and development and digital transformation (hereinafter “DX”) worldwide, the utilization of AI, particularly generative AI, is becoming indispensable, especially in drug discovery research and development processes. If we fail to respond to these technological innovations in AI, we may lose our competitive advantage in research and development, which could adversely affect the performance of our Group.	In response to these various risk scenarios, the Group is continuing to build a framework aimed at accelerating research and development through technological innovation using AI and promoting DX based on the utilization of AI throughout the company. In addition to complying with AI-related regulations, we are also working to establish an AI governance system (formulating a global AI governance policy, establishing global guidelines for AI development and operation according to risk classification, etc.).
	2. Response to AI-related regulations Regulations governing the use of AI technology are becoming increasingly stringent worldwide. In particular, inadequate response to new regulations such as the EU AI Act in the EU could result in fines or restrictions on business activities. Additionally, inadequate AI governance frameworks could lead to incidents that adversely affect patient health or safety. Furthermore, this could result in a decline in the Group’s social credibility or claims for compensation, which could negatively impact business performance.	

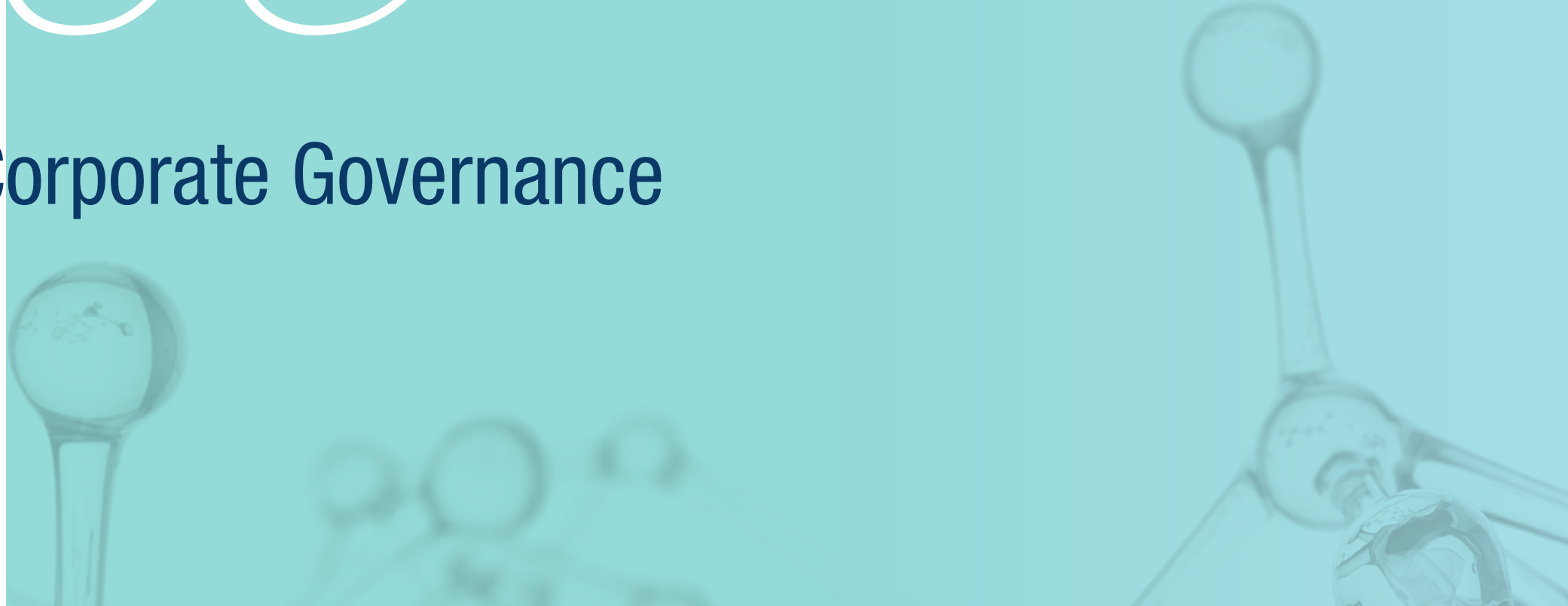
Major Risks and Corresponding Responses

Areas	Risk Summary	Response (Including Countermeasures and Mitigation Action)
Research and Development & Alliances with Partner Companies	The potential of discontinuation of research and development, failure to obtain approval due to changes in approval review criteria, or changes or termination of contract terms related to collaborations in the development of new drug candidates. Investment may not be recovered due to changes in development plans and excess inventory may result in disposal costs. This includes Trastuzumab Deruxtecan (T-DXd/DS-8201: Anti-HER2 ADC, product name: ENHERTU®) and Datopotamab Deruxtecan (Dato-DXd/DS- 1062: Anti-TROP-2 ADC, product name: DATROWAY®) in partnership with AstraZeneca, as well as Patritumab Deruxtecan (HER3-DXd/U3-1402), lvnatamab Deruxtecan (l-DXd/DS-7300), DS-6000 (R-DXd), and MK-6070 (DS3280) in partnership with Merck.	Continue a Joint Committee with each AstraZeneca and Merck, create a unified vision between the two companies for each area of collaboration, and use this vision to formulate and manage the progress of strategies; Ensure constant communication with pharmaceutical regulatory authorities in each country as a means of managing and reducing risks.
Pharmaceutical Side Effects and Quality Issues	Pharmaceutical products may be recalled or withdrawn from the market due to quality issues or unforeseen side effects; significant expenses may be incurred due to resulting allegations of injury and other matters of liability.	Consistent quality assurance through the enhancement of management systems compliant with GMP and GDP standards; Regular audits of group company facilities and business partners are conducted; Perform objective assessments, reviews, and analysis of safety management information (e.g., information on side effects) is globally collected; Share this information with health care professionals in an appropriate manner; Provide all employees with training in safety management information every year.
Overseas Business Expansion	Operations overseas may be impacted by a number of factors, including: political instability, changes in tariffs, sudden policy changes, deterioration of economic circumstances, contraventions of local laws and regulations, and worsening labor management relations.	Appoint risk coordinators in each unit, and collect and share information on a regular basis; When a problem occurs, follow the crisis initial response procedure, aiding prompt problem resolution. Collect timely information to understand the potential impact on the business, work out different scenarios, consider requests to the government through industry organizations in Japan, the U.S., and Europe, and examining the possibility of strengthening local production in the US.
Manufacturing and Procurement	Risks affecting manufacturing, procurement activities, and investigational products, including quality risks in contract manufacturing, may include damage to Group-owned facilities, impairment of public infrastructure, and technical issues.	Establish systems to rapidly restore operations in the event of an emergency and to ensure stable supplies of pharmaceuticals with assured quality for the continued provision of medical services; Continuously improve BCP by reviewing operations and organizational structure related to priority supply items, etc.; Periodically review list of priority supply items. Ensure distribution of manufacturing and logistics bases, and install private electricity generators; Strengthen IT foundations (e.g. infrastructure), such as by ensuring redundancy in core systems. Enhance the oversight of contracted manufacturing sites through risk management and promote the implementation of risk mitigation measures.
Environment & Safety	Some chemical substances used in the research and manufacturing of pharmaceuticals may potentially have adverse effects on human health and ecosystems. Climate change-induced weather disasters, global warming, and loss of biodiversity pose potential risks to the pharmaceutical supply chain, such as disruption, increased manufacturing costs, and restrictions on the use of natural resources.	Establish and ensure continuous monitoring of independent management standards that are more rigorous than those set by local authorities; Disclose information according to recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), Risk assessment and disclosure in accordance with the TNFD (Taskforce on Nature-related Financial Disclosures).
Intellectual Property Rights	Third party claims of patent infringement or other intellectual property claims against the Group, which could interrupt the Group's business or result in legal action; the Group itself may initiate legal action if a third party is found to have infringed Group-owned intellectual property rights.	Maximize value and minimize risks for the creation and protection of intellectual property; Establish systems to identify, monitor and minimize the impact of intellectual property challenges disputes on business by working together with internal and external parties.
Litigation	Lawsuits may arise over pharmaceutical side effects, product liability, employment/labor issues, and fair trade-related litigations, among others.	Minimize legal risks and maximize business opportunities under applicable laws and regulations, contracts, and dispute prevention and resolution.
Laws and Regulations and Regulatory Trends to Limit Healthcare Expenses	Negative impact may arise from administrative measures related to drug price revisions, the healthcare system, and health insurance .	Monitor drug price policies in each country, collect timely information to understand the potential impact on the business, consider requests to the government through industry organizations in Japan, the U.S., and Europe and work out different scenarios.
Compliance Risk	Material violations of laws and regulations, including personal misconduct by directors and employees, have a significant adverse impact on our business performance, financial and reputational condition.	Ensure compliance with laws and regulations through education and awareness-raising activities. CEO's compliance message (twice a year), monitoring of business operations to detect any inappropriate activities as early as possible. Prevent and ensure early detection of compliance violations through the whistleblowing system (Global Hotline) available not only to executives and employees but also to business partners, and take strict action when they occur. Established Global Ethics & Compliance Committee.
Financial Market and Exchange Rate Fluctuations	Negative effects may result from stock market behavior, interest rate trends, or exchange rate fluctuations.	Reduce cross holdings; Implement mid-term reviews of pension fund asset allocations; Execute currency hedging transactions.
Information Security	Network infection, cyber-attacks, and other similar events may result in a system shutdown or leakage of confidential information.	Under the leadership of the CDXO*,promoting measures related to information security and cybersecurity, establishing policies and rules; Provide employees with continuous information security training; Establish security systems with defense functions, infringement detection, and countermeasure function; Strengthen information security and cybersecurity infrastructure and to improve operations; Implement security measures and management system designs for factories, manufacturing facilities, and systems (OT systems); Regular monitoring of personal information management practices.
Securing Talent	Increasingly competitive job markets may result in an inability to secure sufficient talent with the high levels of expertise required for various roles.	Strengthen planned recruitment activities and foster and secure talents through diverse approaches; Establishment and implementation of a globally unified HR system and human resource information system; Promote both One DS Culture and Inclusion & Diversity (I&D), and analyze and improve employee engagement through global engagement surveys, Maximize utilization of human resources globally.

*Chief Digital Transformation Officer

03

Corporate Governance



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From left to right in photo

Outside Director (Independent Director)
Reiko Kinoshita

Outside Director (Independent Director)
Yasuhiro Komatsu

Outside Director (Independent Director)
Chairperson of the Board
Takaaki Nishii

Outside Director (Independent Director)
Chairperson of the Compensation Committee
Yo Honma

Outside Director (Independent Director)
Chairperson of the Nomination Committee
Akihiro Watanabe

Outside Director Interviews

Toward Sustainable Value Creation at Daiichi Sankyo

- From the Perspective of Outside Directors with Diverse Expertise and Experience -

First, I would like to ask Outside Director Nishii, who has recently assumed the role of Chairperson of the Board. With Mr. Okuzawa's appointment as CEO and significant changes in the Board's composition, please share your aspirations and expectations for the new structure, considering the skills and experience of the members.

Nishii The company has entered a turning point with the appointment of CEO Okuzawa. At the same time, four directors have been newly appointed, marking a significant change in the Board's composition. This includes our first-ever female director from within the company, a U.S. national who leads our oncology business, as well as two new outside directors with diverse experience and knowledge—a founding executive of an M&A advisory firm and an executive from an investment fund management company—

substantially strengthens the skills matrix of our Board of Directors. Under the new leadership structure of CEO Okuzawa, I look forward to seeing more global and multidimensional management decision-making through the incorporation of a broader range of perspectives.

Next, I would like to ask our two newly appointed Outside Directors. Could you share your aspirations upon joining Daiichi Sankyo as Outside Directors, and how you perceive the roles and expectations placed on you by both internal and external stakeholders?

Watanabe I took the company I founded public within two years, invested the funds obtained into overseas acquisitions to grow it into a global enterprise. Ultimately, I merged with a U.S. competitor to establish a top-tier independent M&A advisory firm. Later, I

served as Chairperson of the Board at an electronics manufacturer whose management was in turmoil due to activist issues. There, I led its privatization and spearheaded the company's management revitalization. I believe I am expected to contribute to Daiichi Sankyo's Board by leveraging the insights gained from these various experiences. Through the sale of the company I founded and the 2 trillion yen privatization of another with 120,000 employees, I have come to deeply recognize the immense responsibility that management carries.

Investors make money do a "job", executives make people do a "job". However, executives/CEOs of publicly listed companies are different. They must not only manage people (as implied in the original meaning of "keiei" from the Analects), but also manage money (as in "money-gement," or financial stewardship). At Daiichi Sankyo, this means that one half of the CEO's mind must always be focused on employees and patients, while the other half must keep in mind of investors and shareholders. In other words, "ambidextrous" management is required. My job, as someone entrusted by shareholders, is to earnestly and seriously monitor whether this is truly being achieved.

Kinoshita I feel a great sense of responsibility in taking on the role of Outside Director at Daiichi Sankyo, a company that is making meaningful contributions to the world. I work at an investment fund, and while people sometimes assume we evaluate companies by their financial value, but I believe that a company's financial value is enhanced when it contributes to society. Our company contributes to the health of people around the world through drug discovery, particularly by developing innovative pharmaceuticals in the field of oncology. Through my involvement in the Board of Directors and other means, I hope to help ensure that the value we create is widely recognized and delivered not only to patients but also to all our stakeholders.

Next, I would like to hear from each of the three individuals who participated in the Board of Directors meetings last year. One of the priority initiatives for the Board of Directors in FY2024 was “enhancing discussions on key matters such as long-term strategy, 5-year business plan (hereinafter referred to as “5-year plan”), and globalization to further strengthen the supervisory function of the Board of Directors.” Could you each share your insights on the specific discussions that took place, as well as any themes you believe will be particularly important moving forward?

Nishii Toward our 2030 Vision, the expansion of indications for Enhertu®, which is expected to drive the company's long-term growth, and our ADC pipeline represent exceptionally valuable assets that are unparalleled by other companies. To maximize the long-term revenue potential generated from these assets, the Board of Directors has reviewed and strongly endorsed a series of proposals for proactive strategic investments in research and development, capital expenditures, DX infrastructure, and human resources. In the current business environment, concerns remain regarding tariffs and potential drug pricing reforms in the United States, our largest market. Given the lack of clarity surrounding the policy direction of the new administration, we cannot rule out the possibility that such developments could impact our financial performance. In such circumstances, it is essential that management demonstrates strong leadership in navigating these dynamics by carefully evaluating all available strategic options and executing the most optimal course of action. I am confident that Daiichi Sankyo will meet the challenges of this era and achieve further sustainable growth by leveraging the global business development expertise cultivated through our alliance with AstraZeneca and Merck in the U.S., and, above all, by transitioning to a global management structure and harnessing the unity fostered by our group-wide corporate culture—One DS Culture.

Komatsu I expect Daiichi Sankyo to further enhance its exceptional technological capabilities in the field of ADC. While significant improvements in cancer treatment outcomes through innovations such as optimized target antigen selection and novel payloads are naturally anticipated, I also look forward to broader applications beyond oncology, including autoimmune and other intractable diseases over the long term. While the company is promoting Patient Centricity and engaging in Patient Advocacy initiatives, in recent years, evidence has shown that patient engagement contributes to both improved treatment outcomes and healthcare economics, and organizations such as WHO and professional societies have emphasized its potential. Moving forward, I believe that more than just raising awareness among employees, it will become increasingly important to establish mechanisms that enable collaboration with patients throughout the entire value chain—from drug discovery and development to commercialization and information provision. I highly appreciate the company's approach of positioning Patient Centricity as the very heart of its corporate activities and promoting it company-wide through the Board of Directors and training programs, as this approach aligns well with the demands of our times.

Honma The company has established a DX Vision toward 2030 and aims digital transformation across the entire pharmaceutical value chain. In April 2025, we were selected as a DX Brand for the third consecutive year, and we have approximately 2,000 personnel with IT Passport qualifications. Additionally, active introduction of DX and generative AI is progressing, particularly in drug discovery and clinical development divisions. Regarding AI, moving forward, utilization across the entire pharmaceutical value chain will be required while a balanced approach to governance and promotion. At the Board of Directors, I have proposed DX promotion and AI utilization across the entire pharmaceutical value chain. Particularly regarding AI utilization, I advised that both governance and promotion are important. I appreciate that the executive side has been engaging in active dialogue on this matter. The company is also promoting data-driven management and is currently upgrading and developing core systems. At the Board level, I requested thorough implementation of management methods to ensure compliance with cost, schedule, and quality requirements. The executive side has also been appropriately addressing this management. I expect that data-driven management will further accelerate with the completion of this system.

Next, I would like to continue asking the three individuals who attended the Board of Directors meetings last year. Regarding one of the priority

initiatives for the Board of Directors in FY2024, “Enhancement in terms of operation for further strengthening of the decision-making functions and oversight functions of the Board of Directors,” please share any initiatives or approaches you have taken to overcome the difficulty of monitoring the highly specialized business of prescription pharmaceuticals and how you have addressed this challenge. Additionally, please let us know if there are any specific areas you believe should be prioritized for monitoring moving forward, or that you intend to focus on.

Nishii I believe that what the Board of Directors should monitor (supervise) under an uncertain business environment must be clarified precisely because we are dealing with the management (execution) of a pharmaceutical company that requires high levels of expertise. In particular, I would like to be able to provide clearer explanations to shareholders and investors about whether we are achieving balanced portfolio management from the perspectives of growth investment and asset management. The company is a leading pharmaceutical company with science and technology as its core competencies, and the disclosure of information about our medium- to long-term development pipeline is well-regarded by the market. On the other hand, the possibility that necessary growth investments may increase is a matter of concern for stakeholders, and I believe this has also affected our stock price over the past year. The company is currently formulating its next 5-year plan and plans to announce it around spring next year. I expect that the cash balance (income, strategic investment, shareholder returns) for 5 and 10 years ahead will be shared with stakeholders through this plan.



Komatsu The pace of scientific advancement is astonishing. For example, PubMed, the U.S. National Library of Medicine database, contains approximately 30,000 breast cancer-related articles from 2024. Even for experts, it is difficult to keep up with the latest developments, and thus monitoring business in such a rapidly evolving field is particularly challenging. However, several initiatives have proven effective, including individual pre-briefings for Outside Directors, the sharing of questions and responses from those sessions, observer participation in Executive Management Committee (EMC) meetings, business site visits, ongoing information sharing, and opinion exchange meetings among Outside Directors. The items I would like to focus on monitoring moving forward are Patient Centricity, global functions, and DX utilization. As globalization progresses, we will increasingly face unexpected cultural and institutional barriers as well as governance challenges. I believe that gaining experience in addressing these issues will ultimately contribute to the company's further growth and development.

Honma As Director Komatsu mentioned, at our company, explanations of Board of Directors agenda items in advance by the Board secretariat and preliminary questions from each officer arising from those sessions are shared. These advance explanations deepen our understanding of the content of each matter. Personally, the science and technology field has always been an area of great interest to me, and learning new knowledge in this field is something that raises my expectations. I make sure to read pharmaceutical, drug discovery, and biotechnology-related articles in newspapers, magazines, and on the web—making a conscious effort to interpret them in the context of our company's business. Moving forward, I



Yasuhiro Komatsu

Outside Director
(Independent Director)

believe that technologies such as DX, AI, and quantum will evolve further and be utilized in drug discovery and clinical development more than ever before. These technologies will also need to be applied more broadly across the entire pharmaceutical value chain. Accordingly, I intend to closely monitor how these technologies are being introduced and utilized throughout the organization. Additionally, our company is currently upgrading and developing core systems, and I expect that data-driven management will accelerate further with the completion of this system, which I will also monitor closely.

Next, I would like to ask Outside Director Watanabe, who has newly assumed the position of Chairperson of the Nomination Committee. Do you have any plans to further enhance the supervisory function of the Board of Directors? For example, please share your thoughts on organizational design or points that the Board of Directors should consider for the future.

Watanabe Just as I have never seen an example of a company suddenly improving simply by adjusting its organization, I am not aware of any cases where governance was strengthened merely by changing institutional design. What is more important than the necessity of institutional design is that the Board of Directors' mission is to avoid conflicts of interest between shareholders and the CEO. And the most significant of such conflicts is management's self-preservation. Executives often lead in solitude—and they are, after all, only human. As a CEO of a publicly listed company, I myself have fallen into situations multiple times where I could not take the risks that should have been taken, causing the company's growth to stagnate. Each time, it was the outside directors who challenged me, encouraged me, and pushed me forward. Moreover, executives are rarely able to recognize their own peaks or when to step down. That is why an external perspective is critical for effective succession. Managing a pharmaceutical company that creates value over the long term is, in a sense, like an Ekiden long distance race. I believe that the most important thing is to create an institutional design that attracts outstanding coaches and a strong support team.

Next, I would like to ask Outside Director Honma, who has newly assumed the position of Chairperson of the Compensation Committee. Please share your opinions on Daiichi Sankyo's current executive compensation system.

Honma The company is currently competing with mega pharma companies at a global level, and in order to secure and retain excellent



Yo Honma

Outside Director
(Independent Director)
Chairperson of the
Compensation Committee

executives, I believe we need to continue considering “appropriate compensation.” We need an appropriate compensation system that serves as motivation for sustainable growth over the medium to long term and contributes to enhancing corporate value and shareholder value. At the same time, it must be transparent, fair, and rational — capable of fulfilling our accountability to stakeholders. We plan to engage in thorough discussions and examine this during this fiscal year, and revise the executive compensation system by next fiscal year, aligned with the launch of next 5-year plan.

Next, I would like to ask Outside Director Kinoshita. Based on your experience at an investment fund management company and in the financial industry, please share your opinions on Daiichi Sankyo's future sustainability information disclosure.

Kinoshita I am deeply impressed by how the company has embodied E (Environment), S (Social), and G (Governance) aspects of sustainability in its corporate management. Strengthening corporate governance leads to transparent and comprehensible management from a third-party perspective. In my past management experience, I have strived for management that is understandable to anyone. ESG and corporate value enhancement should be compatible, and I believe we should strengthen our future disclosures to show that contributing to society does not come at the expense of shareholders and investors, but rather that both grow together.

Outside Directors are placed in a unique position where they can represent stakeholders such as shareholders and investors, take a bird's-eye view of the company, and provide input to the company

when necessary. Insights and discoveries from the perspectives of Outside Directors rooted in their specialized expertise and diverse experience are of great interest to external stakeholders. From this standpoint, I would first like to ask Outside Directors Watanabe and Kinoshita. Please share your impressions of Daiichi Sankyo currently and your expectations for the future.

Watanabe In the past, I assisted with the management integration of former Daiichi Pharmaceutical and Sankyo, as well as the integration of Ranbaxy and Sun Pharma. When I was involved with Daiichi Sankyo, the company was always facing difficulties, but each time it confronted crises, Daiichi Sankyo became stronger. Now, the company is succeeding with ADC, but I hope it will not become complacent for the current position and aim to become number one in the world. A company that held the top spot in market capitalization in the pharmaceutical industry 20 years ago has now fallen out the top 10, while conversely, companies that were outside the top 10 have risen to the top. Some companies even appeared like comets during this period. This industry is evaluated based on future potential rather than past performance, we have ample opportunity to become number one in the world. Growth is everything for a company. Only growing companies can attract top talent and investors and contribute meaningfully to solving societal challenges. The moment a company abandons its hunger for growth and thinks “this is good enough,” it begins to stagnate. By setting an ambitious goal of becoming the best in the world, the company can continue to evolve and thrive.

Kinoshita The company’s Purpose—“Contribute to the enrichment of quality of life around the world”—resonates deeply with me. Enabling



people globally to live healthier and fulfilling lives is an inspiring ideal, and I was impressed by how Daiichi Sankyo is turning that ideal into reality through drug discovery. I also expect that the company has the potential to create a virtuous cycle in which, by helping people recover from illness, it enables them to reengage with society and the economy through work and consumption. I also would like to participate in Board of Directors discussions from such a perspective in mind.

Finally, I would like to ask Outside Directors Honma, Komatsu, and Nishii. If you were to deliberately identify any areas where you believe Daiichi Sankyo has challenges or significant room for improvement, what would they be? Also, please share your expectations for the company moving forward.

Honma As for our company’s strengths, I believe we should continue to refine our unwavering principles: valuing trust-based relationships with stakeholders, maintaining an open corporate culture, conducting business with care and integrity, and fostering an innovative culture that embraces new challenges. Additionally, our Purpose, Mission, Vision, Core Values, and Core Behaviors are outstanding, and I feel that our greatest strength lies in how all employees share, empathize with, and resonate with this collective “One DS Culture,” working together as one team with excellent teamwork. On the other hand, I also believe we should boldly and swiftly change what needs to be changed. We need to proactively promote the introduction of DX, AI, and other technologies throughout the entire pharmaceutical value chain. Furthermore, our company has set forth in our 2030 Vision a transformation from “Global Pharma Innovator with a competitive advantage in oncology” to “Innovative Global Healthcare Company.” This requires us to envision our future with a broad perspective that considers many stakeholders, while executing boldly and swiftly with focused, detailed implementation. As a leading company among Japanese pharmaceutical enterprises, I believe we need to strongly drive forward these initiatives.

Komatsu Traditionally, pharmaceutical companies have operated on the basic model of “drug discovery → development → prescription through physicians,” where patients, even as end consumers, were not positioned as customers. However, in recent years, this structure is undergoing significant transformation due to factors such as the tightening of healthcare economics, advances in personalized medicine, the widespread adoption of digital technology, expanded patient participation, and changes in the regulatory environment.



While drug discovery will remain our core business, we need to deepen Patient Centricity and consider building comprehensive healthcare platforms that include diagnosis, prevention, monitoring, and life support, as well as dialogue and co-creation with patients and society. This requires nationwide DX infrastructure development and institutional reforms as prerequisites. We should prepare to establish a pioneering position in anticipation of environmental changes in the near future. Additionally, to enhance our competitiveness in the global market, I expect each employee to cultivate both “mindset of competing globally” and the “confidence to succeed globally.”

Nishii In my experience engaging with institutional investors and shareholders, key monitoring points include the progress and results of our R&D pipeline, investment status in new businesses and technologies, external collaborations and partnerships, ROI analysis, profitability and efficiency of core businesses, status of non-core assets, financial soundness, overall portfolio balance, and the balance between short-term profitability and long-term growth. At the same time, I believe that becoming a company supported by investors who place value on social outcomes, as well as individual shareholders, will be a significant force supporting our sustainable growth. I clearly recall receiving feedback from an institutional investor at the discussion meeting on sustainability last December, requesting that we clarify the connection and impact pathway between human capital investment and corporate value enhancement. Under our global management structure, our company is also focusing on activities to foster One DS Culture, and I hope we can address this theme in our next 5-year Business Plan.

Corporate Governance

The Daiichi Sankyo Group places importance on building a corporate governance system that can respond to stakeholders' trust, including shareholders, by constructing a management structure that can respond more quickly and flexibly to changes in the management environment, ensuring legal compliance and management transparency, and strengthening supervisory functions over management and execution.

Corporate Governance System and Its Changes

Our company establishes a one-year term for Directors to clarify management responsibility and strengthen supervisory functions over management and execution, with a structure where 5 out of 10 Directors are Outside Directors. Since 2020, to promote the separation of execution and supervision and improve the transparency and supervisory function of the Board of Directors, an Outside Director has assumed the position of Board Chairperson. In 2024, we increased the number of Outside Directors by one, resulting in a 50:50 ratio between Inside and Outside Directors. From a Board diversity perspective, one female Outside Director was appointed in 2019, and in FY2025, our company's first female and foreign national Inside Directors were appointed. Regarding committees, voluntary Nomination Committee as well as a Compensation Committee have been established since the management integration of Sankyo Co., Ltd. and Daiichi Pharmaceutical Co., Ltd. in 2007. In 2020, to further ensure management transparency, both committees were changed from CEO advisory bodies to Board of Directors advisory bodies. Both committees are composed of 5 Outside Directors each, with 1 Outside Audit & Supervisory Board Member participating as an observer, and deliberate on appointments or dismissals of CEO and COO, the succession plan of CEO, appointments of Director and Audit & Supervisory Board Member candidates, the compensation policy for Directors, the individual amounts of compensation of Directors, and other matters.

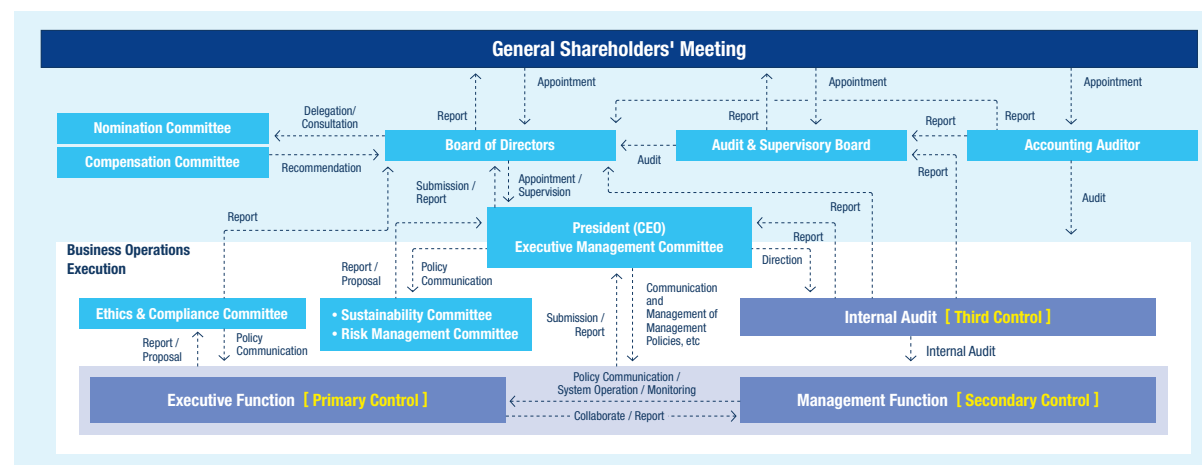
Additionally, for audits of legal compliance and soundness of management, the Company has adopted an Audit & Supervisory Board system and established the Audit & Supervisory Board comprising five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members. Furthermore, the Company prescribes specific criteria on the judgment of independence of Outside Directors and Outside Audit & Supervisory Board Members and basic matters regarding execution of duties by Directors and Audit & Supervisory Board Members.

Through these efforts, we are committed to establishing the

governance system for the Board of Directors to make important business decisions and oversee its management appropriately, establishing an internal control system that ensures proper delegation of power from the Board of Directors, and making sure the Board of Directors will improve its function and effectiveness. Regarding the executive structure, under the global management structure, the Management Executive Meeting with CxOs, Unit Heads, and Heads of Global Corporate Functions as members is held as appropriate to deliberate on important matters related to the strategy, policy, and execution of group management, and to contribute to management decision-making. Additionally, the Company employs a Corporate Officer System which contributes to appropriate and swift management decision-making and the conduct of operations. Regarding internal control, with the aims of ensuring effectiveness and efficiency of operations, ensuring reliability of financial reporting, complying with applicable laws and regulations relevant to business activities, and

safeguarding assets, the Company structures its internal control system to consist of self-monitoring carried out by respective organizations which execute its functions (primary controls), policy development and monitoring for respective organizations carried out by the corporate organization (secondary controls), and internal auditing encompassing monitoring carried out by the Corporate Internal Audit Department (tertiary controls). We have adopted this corporate governance structure to be optimal for establishing a management structure that can respond swiftly and flexibly to changes in the business environment, for ensuring legal compliance and management transparency, and for strengthening the oversight functions over the management and the execution of business. Going forward, we will continue to work on further optimizing the Board of Directors composition, strengthening our corporate governance systems, as well as securing and improving the functions and effectiveness of the Board of Directors.

Overview of the Corporate Governance Structure



For information about the Sustainability Committee and the Ethics & Compliance Committee, please see [P22](#)

For information about the Risk Management Committee, please see [P47](#)

Changes in the Corporate Governance Structure

		2007	2014	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Chairperson of the Board		Chairman	CEO					Chairman	Outside Directors					
Directors	Outside	4 persons					4 persons, including 1 female member					5 persons, including 1 female member		
	Inside	6 persons				5 persons					5 persons, including 1 female member & 1 foreign member			
Audit & Supervisory Board Members	Outside	2 persons	2 persons, including 1 female member		3 persons, including 2 female members									
	Inside	2 persons									2 persons, including 1 female member			
Nomination Committee		2 Outside persons and 1 Inside person	4 Outside persons	4 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)								5 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)		
Compensation Committee		2 Outside persons and 1 Inside person	4 Outside persons	4 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)								5 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)		
Compensation System (Incentives)		Short term: Annual performance-based bonus							Clawback provision, malus provision					
		Long term: Share remuneration-type stock option			Long term: Restricted share-based compensation				Long term: Medium-term performance-based share compensation					
Corporate Governance Code			Explained about 3 items immediately after applying the Code	Complied with all the items		Explained about 1 item after revision	Complied with all the items							

Audit & Supervisory Board, Nomination Committee, and Compensation Committee

	Audit & Supervisory Board	Nomination Committee	Compensation Committee
Chairperson	Full-time Audit & Supervisory Board Member	Outside Director	Outside Director
Composition	2 Full-time Audit & Supervisory Board Members 3 Outside Audit & Supervisory Board Members	5 Outside Directors Observer: 1 Outside Audit & Supervisory Board Member	5 Outside Directors Observer: 1 Outside Audit & Supervisory Board Member
Purpose	To receive reports on important matters related to auditing, and then discuss said matters or make resolutions on them. (However, the Audit & Supervisory Board cannot prohibit an Audit & Supervisory Board Member from exercising their rights)	To deliberate matters required for appointment and dismissal of the CEO/COO, successor plan of the CEO, and appointment of candidates for Directors, at the request of the Board of Directors, and contribute to the enhancement of management transparency and oversight functions.	To deliberate matters required for a policy on compensation of Directors as well as the individual amounts of compensation at the request of the Board of Directors and contribute to the enhancement of management transparency and oversight functions
Number of meetings held in FY2024	14	12	11

Activities of the Board of Directors

- As a general rule, the Board of Directors meeting is held once a month.
- A total of 14 meetings were held in FY2024, and all Directors and Audit & Supervisory Board Members attended all of the meetings.

* Takashi Matsumoto and Yo Honma attended only those meetings held following their appointment on June 17, 2024.

Items Discussed by the Board of Directors: Long-term strategies and business strategies / Annual business plan and budget / Financial results and forecast / Execution status of business investments / Sustainability and ESG management / Materiality KPI / Risk management / Internal audit plans and results / Appointments of Representative Directors and Executive Directors / Appointments of candidates for Directors and Audit & Supervisory Board Members / Appointments of CxOs, Unit Heads and Heads of Global Corporate Function in Global Management structure / Appointments of Corporate Officers / Board evaluation / Compensation amounts for individual Directors and Corporate Officers / Payment of annual performance-based bonuses to Directors and Corporate Officers / Evaluation coefficients for Medium-term performance-based share compensation / Payment of monetary compensation receivables for restricted shares and disposal of own shares / Daiichi Sankyo Group Monthly Business Report

Message from the Chairperson of the Board

2025 marks the year when our company takes an important step toward sustainable growth and corporate value enhancement under the new leadership of CEO Okuzawa. Additionally, the Board of Directors composition has welcomed four newly appointed directors. We are confident that this restructuring of the Board of Directors will contribute to strengthening financial strategy, improving capital efficiency, and advancing risk management systems from an independent standpoint, bringing diversity and expertise to meet the expectations of our shareholders and investors. Given the uncertainty in the management environment originating from the United States, we believe this governance structure holds extremely important significance from the perspectives of strategic decision-making, risk management, and maximization of shareholder value. As the Chairperson of the Board, I am committed to doing my utmost to enable directors with diverse backgrounds to leverage their respective expertise and experience, allowing for multifaceted discussions and swift, appropriate decision-making. Additionally, I value dialogue with shareholders and investors, and aim to earn your trust through highly transparent information disclosure. I respectfully ask for your continued understanding and support going forward.

Outside Director (Independent Director)

Takaaki Nishii



Requirements for Director Candidates

Directors shall meet the requirement of being personnel of excellent character and insight who contribute to maximizing the corporate value of the Group. Directors shall meet the requirements of being appropriate persons with respect to term of office etc. and of being suitably competent of performing timely and accurate judgment, looking at the changes in the business environment while giving importance to the continuance of management policies, etc. Directors shall meet the requirements that they are individuals with expertise, experience, and insight in one or more of the following fields: corporate management and management strategy, finance and accounting, science and technology, business strategy and marketing, global business, human resources and HR development, legal and risk management, sustainability and ESG, and/or DX and IT. Directors shall meet the requirements that there shall

always be Outside Directors included to strengthen the decision-making functions, based on various perspectives and to strengthen the oversight function over the conduct of operations. In principle, it is a requirement that Outside Directors have no more than three concurrent positions as officers of other listed companies. Outside Directors and Outside Audit & Supervisory Board Members shall be confirmed to have no problems according to specific criteria on the judgment of independence. Our company recognizes that ensuring the diversity of Directors particularly in terms of gender, nationality, race, etc. as well as incorporating diverse opinions into management are important for strengthening the decision-making functions and the oversight function of the Board of Directors. The Company will continue to discuss the appointment of candidates for Directors with such aspects in mind.

Skill Matrix of the Board of Directors

The Company has identified the skills (knowledge, experience, and abilities) that the Board of Directors should possess to properly fulfill its decision-making and management oversight functions, and has set up a Skill Matrix to track the skillsets held by Directors and Audit & Supervisory Board Members. In light of our Purpose, Mission, and mid-to-long-term management direction and business strategy, the Company has identified nine (9) skills given the functions Board of Directors should have to fulfill, aiming to realize the 2030 Vision

“Innovative Global Healthcare Company Contributing to the Sustainable Development of Society” as shown in the current 5-year Business Plan. When appointing Directors, we consider the diversity and balance of these skills. Audit & Supervisory Board Members are appointed based on the requirements for candidates separately set by the Audit & Supervisory Board.

Skill Matrix

	Name	Outside Independent	Term of office	Board of Directors	Nomination Committee	Compensation Committee	Corporate Management/ Management Strategy	Finance/ Accounting	Science & Technology	Business Strategy/ Marketing	Global Business	Human Resources/ Human Resource Development	Legal/Risk Management	Sustainability/ ESG	DX/IT	Qualification
Director	Sunao Manabe		11 years	○			●		●	●	●	●		●		Veterinarian
	Hiroyuki Okuzawa		4 years	○			●	●		●	●	●	●		●	
	Takashi Matsumoto		1 years	○			●				●	●		●		
	Joseph Kenneth Keller		–	○			●			●	●					
	Shizuko Ueno		–	○					●	●	●					Pharmacist
	Yasuhiro Komatsu	○	3 years	○	○	○			●			●	●			Doctor
	Takaaki Nishii	○	2 years	◎ Chairperson	○	○	●			●	●	●		●		
	Yo Honma	○	1 years	○	○	◎ Chairperson	●			●	●	●		●	●	
	Akihiro Watanabe	○	–	○	◎ Chairperson	○	●	●		●	●	●				Certified public accountant
	Reiko Kinoshita	○	–	○	○	○	●	●		●		●				
Audit & Supervisory Board Member	Miyuki Arai		2 years	○					●				●			Pharmacist
	Terumichi Yokoyama		–	○			●				●	●	●			
	Yukiko Imazu	○	7 years	○		□ (Observer)						●	●			Lawyer
	Masako Watanabe	○	4 years	○				●					●			Certified public accountant
	Mitsuhiro Matsumoto	○	3 years	○	□ (Observer)							●	●			

Message from New Inside Director

I aspire to collaborate with my colleagues on the Board of Directors to achieve our vision of becoming a top 10 global oncology company and build the next pillars of sustainable growth. Through the discovery, development and delivery of innovative standards of care, changing medicines we seek to improve the lives of patients across the globe. This is a valuable endeavor for all of society which I am passionate about. I intend to bring unique contributions to the board by leveraging my four decades of experience in the bio-pharmaceutical industry, especially my leadership roles in launching multiple blockbuster medicines across several therapeutic areas. I have had a primary focus working in the oncology therapeutic area which is tremendously personally rewarding. Seeing the impact that medicines like Enhertu® have on patients, their families and attending physicians firsthand is a rare privilege. My learnings from leading teams in sales, marketing, medical affairs, pricing access and reimbursement across geographies will be shared and leveraged to help build a highly successful future for our organization. I am committed to help shape and lead Daiichi Sankyo to exceed our goals by always conducting ourselves in ways that all our stakeholders — including patients, healthcare professionals, our employees, shareholders, and investors take great pride in being involved in and being part of. Leaving society in a better place because of us and growing shareholder value.

Director
Head of Oncology Business Unit

Joseph Kenneth Keller



I have built my career in the development division for many years, working in clinical development with the desire to provide patients with new treatment options. At Daiichi Sankyo, I was responsible for the infectious diseases and vaccines area, and as my final project in the development division, I worked on the development of “Daichirona® Intramuscular Injection,” Japan's first domestically produced mRNA vaccine for COVID-19 in the context of an infectious disease pandemic that was unlike any other. I transferred to Medical Affairs in Japan Business Unit in 2022, and have been serving as Head of Japan Business Unit since this April. Additionally, I have also been serving in the role of Special Assignment on Patient Centricity since April last year.

Our Group places “compassion for patients and passion for innovation” at the core of its corporate activities, promoting Patient Centricity initiatives across the whole value chain. Patient Centricity is a vital value for our Group, and the special assignment role is responsible for strengthening this globally and cross-functionally.

Daiichi Sankyo has continued to ask “what can we do for patients” and has created innovative new drugs. Moving forward, we want to continue putting patients at the center and promote corporate activities toward a sustainable society.

Director
Executive Officer, Head of Japan Business Unit and
Head of Medical Affairs Division, Japan Business Unit

Shizuko Ueno

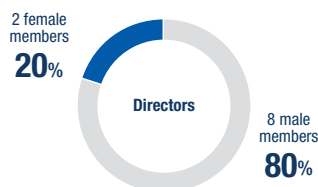


Composition of the Board of Directors and the Audit & Supervisory Board

Percentage of Outside Directors



Percentage of Female Board Members



Policies and Procedures for Appointment/Dismissal

The Company has defined policies and procedures for the appointment and dismissal of Directors, the CEO, and the COO, as well as for the appointment of Audit & Supervisory Board Members. When appointing the candidates for Directors, the Board of Directors shall appoint the candidates after they have been sufficiently deliberated by the Nomination Committee, of which Outside Directors form a majority. When selecting the candidates for Directors and Audit & Supervisory Board Members, the General Shareholders Meeting shall select them after the relevant proposal. CEO candidates are appointed in accordance with the succession plan, qualification requirement definitions, etc. that have been discussed by the Nomination Committee, and the appointment (including reappointment) of the CEO and the COO is determined by resolution of the Board of Directors following sufficient deliberation and subsequent recommendation

by the Nomination Committee. If any Director is found not meeting eligibility requirements or requirements for execution of the duties defined in the Companies Act or the Regulations of Board of Directors, following deliberation at the Nomination Committee and the Board of Directors, the General Shareholders Meeting shall deem that it meets criteria for dismissal of Directors, and resolve dismissal of such Director after the relevant proposal. Dismissal of CEO and COO shall be called into account in light of the Companies Act, defined CEO eligibility requirements or requirements for the execution of duties, and determined in the same manner as appointment, by resolution of the Board of Directors over a recommendation from the Nomination Committee that the Committee submits after sufficient deliberation. Each fiscal year, the Nomination Committee deliberates on the appointment, dismissal, and reappointment of the CEO.

Approach to Director's Compensation

Compensation policy

Compensations to Directors are designed based on the following ideas.

- Compensation system with a compensation level that can secure and maintain excellent human resources
- Compensation system that motivates sustainable growth over the medium-to-long-term and contributes to the increase of the value of the Company and shareholder value
- A transparent, fair, and rational compensation system accountable to Stakeholders

Compensation level

The level of compensations to Directors is set aiming to provide the high-level compensations in the industrial circle, referring to the levels of other companies learned from the surveys of external specialist institutions. Specifically, the Company mainly compares companies within the top 100 companies by market capitalization among the companies listed on the Tokyo Stock Exchange, and also refer to the levels of major domestic pharmaceutical companies.

Composition of compensation for Directors (excluding Outside Directors)

The compensation structure consists of four components: basic, fixed compensation, annual performance-based bonuses, which is a variable compensation serving as short-term incentive, restricted share-based compensation and medium-term performance-based share compensation serving as long-term incentive. Retirement benefit system is not adopted.

Composition of compensation for Outside Directors

Compensation to Outside Directors who are in charge of management oversight and are not in the position to take charge of business execution is only basic, fixed compensation. Incentive bonuses and retirement benefit system are not adopted.

Ratio of the composition of compensations

The composition ratio of the compensation to Representative Director, President and CEO is designed as shown in Figure 1. The ratio of the composition of compensations of other Directors (excluding Outside Directors) will be determined in consideration of the responsibilities and the level of compensation according to the ratio of composition of compensation of Representative Director, President and CEO.

Basic compensation

Basic compensation to Directors shall be paid on one regular day of each month during their tenure, and the amount of individual compensation is determined according to the compensations policy and the level of compensations.

Annual performance-based bonuses (short-term incentive)

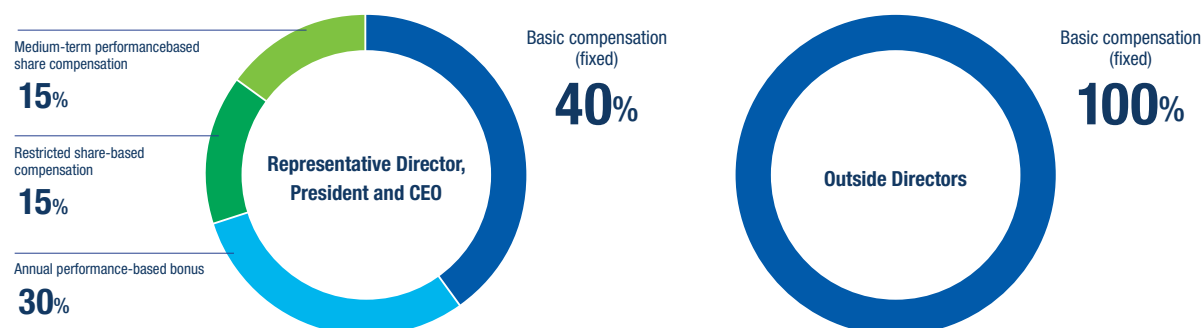
The amount of annual performance-based bonuses, which form short-term incentive remuneration, will be decided according to the degree of achievement of the earnings forecasts announced at the beginning of the fiscal year about revenue, core operating profit ratio*, and profit attributable to owners of the Company, and the evaluation of goals and tasks which each Director set at the beginning of the fiscal year. For the formula for calculating the amount of payment and the mechanism of annual performance-based bonuses, please check our company's website.

* Core operating profit ratio: an indicator of ordinary profitability calculated by excluding temporary income and expenses from operating profit.

Restricted share-based compensation (long-term incentive)

The Company grants, every year in principle, shares with transfer restriction until the time immediately after resignation or retirement of a Director. The objective of the system is to give incentives to sustainably increase the value of the Company and to promote sharing the same value between shareholders and Directors for as long as possible by having the restricted shares.

(Figure 1) Ratio of the Composition of Compensations



Medium-term performance-based share compensation (long-term incentive compensation)

Medium-term performance-based share compensation, which is a long-term incentive compensation, will be a trust-type share compensation system that has the nature of performance share (performance-based share compensation) for Directors (excluding Outside Directors) as compensation based on the achievement of the performance of the 5-year business plan in order to promote management with an emphasis on increasing shareholder value over the mid-to-long-term. The indicators for the achievement of the 5-year business plan targets include not only financial indicators, but also non-financial indicators such as research and development progress and ESG indicators. The performance-based coefficient is determined within the range of 0% to 200% according to the degree of achievement of those targets.

Index for the achievement of targets	Evaluation ratio	Evaluation coefficient fluctuation range	Targets (set with the following as a guide)		
Revenue	20%	0 ~ 200%	Upper limit: Target x 110%	Target: Expected value announced about 5-year business plan	Lower limit: Target x 90%
Core operating profit ratio before research and development expenses	20%	0 ~ 200%	Upper limit: Target x 120%	Target: Expected value announced about 5-year business plan	Lower limit: Target x 80%
ROE	20%	0 ~ 200%	Upper limit: Target x 140%	Target: Expected value announced about 5-year business plan	Lower limit: Target x 60%
Research and development progress	15%	0 ~ 200%	Research and development achievements (number of new indications for 3ADCs on the market, pipeline value in the early and late stages)		
ESG indicators	10%	0 ~ 200%	Evaluation based on Dow Jones Sustainability Indices, FTSE Russell, and Access to Medicine		
Relative TSR*	15%	0 ~ 200%	Upper limit: Comparison result with TOPIX including dividend x 150%	Target: Comparison result with TOPIX including dividend x 100%	Lower limit: Comparison result with TOPIX including dividend x 50%
Total	100%	0 ~ 200%			

*Abbreviation of Total Shareholder Returns

Clawback provision

The Company will set forth a clawback provision that can request the refund of part or all of the compensation received for annual performance-based bonuses and medium-term performance-based share compensation by the resolution of the Board of Directors after consultation with the Compensation Committee in the event that a material accounting error or fraud, or record of a significant impairment loss occurs. This clause will be applied from the FY2021 annual performance-based bonus and medium-term performance-based share compensation and will be applied for all periods thereafter.

Malus provision

The Company will set forth a malus provision that will not delivery and pay part or all of the Company's shares and proceeds from their sale under the share delivery system for the medium-term performance-based share compensation by the resolution of the Board of Directors after consultation with the Compensation Committee in the event of misconduct such as violations of laws and regulations or serious violations of internal regulations.

Compensation governance and decision-making process

The Compensation Committee has been established as an advisory body to the Board of Directors to ensure the appropriateness of compensation for Directors and the transparency of the decision-making process. The Compensation Committee consists of only Outside Directors, with one Outside Audit & Supervisory Board Member participating as an observer, and the chairperson is appointed by mutual appointment of the members. The Compensation Committee fully discusses the compensation policy, the level of compensations, the composition of the compensation, the ratio of the composition of compensations, Clawback provision, Malus provision, the compensation governance and decision-making process, amount of annual performance-based bonuses, allocation of restricted share, and result of medium-term performance-based share compensation. In addition, the Compensation Committee discusses and confirms the detailed design of indices for the achievement of each compensation, and also verifies the compensation levels for each position. The amount of compensation for each individual Director of the Company is first deliberated by the Compensation Committee, and then based on the deliberation results, each type of the compensation will be determined by a resolution of the Board of Directors within the total amount of compensation resolved at the General Shareholders Meeting.

For an overview of the compensation system, please see [here](#)

Our Approach to Audit & Supervisory Board Member Compensation

Compensation to Audit & Supervisory Board Members is only basic, fixed compensation in view of the role of oversight of management and no position to take charge of business execution. The level of basic compensations is set aiming to provide high level compensations in the industrial sector, referring to the levels of other companies learned from the surveys of external specialist institutions. Specifically, a group of companies is selected for comparison from the top 100 listed companies on the Tokyo Stock Exchange with the largest market

capitalization. The Company also refers to the levels of other leading domestic pharmaceutical companies. The amount of the compensation for each Audit & Supervisory Board Member has been determined through the discussion and with the unanimous consent in the Audit & Supervisory Board meetings within the total amount of the compensation approved by the General Shareholders Meeting.

Enhancing the Effectiveness and Functions of the Board of Directors (Board Evaluation for FY 2024)

The Company utilizes the board evaluation in order for the Board of Directors and Directors themselves to assess their current status and identify issues to be addressed, continuously making efforts to improve the functions and effectiveness of its Board of Directors. The Company has conducted board evaluation of the Board of Directors every fiscal year and addressed the issues identified for improvement through the board evaluation. In the subsequent board evaluation, the Company assesses the latest status and confirms the status of improvement from the previous fiscal year.

Implementation Method of the Board of Directors Evaluation for FY2024

The Company determines the board evaluation items including the items to be evaluated by the Directors themselves in addition to the evaluation of the Board of Directors as a whole as the contents and items for evaluation relating to the effectiveness of the Board as a whole with reference to the principle and supplementary principle associated with the general principle 4, “Roles and Responsibilities of the Board” of Tokyo Stock Exchange’s Corporate Governance Code. The major evaluation items in the questionnaire are as follows:

- (1) Roles and Responsibilities of the Board of Directors
- (2) Operation of the Board of Directors
- (3) Composition of the Board of Directors
- (4) Functions of the Nomination Committee and the Compensation Committee
- (5) Issues and matters for improvement regarding effectiveness of the Board of Directors
- (6) Resolution of issues identified in the previous fiscal year’s board evaluation, and improvement measures
- (7) Overall corporate governance

In FY2024, we conducted a Board of Directors evaluation by a third-party organization. Self-evaluations through questionnaires and interviews by the third-party organization were conducted with all Directors and Audit & Supervisory Board Members, and we received reports from the third-party organization on the analysis and evaluation results. Additionally, in FY2024, we conducted an outside director peer review.

Results of the Board Evaluation for FY2024

The third-party organization reported the result of the Board of Directors Evaluation for FY2024, concluded that in terms of its roles, responsibilities, operation and composition, the Board of Directors of the Company, as well as the Nomination Committee and the Compensation Committee, which are advisory bodies to the Board of Directors, are functioning appropriately, and that the effectiveness of the Board of Directors as a whole has been ensured.

Furthermore, based on our business environment and other factors, it has been evaluated that high-quality discussions are being held with clear points of focus through the formation of a common understanding of the roles and functions of the Board of Directors, appropriate selection of agenda items, facilitation of discussions by the Chairperson of the Board, and individual prior explanations of the Board proposals to Outside Directors.

In addition, it was confirmed that through the following efforts, improvements are being made to items 1 through 3 below, which were identified as items that need further improvement in the evaluation of the previous fiscal year.

Issues for Improvement (identified in FY2023)	Major Initiatives in FY2024
1 Enhancement of discussions on key matters to strengthen the oversight function of the Board of Directors	At the Board of Directors, Director and Audit & Supervisory Board Member meetings for opinion exchanges, and others, the Board of Directors especially focused on the discussions regarding long-term strategies, 5-year business plan, globalization, sustainability, ESG management, and risk management.
2 Strengthening in terms of operation to strengthen the Board of Directors’ decision-making and oversight functions	- The Company discussed the optimal balance between oversight and execution for the Company and operated the Board based on revised optimizing matters for deliberation and reported matters of the Board of Directors. - The Company has continued to set up opportunities for discussion, including occasions other than the Board of Directors (e.g. meetings to exchange views among Directors and Audit & Supervisory Board Members, meetings for Outside Directors and Outside Audit & Supervisory Board Members, briefing sessions for Outside Directors and Outside Audit & Supervisory Board Members).
3 Further considerations for optimizing the Board of Directors composition	- In the Board of Directors and Nomination Committee, the members discussed the optimal composition of members of the Board for the Company with the objective of enhancing corporate governance and further strengthening the oversight functions of the Board of Directors. - The percentage of Outside Directors on the Board was increased to 50% by increasing the number of Outside Directors by one. - The Board of Directors appointed Inside Director candidates who were women and non-Japanese

Priority Measures for FY2025

Drawing on the evaluations of FY2024, the Company endeavors to ensure and improve the functions and effectiveness of its Board of Directors. To such end, the Company will implement the following priority measures in FY2025:

- 1 Enhancement of discussion on key matters for further strengthening the oversight functions of the Board of Directors (long-term strategy, 5-year business plan, globalization, etc.)
- 2 Enhancement in terms of operation for further strengthening of the decision-making functions and oversight functions of the Board of Directors
- 3 Further considerations for optimizing the Board of Directors composition

Furthermore, we plan to conduct a board evaluation every fiscal year and conduct evaluations by a third-party organization on a regular basis.

Status of Audit by Audit & Supervisory Board Members for FY2024

Organization and Personnel of the audit by Audit & Supervisory Board Members

The Company is a company with an Audit & Supervisory Board, and the Audit & Supervisory Board is comprised of five Audit & Supervisory Board Members (two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members), which includes one certified public accountant.

The Company has the Office of Audit & Supervisory Board Members with four full-time staff independent of the execution of business operations, to provide assistance in the execution of the duties of Audit & Supervisory Board Members.

Activities of Audit & Supervisory Board and its Members

As a general rule, Audit & Supervisory Board meeting is held once a month. Aside from Audit & Supervisory Board meetings, exchanges of views among Audit & Supervisory Board Members are held after the Board of Directors meetings, etc. 18 proposals were placed on the meeting agenda this fiscal year, and approximately 130 minutes was devoted to a regular monthly Audit & Supervisory Board meeting on average.

Activities of Audit & Supervisory Board Members

Activities		Relevant Members
Regular Meetings with Representative Directors	Held twice a year	Full-time / Outside
Regular Meetings with chairperson of the Board	Held twice a year	Full-time
Meetings with Directors	Held once a year	Full-time
	The Board, Executive Management Committee	Full-time / Outside
Attendance at important meetings	Corporate Ethics Committee, etc	Full-time
	Nomination Committee and Compensation Committee	Outside
Attendance at important meetings of the domestic Group companies	Acting as Part-Time Audit & Supervisory Board Members of the principal domestic Group companies, attendance in meetings of bodies such as the Board and Executive Management Committee meeting of such companies and perusal of important documents of such companies	Full-time
Perusal of documents	Important documentation that includes important approval documents, materials and minutes of important meetings	Full-time
Interviews by Audit & Supervisory Board Members	All Heads of Unit, ALL Heads of global corporate functions, Heads of Division, Vice Presidents (department), Presidents of domestic and overseas Group companies, etc.	Full-time / Outside
Visits by Audit & Supervisory Board Members	Major domestic and overseas business sites	Full-time / Outside
Cooperation with Outside Directors	Holding meetings to exchange views	Outside
	Individual interviews	Full-time
Meetings with Audit & Supervisory Board Members of domestic Group companies	Held one time a year	Full-time
Cooperation with secondary control corporate functions	Receiving reports on the status of establishing and implementing the internal control system, as well as obtaining relevant information	Full-time
	Receiving explanation of Reporting internal audit plans and the results	Full-time / Outside
Cooperation with the Internal Audit Department	Engaging in exchange of views, confirming audit points before internal audits, information-sharing and exchange of views at monthly meetings etc.	Full-time
	Attendance of Internal Audit Department at meetings between Audit & Supervisory Board Members and Accounting Auditors	Full-time
Cooperation with the Accounting Auditors	Receiving briefings and reports from the Accounting Auditor on matters that include the audit plan, audit/ interim review results, results of internal control audit (J-SOX), and engaging in information-sharing and exchange of views on recent topics on a monthly basis, consultation about Key Audit Matters (KAM)	Full-time / Outside

Specific Sharing and Considerations in Audit & Supervisory Board meetings

- Audit policy, audit plans, and division of duties
- Audit Report by Audit & Supervisory Board
- Consent for the Proposal in General Shareholders Meeting “Election of Audit & Supervisory Board Members”
- Evaluation and appointment /reappointment of Accounting Auditors
- Consent for Remuneration of Accounting Auditors
- Evaluation of the effectiveness of Audit & Supervisory Board
- Internal audit plans and the results
- Non-assurance services by provided Accounting Auditors
- Status report on audit by Audit & Supervisory Board Members of domestic Group companies
- Monthly execution status of duties by Audit & Supervisory Board Members

Audit & Supervisory Board evaluation for FY2024

Audit & Supervisory Board evaluation is conducted every fiscal year to heighten its effectiveness of Audit & Supervisory Board.

Method of the Audit & Supervisory Board evaluation

For FY2024 evaluation, Audit & Supervisory Board established a wide range of evaluation items associated with Audit & Supervisory Board effectiveness. Each Audit & Supervisory Board Member conducted a self-evaluation of Audit & Supervisory Board then discussed those matters.

Evaluation results of the Audit and Supervisory Board

The evaluation results concluded that the Audit & Supervisory Board's activities are largely conducted appropriately and its effectiveness is maintained. In the next fiscal year, Audit & Supervisory Board will focus more on the operational status of the corporate governance system as we expand our global business and advance our DX initiatives.

Introduction of Directors and Audit & Supervisory Board Members

For the biographies of the executives, please refer [here](#)

Directors



Sunao Manabe

Representative Director
Executive Chairperson



Hiroyuki Okuzawa

Representative Director
President & CEO



Takashi Matsumoto

Director
Senior Executive Officer
Head of Global HR, CHRO



Joseph Kenneth Keller

Director
Head of Oncology Business Unit



Shizuko Ueno

Director
Executive Officer,
Head of Japan Business Unit
and Head of Medical Affairs
Division, Japan Business Unit



Takaaki Nishii

Outside Director
(Independent Director)
Chairperson of the Board

(Material Concurrent Positions)
• Outside Director of Kao Corporation



Yasuhiro Komatsu

Outside Director
(Independent Director)

(Material Concurrent Positions)
• Professor Emeritus and Professor (Specially
appointed for Quality & Safety Science)
at Gunma University
• Vice president of Itabashi Chuo Medical Center
• Advisory Board Member of
Gunma University Hospital



Yo Honma

Outside Director
(Independent Director)
Chairperson of the Compensation Committee

(Material Concurrent Positions)
• Chief Corporate Advisor of
NTT DATA Group Corporation
• Outside Director, Mitsui Fudosan Co., Ltd.



Akihiro Watanabe

Outside Director
(Independent Director)
Chairperson of the Nomination Committee

(Material Concurrent Positions)
• Chairman of Asia Corporate Finance
at Houlihan Lokey



Reiko Kinoshita

Outside Director
(Independent Director)

(Material Concurrent Positions)
• Representative Director of
Admiral Capital Co., Ltd.
• Outside Director, Helios Techno
Holding Co., Ltd.
• Outside Director, KUSURI NO AOKI
HOLDINGS CO., LTD.

Audit & Supervisory Board Members



Miyuki Arai

Audit & Supervisory Board
Member



Terumichi Yokoyama

Audit & Supervisory Board
Member



Yukiko Imazu

(Independent Auditor)
Outside Audit & Supervisory
Board Member

(Material concurrent positions)
• Partner, Attorney-at-Law, Anderson
Mori & Tomotsune
• Outside Director, ALCONIX CORPORATION



Masako Watanabe

(Independent Auditor)
Outside Audit & Supervisory
Board Member

(Material concurrent positions)
• Outside Director, SAKATA SEED
CORPORATION



Mitsuhiro Matsumoto

(Independent Auditor)
Outside Audit & Supervisory
Board Member

(Material concurrent positions)
• Outside Director of Japan Exchange
Group, Inc.

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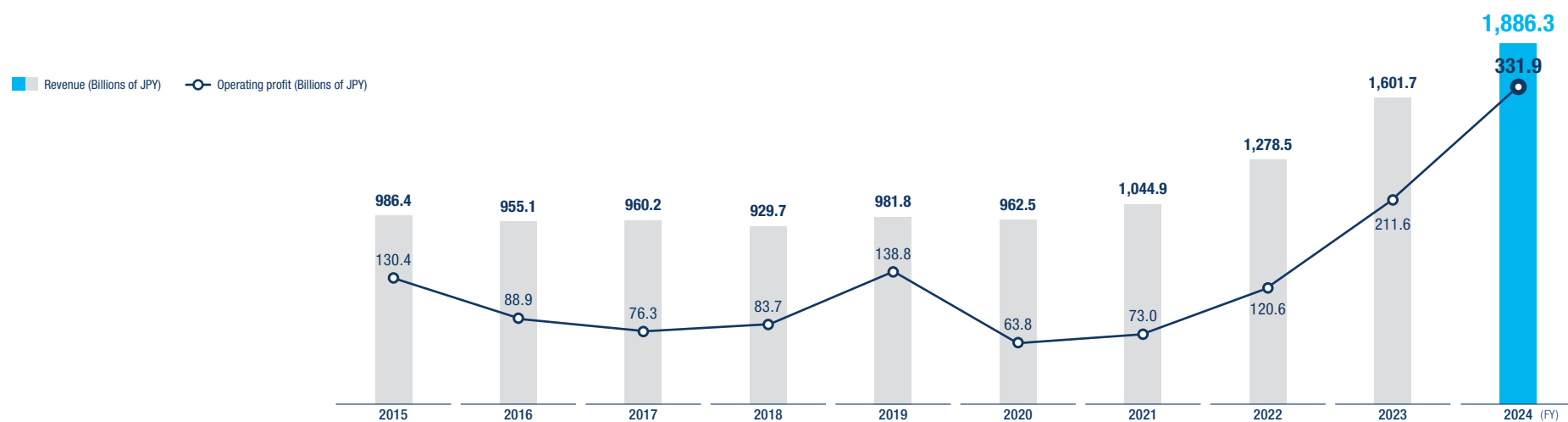
Data Section

04

10-Year Financial Summary (IFRS)

(Billions of JPY)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial Results										
Revenue	986.4	955.1	960.2	929.7	981.8	962.5	1,044.9	1,278.5	1,601.7	1,886.3
Overseas revenue	430.7	375.2	341.9	333.8	374.1	401.8	486.6	745.0	1,001.7	1,302.5
Ratio of overseas revenue to revenue (%)	43.7	39.3	35.6	35.9	38.1	41.7	46.6	58.3	62.5	69.0
Operating profit	130.4	88.9	76.3	83.7	138.8	63.8	73.0	120.6	211.6	331.9
Ratio of operating profit to revenue (%)	13.2	9.3	7.9	9.0	14.1	6.6	7.0	9.4	13.2	17.6
Profit attributable to owners of the Company	82.3	53.5	60.3	93.4	129.1	76.0	67.0	109.2	200.7	295.8
Research and development expenses	208.7	214.3	236.0	203.7	197.5	227.4	260.3	341.6	365.2	436.0
Ratio of research and development expenses to revenue (%)	21.2	22.4	24.6	21.9	20.1	23.6	24.9	26.7	22.8	23.1
Depreciation and amortization	44.3	47.4	46.7	46.2	52.6	57.4	58.2	67.8	59.6	68.6
Capital expenditure	23.3	23.9	26.9	38.3	29.0	40.1	56.2	71.5	89.4	113.8



(Billions of JPY)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial Position										
Total assets	1,900.5	1,915.0	1,897.8	2,088.1	2,105.6	2,085.2	2,221.4	2,508.9	3,461.1	3,456.1
Total equity	1,233.5	1,171.4	1,133.0	1,249.7	1,306.3	1,272.1	1,350.9	1,445.9	1,688.6	1,623.4
Cash Flows										
Net increase (decrease) in cash and cash equivalents	45.4	24.4	115.2	(116.7)	186.6	(49.5)	265.3	(232.9)	193.1	10.2
Free cash flows ^{*1}	168.3	39.4	217.0	(50.5)	278.3	153.0	351.6	(143.3)	316.6	388.0
Per Share Information										
Basic earnings per share (JPY) ^{*2}	39.79	26.54	30.44	48.07	66.40	39.17	34.94	56.96	104.69	155.96
Equity per share attributable to owners of the Company (JPY) ^{*2}	600.63	591.00	583.11	642.93	671.64	663.85	704.76	754.09	880.40	869.69
Annual dividends per share (JPY) ^{*3}	70	70	70	70	70	27	27	30	50	60
Main Financial Indicators										
Return on equity attributable to owners of the Company (ROE) (%)	6.5	4.4	5.2	7.8	10.1	5.9	5.1	7.8	12.8	17.9
Ratio of equity attributable to owners of the Company to total assets (%)	64.8	61.4	59.7	59.8	62.0	61.0	60.8	57.6	48.8	47.0
Ratio of dividends to equity attributable to owners of the Company (DOE) (%)	3.8	3.9	4.0	3.8	3.5	4.0	3.9	4.1	6.1	6.9
Price-earnings ratio (PER)	21.0	31.5	38.6	35.4	37.3	82.3	76.7	84.7	45.6	22.5
Stock price at the end of the year (JPY)	2,502	2,507	3,526	5,100	7,434	3,225	2,680	4,822	4,777	3,511
Market capitalization ^{*4}	1,710.2	1,662.7	2,283.7	3,304.2	4,817.7	6,179.6	5,137.0	9,244.5	9,159.7	6,590.9
Average exchange rates (USD/JPY)	120.14	108.42	110.86	110.91	108.75	106.06	112.38	135.48	144.62	152.57
(EUR/JPY)	132.57	118.84	129.70	128.40	120.83	123.70	130.56	140.97	156.79	163.74
Number of Employees	15,249	14,670	14,446	14,887	15,348	16,033	16,458	17,435	18,726	19,765
Japan	8,589	8,648	8,765	8,865	8,754	8,979	9,135	9,263	9,468	9,362
North America	2,321	2,464	2,191	2,172	2,380	2,602	2,706	3,062	3,573	4,025
Europe	1,997	1,578	1,582	1,778	1,953	2,137	2,279	2,554	2,901	3,367
Others	2,342	1,980	1,908	2,072	2,261	2,315	2,338	2,556	2,784	3,011

*1 Cash flows from operating activities + Cash flows from investing activities

*2 Effective October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares. "Basic earnings per share" and "Equity per share attributable to owners of the Company" are calculated on the assumption that the share split had been implemented the beginning of FY2011.

*3 "Annual dividends per share" of 27 JPY (interim dividend of 13.5 JPY and year-end dividend of 13.5 JPY) is stated on the assumption that the share split had been implemented at the beginning of FY2020.

*4 Market capitalization is calculated excluding treasury stocks.

Major Products

Innovative pharmaceuticals

*Major products cited in the text

Brand Name (Generic Name)	Efficacy	Launched	Marketed countries and regions	Remarks
Enhertu® (trastuzumab deruxtecan)	Anti-cancer agent (HER2 directed antibody drug conjugate)	2020	Global	Antibody-drug conjugate which is composed of a humanized monoclonal antibody specifically targeting HER2, one of the Epidermal Growth Factor Receptor (EGFR) family proteins, and a covalently linked drug (payload) via a cleavable linker. Payload is a potent and membrane permeable DNA topoisomerase I inhibitor which enables elimination of both target tumor cells and the surrounding tumor cells.
Datroway® (datopotamab deruxtecan)	Anti-cancer agent (TROP2 directed antibody drug conjugate)	2024	Global	Antibody-drug conjugate which is composed of a humanized monoclonal antibody specifically targeting TROP2 (Research collaboration with Sapporo Medical University). TROP2 is an antigenhighly expressed on the cell membrane of cancer cells, and a covalently linked drug (payload) via a cleavable linker. Payload is a potent and membrane permeable DNA topoisomerase I inhibitorwhich enables elimination of both target tumor cells and the surrounding tumor cells.
Lixiana® (edoxaban)	Anticoagulant	2011	Global	Orally active Factor Xa inhibitor. Prevents the formation of blood clots by specifically, reversibly and directly inhibiting the enzyme, Factor Xa, a clotting factor in the blood.
Tarlige® (mirogabalin)	Pain treatment	2019	Japan and others	An $\alpha 2\delta$ ligand. The pain therapy agent to reduce the neurotransmitter release from nerve terminals.
Venofer® (iron sucrose injection)	Iron deficiency anemia treatment	2000	U.S	Iron replacement product. Effective for treatment of iron deficiency anemia in dialysis patients, etc.
Nilemudo® / Nustendi® (bempedoic acid or combination tablet of bempedoic acid and ezetimibe)	Cholesterol-lowering treatment	2020	Europe and others	Bempedoic acid is an oral treatment which lowers cholesterol. It inhibits ATP Citrate Lyase, an enzyme which is involved in the production of cholesterol in the liver. Bempedoic acid/ ezetimibe reduces absorption of dietary cholesterol in the gut; it is an oral treatment which combines two complementary ways of reducing blood cholesterol levels.

Enhertu



Datroway



Lixiana



OTC drug



Lulu



Minon



Loxonin series

Shareholders' Information

Common Stock (As of March 31, 2025)

Number of shares authorized	8,400,000,000
Number of shares issued	1,908,322,129 (including 39,117,888 treasury shares)
Number of shareholders	119,057

Share Registrar

Mitsubishi UFJ Trust and Banking Corporation

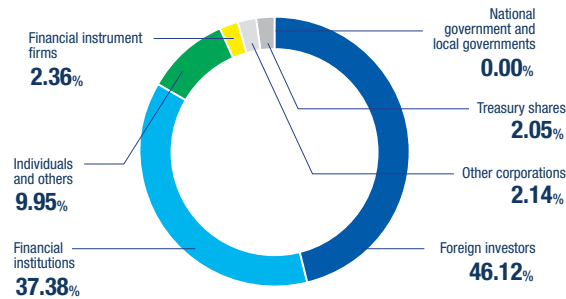
Mailing address and telephone number Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division Shin-TOKYO Post Office post office box No.29, 137-8081,
Japan

Tel: 0120-232-711 (toll free within Japan)

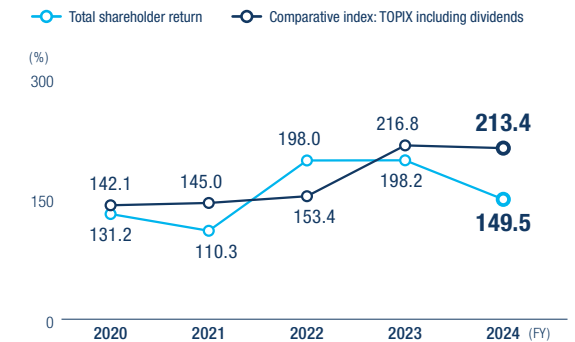
Major Shareholders (As of March 31, 2025)

Name	Number of Shares Held (Thousands of shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	330,755	17.69
Custody Bank of Japan, Ltd. (trust account)	141,079	7.55
STATE STREET BANK AND TRUST COMPANY 505001	103,759	5.55
JP MORGAN CHASE BANK 385632	86,600	4.63
Nippon Life Insurance Company	85,863	4.59
STATE STREET BANK WEST CLIENT-TREATY 505234	37,003	1.98
GOVERNMENT OF NORWAY	28,022	1.50
JP MORGAN CHASE BANK 385781	26,826	1.44
STATE STREET BANK AND TRUST COMPANY 505223	26,551	1.42
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	25,014	1.34

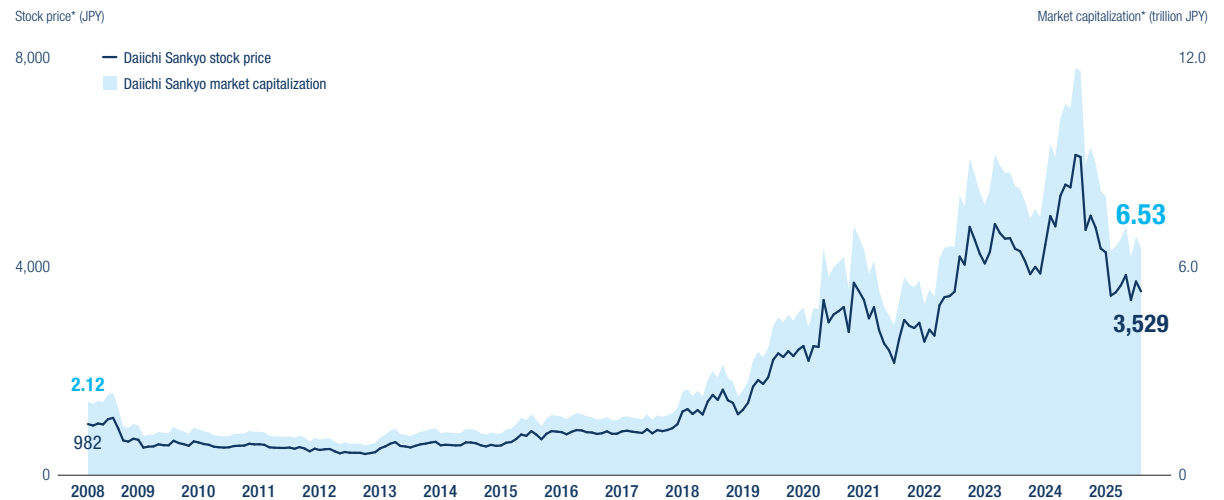
Distribution of Shareholders (As of March 31, 2025)



Trends in Total Shareholder Return



Market Capitalization and Changes in Stock Price



*Stock prices and market capitalization are based on closing price at the end of month from March 2008 to August 2025. Stock price is post-share split base (Effective October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares). Market capitalization is calculated excluding treasury stocks.

Sustainability Report

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General Disclosure

Basis for Preparation of the Sustainability Statement

The Daiichi Sankyo Group prepares a sustainability report on a consolidated basis to disclose information related to sustainability. This report is prepared under consideration of the European Sustainability Reporting Standards (ESRS), covering the same scope as the consolidated financial statements. It discloses information on topics identified as material through a materiality assessment that includes the Company itself as well as the upstream and downstream value chain.

Disclosures in Relation to Specific Circumstances

All data contained in this report pertains to FY2024 unless otherwise specified.

The Role of the Administrative, Management and Supervisory Bodies / Information Provided to, and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies

The company is committed to strengthening the effectiveness and capabilities of its Board of Directors (BoD) in pursuit of its 2030 Vision—to become an “Innovative Global Healthcare Company Contributing to the Sustainable Development of Society”—as articulated in its current five-year business plan.

Of all 10 directors comprising the company's Board of Directors, 5 are outside directors. The ratio of outside directors among all directors is 50%, and the ratio of female directors is 20%. At our company, representatives of employees and other workers are not members of the Board of Directors.

Regarding the identification of impacts, risks, and opportunities related to company-wide sustainability issues and the monitoring of goal progress, Global Sustainability and Global Corporate Planning compile reports and submit them to the EMC (Executive Management Committee) and the BoD for approval by the BoD. Additionally, in accordance with the Sustainability Management Policy, the CEO directs the Head of Corporate Strategy to establish a framework for promoting sustainability management, including the formation of a Sustainability Committee to drive related initiatives.

As a framework for promoting sustainability management, the following is established and operated under the Daiichi Sankyo Group Sustainability Management Policy.

- For key sustainability issues such as human rights and Environment Health and Safety (EHS), sustainability promotion officers are appointed by organizational leaders for each relevant internal organization to promote sustainability management globally.
- Additionally, the Head of Global Sustainability operates the global promotion framework for human rights, EHS, non-financial information disclosure, and social contribution, integrates sustainability initiatives from each organization and region into company-wide strategy, compiles company-wide strategies and policies as well as annual and semi-annual plans and results, and submits and reports these to the Sustainability Committee.
- The Sustainability Committee is an advisory body to the EMC, which is selected and supervised by the Board of Directors. It receives reports on and deliberates basic policies for key sustainability issues, budget allocation, medium-term plans based on KPI setting, annual plans, performance reports, and implementation status, and submits and reports to the EMC as necessary.
- Each organizational leader shall formulate and implement their organization's sustainability promotion plan based on the sustainability management strategy and policies, and report to the Head of Global Sustainability on a quarterly or semi-annual basis.

Integration of Sustainability-Related Performance in Incentive Schemes

We do not operate a performance evaluation system for specific sustainability-related targets and/or impacts. However, as a compensation system related to sustainability, 15% of compensation for internal directors consists of 5-year business plan performance-linked stock compensation, of which 10% is linked to sustainability performance. As sustainability-related performance indicators, we adopt scores from the Dow Jones Sustainability Indices, FTSE, Russell, and Access to Medicine, and based on performance, an evaluation coefficient of 0-200% is determined within the fluctuation range.

The compensation linked to the achievement of 5-year business plan performance is a trust-type stock compensation system with the characteristics of performance shares (performance-linked stock compensation), and the number of shares granted as compensation is determined based on stock grant points calculated by multiplying the cumulative value of points granted based on position during the target period by a performance-linked coefficient.

Compensation is deliberated by the Compensation Committee (composed solely of outside directors, with one outside auditor participating as an observer), which is established as an advisory body to the Board of Directors. Based on the results of these deliberations, compensation is determined by Board of Directors resolution within the total compensation amount approved by the shareholders' meeting for each type of compensation.

Strategy, Business Model and Value Chain

Please refer to Daiichi Sankyo Value Report 2025, pages 15-16, 19-20, 43-46

General Disclosure

Interests and Views of Stakeholders

Stakeholders	Purpose of Engagement	Implementation method	Stakeholders' Opinions and Their Reflection
Patients and their Families	We understand the lives, concerns, and hopes of patients and their families, and collect and analyze feedback from patients and healthcare professionals as well as quality of life data. By reflecting these results in our Group's initiatives, we aim to improve patients' quality of life and contribute to a life filled with smiles for patients and families.	• Direct dialogue with cancer patients and caregivers through global advocacy activities • Dialogue with patients, their families, and healthcare professionals through COMPASS*¹ (2-3 times/year) • Reflection in drug development-related materials through PFDD*² (as appropriate)	• By understanding the true needs of patients and their families, we contribute to fostering a patient-centric mindset and to the research and development of pharmaceuticals that address those needs. • Based on the voices of patients and healthcare professionals who are close to patients, we consider the construction of clinical trial designs and implementation of clinical trials from the patient's perspective, including reducing patient burden during clinical trial participation and improving clinical trial effectiveness.
Healthcare Professional	Through the creation of innovative pharmaceuticals and other products and the provision of beneficial information to healthcare professionals, we work to improve healthcare professionals' satisfaction with patient care and understand their needs, thereby enriching treatment options and transforming standard care.	• MR (Medical Representative) activities and MA (Medical Affairs) activities (as appropriate)	• Understanding the diversification of customer issues and needs, implementing the provision of appropriate product usage information and medical collaboration-related information through the combined use of digital technologies, contributing to regional healthcare
Shareholders and Investors	Promoting mutual understanding with shareholders and investors through proactive disclosure of management information, and reflecting opinions in corporate management through constructive dialogue from a medium- to long-term perspective.	• Dialogue between management / IR departments and shareholders / investors through disclosure of information on management strategy, research and development, ESG, etc. (as appropriate)	• Based on favorable clinical trial results and acceleration of indication expansion studies, we received feedback that it would be appropriate to revise the performance outlook initially disclosed in the 5-year business plan, and we implemented appropriate information disclosure.
Business Partners	Advancing initiatives toward realizing a sustainable society with consideration for human rights and the environment, growing together as trusted business partners, and enhancing long-term mutual value.	• Sustainability surveys and interviews with business partners (once every 3 years)	• Based on feedback that they do not understand how to approach sustainability as a company; we provide supporting and educational materials.
Employees	Based on the opinions of each individual employee, we promote mutual sustainable growth between employees and the company by building an environment where employees maintain high engagement and thrive with vitality while achieving personal growth.	• Implementation of Global Engagement Survey (once a year) • Consultations with labor unions (multiple times/year)	• Through discussions with the labor union, we confirmed the need for hourly paid leave not limited to nursing and caregiving reasons, and introduced the hourly paid leave system in October 2022.
Local Communities	We collect local needs regarding regional diseases and healthcare delivery systems, and based on this information, provide necessary human resource development and medical services in each region to promote the advancement and strengthening of healthcare infrastructure.	• Surveys of local government, medical institutions, local residents, etc. through NGOs (as appropriate)	• Understanding that screening, diagnosis, and treatment systems for cervical cancer remain inadequate in developing countries, we implement awareness activities, cancer screening, and treatment with the aim of improving cancer screening rates and early detection.
Natural Environment	We accurately grasp environmental conditions and social demands, reduce environmental impact through activities across the entire value chain including resource conservation and resource circulation, and aim to reduce mutual risks between business and the natural environment.	• Dialogue with civic groups and local communities (as appropriate) • Meetings with industry associations (multiple times/year)	• Collaborating with civic groups and local communities where factories are located, investing in wind power plants to contribute to regional green energy supply • Promoting Japan's "Green Transformation (GX)"
Governments, Administration, Regulatory Authorities, Payers (Insurer)	Building trust relationships with governments, administration, regulatory authorities, and payers (insurer) in each country to ensure appropriate evaluation of pharmaceutical innovation.	• Advocacy and dialogue through industry associations, and problem-solving (as appropriate)	• Opinions from the "Expert Panel on Comprehensive Measures for Rapid and Stable Supply of Pharmaceuticals" established by the Ministry of Health, Labour and Welfare were materialized in government conference bodies.

*1 Activities aimed at realizing "life with smile" for people around the world by providing opportunities for all Group members to understand the lives and needs of patients and to think about what we can do to help, based on the Group's slogan, "Compassion for Patients".

*2 Acronym for Patient-Focused Drug Development, an initiative to reflect the voices of patients in drug development.

Processes to Identify and Assess Material Impacts, Risks and Opportunities

The Daiichi Sankyo Group conducts Double Materiality Analysis (DMA) to analyze and evaluate “impact materiality,” which represents significant impacts on the environment and society, and “financial materiality,” which represents significant risks and opportunities brought to business by environmental and social changes, to identify key issues.

The purpose of conducting DMA is to evaluate the risks and opportunities that sustainability matters bring to business activities from a medium- to long-term perspective, and utilize this in the planning and implementation of strategies and measures to pursue sustainable growth in highly uncertain business environments, as well as to understand the impacts that business activities have on the environment and society and respond appropriately to contribute to solving sustainability matters. Additionally, the purpose is to effectively utilize DMA results in sustainability information disclosure to meet the expectations of various stakeholders and comply with sustainability information disclosure standards (such as ESRS). To respond to the movement demanding “disclosure of important information to users,” we aim to achieve effective sustainability information disclosure by following the DMA process required by ESRS.

The Daiichi Sankyo Group’s DMA process consists of four steps: “Preliminary Preparation,” “Topic Selection,” “Topic Evaluation,” and “Topic Verification.” An overview of each step is as follows:

Step 0: Preliminary Preparation

- Verification of the value chain: To ensure the comprehensive identification of significant impacts on the environment and society, as well as material risks and opportunities, the undertaking clarifies business activities across the value chain (VC), including upstream, own operations, and downstream activities.

Step 1: Topic Selection

- Review of general sustainability topics: The undertaking compiles a list of sustainability topics defined under the ESRS as subjects to be addressed in the Double Materiality Assessment (DMA).

- Inclusion of company-specific sustainability topics: In addition to ESRS-defined topics, the undertaking identifies sustainability topics specific to the pharmaceutical sector and to the Group itself. These are derived from sources such as ESG rating agencies, sustainability reporting standards and frameworks, and existing internal materiality assessment documents, and are added to the DMA scope as appropriate.

Step 2: Topic Evaluation

- Identification and assessment of impacts, risks, and opportunities (IRO): For each topic, IROs arising from business activities are identified and evaluated, drawing on business planning and internal discussions.
 - » Impacts—both positive and negative—are assessed in terms of scale, scope, irremediability, and likelihood of occurrence. Risks and opportunities are assessed in terms of financial materiality and likelihood, and scoring is applied according to defined rules.
- Stakeholder engagement (SHE): To verify the completeness of sustainability topics and the appropriateness of IRO assessment results, the undertaking conducts SHE with both internal and external stakeholders.
- Determination of material sustainability topics: Based on the scoring of impact and financial assessments, topics exceeding defined thresholds are designated as material sustainability topics.

Step 3: Topic Verification

- Approval of the DMA proposal: The draft list of material sustainability topics is submitted for approval to the EMC and subsequently to the Board of Directors.

The DMA content is reviewed once a year in principle, and if it is determined that there are no major changes to the business or corporate organization and no new IRO occurrences or changes, the previous year's content is continued. When there are major changes to the business or corporate organization requiring a review of the DMA content, this DMA is implemented again.

General Disclosure

The result of Double Materiality Assessment

As part of CSRD (Corporate Sustainability Reporting Directive) compliance, our Group has been implementing the DMA following the aforementioned process since FY2024. While we continue internal deliberations toward final identification, we are discussing the following topics as important sustainability topics.

The table on the right shows an overview of important impacts, risks, and opportunities related to important topics, the Topics (Sub-topics) under ESRS, where they are positioned in our value chain, and in which time horizon they occur. It also shows the correspondence with our current materiality.

Detailed impacts, risks, and opportunities will be described on subsequent pages of the Sustainability Report.

	Topic(disclosure)	IRO		Value Chain			Time horizon			Correspondence with ESRS Sustainability Topics	Correspondence with Daiichi Sankyo Group's Materiality
		Impact P: Positive Impact N: Negative Impact	R: Risk O: Opportunity	Up- stream	Internal	Down- Stream	Short- term	Mid- term	Long- term		
Climate Change	Climate change mitigation	N		●	●	●			●	Climate change mitigation	
Pollution	Handling of Substances of Concern / Substances of Very High Concern	N	R	●	●	●	●	●	●	Substances of concern / Very Concern	Promoting Environmental Management
	Pollution of soil	N	R		●		●	●	●	Pollution of soil	
Patient and Healthcare Professionals	Meeting Unmet Medical Needs	P	O		●	●		●	●	Company-specific topic	Creating Innovative Pharmaceuticals
	Improvement of pharmaceutical access	P/N	O	●	●	●		●	●	Access to products and services	Improving Access to Healthcare
	Stable supply of pharmaceuticals	P/N	O	●	●	●	●	●	●	Access to products and services	Providing a Stable Supply of Top-Quality Pharmaceutical Products
	Ethical marketing activities	P/N	R		●	●	●	●	●	Responsible marketing practices	Promoting Compliance Management
	Access to Accurate Information / Ensuring patient safety and information security	P/N	R/O		●	●	●	●	●	Access to (quality) information / Security of a person / Privacy	Providing the Highest Quality Medical Information
Own Workforce	Securing competitive talent	P	O		●		●	●	●	Secure employment Work-life balance Working time	Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages
	Safe and secure work environment (occupational health and safety / WLB / working hours)	N	R		●		●	●	●	Health and safety	
	Specialist talent development and career development aligned with business strategies	P	O		●				●	Training and skills development	
	Diverse workplace that promotes innovation	P	O		●		●	●	●	Diversity	
Value Chain workers	Business partners with compliance adherence	N	R	●	●	●	●	●	●	Health and safety Work-life balance Working time	Promoting Compliance Management
Business Conduct	Ethical behavioral policies and the organizational culture that supports them		R		●		●	●	●	Corporate culture	Promoting Compliance Management
	Prevention of bribery and corruption		R	●	●	●	●	●	●	Corruption and bribery	

Climate Change

Material Impacts, Risks and Opportunities (IROs)

Climate Change Mitigation

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N		●	●	●			●

The impact on climate change from emitted greenhouse gases includes the fact that Greenhouse Gas (GHG) emissions caused by the operation of facilities using fossil fuels exacerbate global warming and extreme weather events. As for risks, suppliers and business partners using fossil fuels may contribute to similar warming effects, potentially resulting in the spread of infectious diseases and adverse impacts on public health.

Processes to Identify Impacts, Risks and Opportunities

In FY2021, we established a cross-departmental task team and conducted study sessions for relevant departments covering an overview of scenario analysis and net-zero scenarios published by the IEA (International Energy Agency) and IPCC (Intergovernmental Panel on Climate Change), examining business risks and opportunities from 2030 onwards. Using scenarios from the IEA (IEA SDS (WE02021), IEA NZE 2050) and IPCC (RCP8.m5), we identified risks and opportunities across the entire value chain for both “transition” and “physical” aspects. The identified risks and opportunities were deliberated, evaluated, and approved by the EHS Management Committee in FY2022. Specifically, we identified risks and opportunities from the perspectives of “procurement,” “direct operations,” and “product and service demand,” and classified them into six categories. We selected the IEA and IPCC decarbonization scenario (1.5°C) and the scenario where decarbonization is not achieved (4°C) because we determined it was important to anticipate and prepare for extreme cases in both physical risks and transition risks. For each scenario, we organized the potential business impacts and resilience from the perspectives of “frequency of occurrence,” “business impact,” and “presence of investor interest,” and conducted a comprehensive risk and opportunity assessment targeting 2030 and 2050, adding investor perspectives to the financial impacts.

Policies, Actions and Performance for Material IROs

Climate Change Mitigation

Policies

The Daiichi Sankyo Group recognizes environmental issues such as global warming or extreme weather which have impact on our work and lives. Under the Daiichi Sankyo Group Corporate Conduct Charter and the Daiichi Sankyo Group EHS Policy, we are promoting environmental management and practicing responsible corporate activities to mitigate climate change and other environmental challenges. We expressed our support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures)¹ in May 2019, and disclosed information such as governance and results of scenario analysis in accordance with the TCFD disclosure framework in 2020. In addition, we will disclose information in accordance with the TCFD recommendations revised in October 2021, and aim to further strengthen our climate change-related governance and business strategies to proactively respond to climate change, which is a global issue.

Based on “Promoting Environmental Management,” which is a material issue (materiality) for our Group, we deliberate and report on plans and progress at the Sustainability Committee. This committee discusses a wide range of environmental issues including climate change with an outlook to achieving carbon neutrality by 2050, safe chemical substance management, water resources, and biodiversity. Additionally, we deliberate and report from a global perspective on engagement with business partners aimed at reducing environmental impact across the entire supply chain.

Through these deliberations and reports, we monitor the progress of KPIs linked to materiality and operate a PDCA cycle toward achieving targets, thereby enhancing the effectiveness of environmental management. Important matters deliberated are reported to the Board of Directors through the EMC and are subject to appropriate oversight.

We strive to identify risks that may force changes to business activities, such as climate change and water-related risks, and implement countermeasures as part of our Group’s risk management system. The Sustainability Committee plays an important role in evaluating and managing the financial impact of how climate change impacts present risks and opportunities to our business, and in enhancing resilience. When there are concerns about significant risks, they are reported to the Board of Directors and integrated into comprehensive risk management. Additionally, we deliberate and decide on medium-term and short-term targets and implementation plans with the aim of achieving long-term carbon neutrality transition.

As environmental burden on the earth increases, corporate activities cannot be sustained without achieving a sustainable society. Particularly for pharmaceuticals, which are life-related products, supply chain disruptions and reduced pharmaceutical supply capacity due to intensifying weather disasters represent significant business risks as well as social risks. Therefore, we believe it is important to promote decarbonization and reduce the environmental impact of our business operations, while also advancing decarbonization across the entire supply chain through collaboration with business partners, thereby achieving carbon neutrality and mitigating physical impacts.

A characteristic of our CO₂ emissions is that Scope 1 and Scope 2 emissions directly generated from business activities are small, while Scope 3 emissions from the supply chain account for the majority. Based on this recognition, we conducted scenario analysis to understand the impact of climate change on our business and clarify resilience.

*1 A task force established in December 2015 by the Financial Stability Board (FSB), an international organization comprising central banks and financial regulatory authorities from major countries

Risk	
1.5°C Scenario	Introduction of carbon taxes, increased costs for introducing renewable energy facilities, and reputational risk attributable to insufficient disclosure
4°C Scenario	Supply chain disruption, temporary suspension of operations at company sites, increased air conditioning costs due to rising temperatures, and difficulty in operation due to water withdrawal risk, and reduced productivity of products derived from natural compounds
Opportunity	
1.5°C Scenario	Measures to achieve Science Based Targets (SBTs)
4°C Scenario	The climate with increase will that diseases to Contributio

Actions Including Transition Plan for Climate Change Mitigation

We recognize that direct transition risks to business activities are limited, but for the supply chain, cost increases from carbon taxes and transition measures are considered potential risks going forward. Regarding physical risks, there are concerns about stable supply due to the intensification of weather disasters and other factors. Based on these analysis results, for transition risks, in addition to promoting energy-saving measures as we have done previously, we will create cost reduction opportunities through burden avoidance of carbon taxes and other costs by utilizing renewable energy, introducing decarbonization technologies, and collaborating with business partners. For physical risks, we will implement measures including deepening Business Continuity Plans (BCP) that includes flood countermeasures, implementing preventive measures to enhance supply chain stability, and securing diversity, support measures, and alternative measures, thereby avoiding damage to our Group and aiming for sustainable corporate value enhancement. Important risk countermeasures evaluated and identified through scenario analysis will be subject to progress management and supervision across the entire Group by the Sustainability Committee and the Board of Directors.

As responsible corporate activities for climate change, we have set CO₂ emissions targets approved by the Science Based Targets (SBT) Initiative², which are aligned with the goals of the Paris Agreement (limiting the increase in global average temperature to 1.5°C compared to pre-industrial levels): a CO₂ emissions target of -42% compared to FY2015 levels for FY2025, and a CO₂ emissions target of -63% compared to FY2015 levels by 2030.

At Daiichi Sankyo Europe's Pfaffenhofen plant, a biomass boiler using wood chips as fuel has been operational since April 2024, contributing to the reduction of GHG emissions in Scope 1 (direct emissions). Additionally, at Japanese and overseas locations, we continue to advance the installation of charging facilities for electric vehicles (EVs) and the introduction of EVs and fuel-efficient vehicles as company cars. Furthermore, switching to electricity derived from renewable energy sources is being promoted at each location as an ongoing initiative. We are advancing the decarbonization of electricity usage through reviewing electricity contracts and utilizing renewable energy certificates.

Performance

KPI and Target as of FY2025	FY2024 Results
Reduction of CO ₂ emissions Scope 1 + Scope 2 by 42% from FY2015	42.7% reduction from FY2015
Reduction of CO ₂ emissions intensity based on sales (Scope 3, Cat1) by 15% from FY2020	2.4% reduction from FY2020
At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target)	Business partners with 1.5°C level targets: 43.1%
Renewable electricity utilization rate more than 60%	79.9%

CO₂ emissions for FY2024 were 116,312 t-CO₂ (-42.7% compared to FY2015 levels). We are working on both aspects of “mitigation” through CO₂ emissions reductions and “adaptation” to unavoidable impacts. As “mitigation” measures, we are promoting GHG emissions reductions aligned with SBTi 1.5°C targets and the introduction of renewable energy, while as “adaptation” measures, we are strengthening supply chain resilience through the development of BCP for flood damage and other initiatives.

Regarding disclosure of CO₂ removal and storage amounts, there are no applicable activities.

Regarding internal carbon pricing, we are considering a change from the current cost-effectiveness verification system using virtual carbon prices (which considers running costs, power consumption, CO₂ emissions, carbon taxes, etc., targeting facilities at Japanese group companies where particularly significant energy-saving effects can be expected) to a new, more effective system aimed at further enhancing emissions reduction incentives for each department.

Regarding the anticipated financial impacts from physical risks, transition risks, and potential climate-related opportunities, we are currently examining calculation processes that are consistent with financial statements in collaboration with relevant departments.

As indicators and targets for evaluating and managing potential business impacts and climate-related risks and opportunities for each value chain, we have established KPIs and environmental targets in our current

5-year business plan. Based on the progress of the current 5-year business plan, we reviewed climate change-related KPIs in FY2021. As a result, we raised the target levels for Scope 1 and Scope 2 to correspond to a 1.5°C world, and also updated Scope 3 as a supplier engagement target, changing our request for CO₂ emissions reductions to 70% of suppliers to a “1.5°C level” target. In June 2023, we obtained “1.5°C target” certification from the SBT Initiative.

*2 An international initiative by CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF). It defines and promotes best practices for emissions reductions and net-zero targets aligned with climate science.

Energy consumption and mix

	Unit	FY2022	FY2023	FY2024
Total energy consumption related to own operations	MWh	680,723	736,789	719,671
Percentage of fossil sources in total energy consumption	%	72	70	68
Percentage of renewable sources in total energy consumption	%	28	30	32
Energy intensity (total energy MWh/consumption per net revenue)	MWh/ 100Mil.Yen	53.2	46.1	38.1

Renewable Energy Usage and Breakdown

Types of Renewable Energy	Energy Usage (MWh)	Remarks
Solar energy generation	5,480	Electricity generated as sites in Japan, Germany and China
Non-fossil Certificate	205,416	Purchased in our group companies in Japan, Europe and Brazil
Biomass heat	8,416	Purchased by our group company in Germany
Other renewable energy	11,685	Fuels used for biomass boilers in Germany and for biofuel vehicles in Brazil

(Methodology)

Scope 1 CO₂ emissions are calculated using either the emission factors stipulated under the Act on Promotion of Global Warming Countermeasures in Japan or country-specific regulatory factors. Energy conversion factors are mainly based on heat values per unit defined by the U.S. Environmental Protection Agency (EPA).

Scope 2 CO₂ emissions reporting represents indirect CO₂ emissions from electricity, heat, and steam purchased and consumed by Daiichi Sankyo Group. Location-based emissions are calculated based on average emission factors for regional/national power grids as defined by the IEA. Market-based Scope 2 emissions refer to indirect greenhouse gas emissions associated with electricity, heat, and steam procured through energy attribute certificates and power purchase agreements sourced from renewable energy sources such as wind, hydro, solar, and biomass. For sites where contracts/attribute certificates are not available or where supplier-specific emission factors are unavailable, national average emission factors are applied.

Scope 3 CO₂ emissions reporting represents indirect greenhouse gas (GHG) emissions from our value chain. Of the 15 Scope 3 emissions categories defined by the GHG Protocol, we identified Category 1* as significant since the majority originates from this category. The remaining 14 categories are either not applicable to Daiichi Sankyo Group or are very small compared to Category 1, and therefore are not reported individually. As the source of emission factors for Scope 3 Category 1 CO₂ emissions, we use “Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains” provided by Ministry of the Environment.

* Emissions related to all expenditures for purchased goods and services from external suppliers (excluding business travel, transportation, capital investments, etc. that are included in other categories). Purchased goods and services primarily consist of raw materials for products, marketing, packaging materials, and consumables for laboratory and IT office equipment. Calculations are performed by multiplying expenditures by coefficients from the emission intensity database.

Scope 1, Scope 2, and Scope 3 CO₂ emissions

	Unit	FY2022	FY2023	FY2024
Scope 1 CO ₂ emissions	1,000 t-CO ₂	86	85	92
Percentage of scope 1 CO ₂ emissions from regulated emission trading schemes %	%	–	–	0
Biogenic emissions (Out-of-scope emissions) scope 1	1,000 t-CO ₂	–	–	0
Scope 2 CO ₂ emissions – location-based	1,000 t-CO ₂	–	–	111
Scope 2 CO ₂ emissions – market-based	1,000 t-CO ₂	24	24	24
Biogenic emissions (Out-of-scope emissions) scope 2	1,000 t-CO ₂	–	–	0
Scope 1 and 2 (market-based) CO ₂ emissions	1,000 t-CO ₂	110	109	116
Scope 3 CO ₂ emissions	1,000 t-CO ₂ e	3,163	4,408	4,160
Scope 3 Category 1: Purchased goods and services	1,000 t-CO ₂ e	1,809	3,888	3,549
Percentage of scope 3 CO ₂ emissions calculated using primary data %	%	–	–	–
Total CO ₂ emissions – location-based	1,000 t-CO ₂	–	–	4,360
CO ₂ emissions intensity, location-based (total CO ₂ emissions per net revenue)	t-CO ₂ /100Mil.Yen	–	–	231.2
Total CO ₂ emissions – market-based	1,000 t-CO ₂	3,273	4,518	4,276
CO ₂ emission intensity, market-based (total CO ₂ emissions per net revenue)	t-CO ₂ /100Mil.Yen	256.0	282.1	226.7

Pollution

Material Impacts, Risks and Opportunities (IROs)

Handling of Substances of Concern/High Concern

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R	●	●	●	●	●	●

Pollution of Soil

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R		●		●	●	●

The Daiichi Sankyo Group uses many chemical substances in pharmaceutical manufacturing and research and development, including substances that raise concerns about adverse effects on the environment and health. If inappropriate management or accidents occur and disasters occur, there is a possibility of causing serious impacts on ecosystems through water and soil contamination from chemical substance spillage into the environment, as well as health hazards to employees and local residents from exposure to chemical substances. Regarding the release of active pharmaceutical ingredients (APIs) into the environment, there are also concerns about impacts on ecosystems and human health. Moreover, these risks apply not only to direct operations but also to upstream supply chains, as we outsource the manufacturing of some of the pharmaceuticals we sell to suppliers.

Policies, Actions and Performance for Material IROs

Handling of Substances of Concern/High Concern

Policies

We have established “appropriate management of chemical substances” in our EHS Basic Policy. For targets through FY2025, we have set “monitoring and continuous reduction of pollutant emissions to air and water,” “hazardous waste emissions: 10% reduction compared to FY2020,” and “education and awareness-raising to prevent environmental accidents,” working to minimize the impact of chemical substance contamination across the entire supply chain.

Actions

Initiatives at the Product Design Stage

For environmental impact assessment of manufacturing processes, it is important to consider and evaluate from a broad perspective that includes not only quality and cost but also environmental impact during the research and development stage. This is because changes to pharmaceutical manufacturing processes after production requires significant time and effort due to pharmaceutical regulatory constraints, and may also expand the risk of chemical substance contamination. When designing manufacturing processes for new products, our Group uses LIME (Life-cycle Impact assessment Method based on Endpoint modeling), a type of LCA (Life Cycle Assessment), to conduct quantitative evaluations at each stage of process development (e.g., early development, investigational drug, and commercialization stages). In doing so, we integrate toxic and hazardous substances used during manufacturing, energy consumption during manufacturing, waste emitted during manufacturing, and other factors into a single evaluation criterion to calculate an evaluation value. This LCA evaluation targets new products, and all or part of the evaluation has been conducted for two-thirds of all new products developed since 2020. This method is an initiative based on the concept of environmentally conscious “green chemistry,” aiming for manufacturing processes that consider the sustainability of the global environment by developing new synthetic reactions to prevent environmental pollution and reduce consumption of raw materials and energy.

Initiatives at Factories and Research Facilities

For chemical substances that may have harmful effects on human health and ecosystems, we conduct appropriate management based on the PRTR system (Pollutant Release and Transfer Register) under the Law concerning PRTR. Additionally, there is no transboundary movement (transport, import, export, treatment) of hazardous waste as defined in Annexes I, II, III, and VIII of the Basel Convention, and no waste has been transported internationally.

To prevent water pollution, factories and research facilities of Japanese Group companies have established voluntary management standard values stricter than legal regulations and implement appropriate management through monitoring. Similarly, overseas Group company factories such as Daiichi Sankyo Pharmaceutical (Shanghai), Daiichi Sankyo Europe (Germany), and Daiichi Sankyo Brasil Farmaceutica also conduct regular monitoring to comply with laws and regulations in their respective countries and regions. Additionally, to evaluate the impact on ecosystems from many chemical substances not covered by effluent regulations in various countries and regions, including APIs, and from complex interactions, we conduct WET tests (Whole Effluent Toxicity tests, which evaluate the comprehensive toxic effects of effluent using biological responses of fish, water fleas, and algae). Following last year, in FY2024 we conducted environmental impact assessments using WET tests at all Japanese Group factories and research facilities (7 facilities). As a result, we confirmed that the impact on aquatic life in rivers and other water bodies is not at a level of concern. In FY2025 as well, we will continue to conduct WET tests once a year at all Japanese factories and research facilities as usual, striving for appropriate effluent management and water quality improvement.

Regarding information disclosure, based on GHS (Globally Harmonized System, a framework for internationally standardizing and providing hazard information related to chemical substances), we plan to classify the total amount of substances of concern that we generated, used, or procured during manufacturing by major hazard classification categories and disclose this information regularly. Furthermore, we recognize the need to similarly record and disclose the total amount of substances of concern released off-site as products or as part of products. We believe this will enable us to implement measures to reduce impacts on ecosystems and health risks to employees and local residents. Regarding hazard classification by GHS, we will begin this initiative in FY2025, advance frameworks and data compilation for each region, and work toward phased disclosure starting from FY2026.

Other Initiatives

For raw material manufacturers, we require submission of SDS (Safety Data Sheets) when concluding quality contracts, confirm information about chemical substances in raw materials (properties, hazards, and handling procedures), and share this information with departments that use these materials to prevent accidents.

Additionally, we share SDS (Safety Data Sheets) with drivers who transport products and business partners to ensure safe handling of products.

Performance

- Hazardous waste emissions (FY2024): 3,148t (43.9% reduction from FY2020)

*Scope: Global (Plants and research facilities)

- WET test implementation rate (FY2024): 100%

*Scope: All Japanese Group factories and research facilities: 7 facilities

FY2024 PRTR-Designated Substance Emissions and Transfers (Domestic Group Factories and Research Facilities)

(Dioxins: mg, Mercury: kg, Other chemical substances: t)

Substance (Annual handling amount of 1 or more metric tons)	Handling Amount	Emissions (except for emission into soil)		Transfer Amount	
		Air	Public Water	Sewerage	Out of Offices
Chloroform	6.3	0.3	0.0	0.0	6.0
Toluene	470.7	0.4	0.0	0.0	212.2
N,N-Dimethylacetamide	13.7	0.0	0.0	0.0	13.7
Triethylamine	58.8	0.2	0.0	0.0	58.6
Hexane	10.0	0.7	0.0	0.0	8.4
Methylene chloride	11.9	0.8	0.0	0.0	11.1
Tetrahydrofuran	250.0	0.1	0.0	0.0	110.0
Methyl isobutyl ketone	2.2	0.0	0.0	0.0	0.0
Total	823.6	2.6	0.0	0.0	419.9
Dioxins	–	0.002	0.000	0.000	0.000
Mercury	–	0.001	0.000	0.017	0.000

Pollution of Soil

Policies

The Group makes efforts to prevent soil and groundwater contamination at plants and research centers. In Japan, when an investigation is required based on the Soil Contamination Countermeasures Act and related prefectural ordinance, we conduct the appropriate investigation according to the laws and regulations on discussion with the governmental offices.

If contamination occurs, we report it to the related government offices and properly disclose information to members of the surrounding community, and take appropriate measures, such as prevention of diffusion and purification according to the extent of contamination.

Actions

Soil Contamination Countermeasures at the Former Yasugawa Plant (Yasu City, Shiga Prefecture)

We confirmed the presence of mercury used as a material for pesticides that exceeded environmental standards on the grounds of the former plant site in 1993. Since then, we have installed a robust underground storage facility in adherence to regulatory guidance to manage the soil appropriately. Although there have been no reports of leakage or health issues to date, we decided to remove the storage facility in view of increasing safety and security in the region and in response to requests from the local community. We issued a press release announcing our decision in April 2020, and we are conducting removal work in consultation and coordination with all concerned parties. Of the two storage facilities, the removal work for the northern storage facility was completed at the end of FY2024, and we are currently beginning removal work for the southern storage facility. While continuously monitoring the groundwater since we completed on-site environmental improvement work in 2006, soil investigation around areas not meeting standards revealed soil contamination in some areas including embankments adjacent to the site. After consultation with administrative authorities, we began soil remediation work. We will implement all soil remediation work, including soil remediation work within the site, to resolve the soil contamination issues at this former plant site.

Performance

In FY2024, there were no reports of leakage or health damage incidents.

Human Rights Respect as the Foundation of All Activities

We advocate for human rights respect in the Daiichi Sankyo Group Corporate Conduct Charter, which serves as the behavioral principles of the Daiichi Sankyo Group, and in the Daiichi Sankyo Group Employee Code of Conduct, which specifies the actions that all officers and employees of our group should take.

Policy

Our group strongly recognizes that consideration for human rights is necessary in conducting business activities, and we have declared the Daiichi Sankyo Group Human Rights Policy. The CEO bears responsibility for establishing the framework for implementing this policy.

Patients and Healthcare Professionals

As a global pharmaceutical company, our group will advance initiatives toward respecting human rights by complying with relevant laws and regulations and considering stakeholder expectations regarding the following extremely important issues where our corporate activities are deeply connected to human rights.

- Contributing to expanded medical access through “promoting research and development,” “improving access to pharmaceuticals,” and “strengthening regional healthcare infrastructure”
- Flexible responses that limit patent applications and rights enforcement in countries and regions where pharmaceutical access is difficult to the minimum necessary scope that does not impede access
- Conducting research and development activities in compliance with relevant laws and regulations under high ethical standards regarding life
- Working on research and development of formulation and packaging technologies to resolve counterfeit drug issues, while providing appropriate responses tailored to the regulations and risks of each country and region
- Safe management and protection of personal information of patients, healthcare professionals, and all other stakeholders

Employees

We have established a commitment to focus on the following human rights issues in order to respect employee diversity and create a comfortable work environment that considers health and safety.

- Promoting activities aimed at realizing decent work that provides fulfillment for all employees
- Creating a workplace environment free from harassment and discrimination
- We do not tolerate child labor or forced labor
- Promoting appropriate occupational health and safety
- Respecting freedom of association and the right to collective bargaining in accordance with laws and regulations
- Ensuring appropriate working hours and wages in accordance with laws and regulations
- Engaging in fair recruitment activities and supporting employees’ ability to demonstrate their capabilities through attractive talent development and appropriate treatment

Business Partners

Our group promotes sustainable procurement to consider human rights in procurement activities. In addition, in accordance with our Business Partner Code of Conduct, we encourage business partners to respect human rights. We regularly verify the status of business partners’ initiatives and engage in dialogue as necessary.

Actions

Risk Management to Reduce Human Rights Risks

Implementation of human rights due diligence

- Based on our human rights policy, our group is working to implement risk assessment-based human rights due diligence to prevent human rights violations.
- Specifically, we identify potential human rights risks by conducting human rights risk assessments in 3-year cycles targeting all group companies where we conduct business activities.

Conducting sustainable surveys for business partners

- Our group conducts “Sustainable Surveys” for major business partners on a 3-year cycle, seeking their understanding and cooperation regarding our group’s approach to sustainability and strengthening bidirectional communication.
- In this survey, we ask business partners to respond to questions related to “ethical and honest business activities,” “human rights respect and labor,” “safety and health,” “promotion of environmental management,” “ensuring optimal quality, cost, and stable supply,” “management systems,” and other areas, in accordance with our Business Partner Code of Conduct and the principles of PSCI (Pharmaceutical Supply Chain Initiative), a nonprofit organization composed of global pharmaceutical companies.

Initiatives for Each Stakeholder Based on Human Rights Respect

For details on our initiatives, please refer to the disclosures on each topic that follow.

Channels to Raise Concerns or Needs and Approaches to Remedy

Our group has established the Global Hotline as an internal reporting system where compliance violations can be reported and consulted upon. This reporting system is operated by our group and is designed to be easily accessible to employees, with a 24/7 available system operating in 19 languages including Japanese and English. We also accept reports and consultations from external parties, including business partners, through each company’s website. Issues raised through the Global Hotline are subject to appropriate monitoring.

Furthermore, the “Daiichi Sankyo Group Individual Code of Conduct” clearly states that whistleblowers will not be punished and prohibits retaliation against them, creating an environment where employees can raise their concerns with confidence.

Through these initiatives, we strive to maintain an environment where employees can report with peace of mind.

Patients and Healthcare Professionals

Our group places our purpose of “contributing to the quality of life of people around the world ” at the foundation of our corporate activities, and we constantly aim to realize patient-centered healthcare. As indicated by our corporate slogan “Passion for Innovation. Compassion for Patients.®,” “compassion for patients” and “passion for innovation” are the core values that form the foundation of all our activities.

We strive to serve as a source of support for patients to find hope in their treatment, and we are driven by this sentiment to work on creating innovation. We believe that truly meaningful transformation lies beyond the accumulation of exploration and challenges in developing new pharmaceuticals, and we continue our activities daily with this conviction.

Furthermore, to further strengthen our global and cross-functional initiatives, we established a new “Patient Centricity Special Assignment” position in April 2024. Under this new framework, we comprehensively oversee Patient Centricity initiatives across the entire group and promote them in an integrated and strategic manner.

To make innovation more valuable, we always listen sincerely to patients’ voices and place importance on understanding their experiences, challenges and needs, and hopes for the future. We share these patient voices across the company to further promote and establish a Patient Centric Mindset.

Material Impacts, Risks And Opportunities (IROs)

Meeting Unmet Medical Needs

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	0	●	●			●	●

The Daiichi Sankyo Group contributes to creating hope for higher therapeutic efficacy and innovative treatment for patients worldwide through the development of innovative pharmaceuticals that address unmet medical needs. The revenue obtained from creating and providing innovative pharmaceuticals becomes the source for developing the next innovative pharmaceuticals.

Improving Access to Pharmaceuticals

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	0	●	●	●		●	●

To enable patients who need our innovative pharmaceuticals to access our medicines at an early stage, we are improving pharmaceutical access through our own efforts or partnerships. By delivering our products to patients in more countries and regions, we contribute to the quality of life of people around the world.

Stable Supply of Pharmaceuticals

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	0	●	●	●	●	●	●

Our group develops and manufactures high-quality pharmaceuticals from various perspectives including stable quality, ease of administration, heat resistance, and counterfeit drug countermeasures. We also work on strengthening and diversifying our supply chain and sustainable procurement, contributing to patients’ health by continuously providing high-quality pharmaceuticals in a stable manner according to demand.

Patients and Healthcare Professionals

Ethical Marketing Activities

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	R		●	●	●	●	●

When inappropriate marketing is conducted, it can lead to situations where optimal pharmaceuticals cannot be used. This can impair patients' treatment opportunities, cause side effects, and result in losses to healthcare finances, which can also lead to litigation. To prevent such situations, our group has established policies regarding marketing.

Provision of High-Quality Medical Information / Patient Safety and Privacy

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P/N	R/O		●	●	●	●	●

Our group creates high-quality information regarding the efficacy and safety of pharmaceuticals and provides it to healthcare settings, contributing to the promotion of appropriate use. We also collect safety information from healthcare professionals regarding adverse reactions to marketed products and investigational drugs, and utilize this information for safety analysis. Through these efforts, we identify potential needs and create more effective pharmaceuticals and information, leading to contributions to patients' health. We also recognize the growing threat of counterfeit drugs. To prevent negative impacts on patients' health from counterfeit drugs, we are advancing the examination and implementation of counterfeit drug prevention technologies.

In our Group, we handle highly confidential patient data. To prevent inappropriate use, such as use for unintended purposes, and to avoid information leaks, we have established a clear policy on the protection of personal data and are taking measures to mitigate related risks.

Stakeholders Engagement and Initiatives to Minimize Safety Risks

Stakeholder Engagement

The Daiichi Sankyo Group is implementing the following activities to deepen engagement with end users, including patients and healthcare professionals.

Engagement with Patients

We are promoting activities where each employee has a Patient Centric Mindset, understands the lives, concerns, and hopes of patients and their families, and reflects this understanding throughout our entire value chain activities. Through direct dialogue with patients, caregivers, and other related parties, we aim to add new value to pharmaceuticals and services and provide pharmaceuticals that become hope for patients, thereby contributing to lives filled with smiles for patients and their families.

Global Advocacy Initiatives

The Global Patient Advocacy team in the oncology field works closely with more than 900 patient advocacy organizations worldwide with the purpose of deeply understanding patients' daily lives, treatment-related challenges, and access to pharmaceuticals.

Through these collaborations, we conduct surveys to identify patients' unmet medical needs and awareness surveys regarding treatments and clinical trials. Furthermore, we also provide support for awareness campaigns to reduce social stigma* associated with cancer and public education activities, contributing to improving patients' QOL (quality of life).

* The phenomenon where society assigns negative labels or prejudices to specific individuals or groups, resulting in discrimination or exclusion

Patients and Healthcare Professionals

COMPASS Activities in Research and Development

COMPASS is a Daiichi Sankyo Group initiative to promote the realization of “patient-oriented drug discovery,” which started in 2014 as a cross-organizational activity within the R&D division centered at the Shinagawa R&D Center. Through COMPASS activities, we provide opportunities for Daiichi Sankyo Group employees to get to know patients and consider what they can do through bidirectional communication with patients and healthcare professionals. We implement a variety of initiatives to deepen engagement with patients. These include lectures delivered by patients, co-hosted dialogue events with patients such as the “Healthcare Café” in collaboration with other pharmaceutical companies, and ongoing contact with medical institutions and patient organizations. We also publish the internal newsletter COMPASS News, which shares reports on these activities—along with employees’ personal stories of battling illness—with all employees in Japan.

Initiatives to Minimize Safety Risks

We have established a safety management system and strive to minimize safety risks for patients by objectively analyzing safety management information and providing information to healthcare settings to promote appropriate use of pharmaceuticals. We collect, evaluate, and examine safety management information globally, and as the safety management division of a global pharmaceutical company, we strive to execute safety measures globally. In Japan, we comprehensively collect safety management information (such as adverse reaction information) ourselves and provide appropriate use information to healthcare settings based on objective evaluation and examination.

We also contribute to supporting patients’ safe and secure medication use through enhancing support systems that allow patients to receive treatment with peace of mind and through innovations in formulation, labeling, and packaging.

Policies, Actions and Performance for Material IROs

Meeting Unmet Medical Needs

Policies

Healthcare access challenges that pharmaceutical companies should address include unmet medical needs and restrictions to basic healthcare access caused by various social factors such as public health, education, and income disparities.

The Daiichi Sankyo Group has established the “Daiichi Sankyo Group Healthcare Access Policy” as our approach to addressing these healthcare access challenges, and we are promoting initiatives with the Head of Global Corporate Strategy serving as the Healthcare Access Officer.

The “Daiichi Sankyo Group Healthcare Access Policy” stipulates the promotion of research and development, which includes the following content:

- Leveraging our research and development capabilities cultivated over many years, we create innovative treatment and prevention methods and contribute to the transformation of standard care.
- Expand and deepen partnerships through rapid access to diverse external research findings and innovations, thereby broadening the possibilities for drug discovery.
- Leverage our research and development capabilities and partnerships to address unmet medical needs including malaria, tuberculosis, NTDs, NCDs such as cancer, rare diseases, and other conditions.

Patients and Healthcare Professionals

Actions

Innovative Drug Research and Development

Our Group is concentrating resources to maximize the product value of five DXd ADCs^{*1}, while also focusing on accelerating global clinical development under our “5DXd ADCs and Next Wave” strategy, which aims to create a product portfolio (Next Wave) that will transform the SOC^{*2} to achieve sustained growth.

In the medium to long term, we are working to strengthen our drug discovery capabilities through technical research on new modalities^{*3} and other approaches, aiming to create therapeutic drugs for various diseases beyond cancer by leveraging our advantages in science & technology.

^{*1} ADC stands for Antibody Drug Conjugate. It is a pharmaceutical product that combines antibody drugs with drugs (small molecule drugs) through appropriate linkers, delivering drugs directly to cancer cells via antibody drugs that bind to target factors expressed on cancer cells, thereby reducing systemic drug exposure while enhancing the attack power against cancer cells. DXd ADC combines our proprietary drugs and linkers with antibodies.

^{*2} Abbreviation for Standard of Care. The treatment method that is considered the best in current medicine and is widely used.

^{*3} Modality refers to therapeutic approaches such as small molecule drugs, antibody drugs, ADCs, nucleic acid drugs, gene therapy, etc.

Initiatives Against Drug Resistance: Participation in the AMR Action Fund

The emergence and spread of drug-resistant bacteria has become a major global public health challenge. Without appropriate countermeasures, it is estimated that approximately 10 million people worldwide will die annually from antimicrobial resistance (AMR) bacterial infections by 2050. Against this backdrop, the AMR Action Fund was established by IFPMA (International Federation of Pharmaceutical Manufacturers & Associations) in July 2020 to support clinical development of new antimicrobial agents and achieve a sustainable antimicrobial market. Our company is contributing to the early resolution of global AMR issues by promoting the development of innovative antimicrobial agents through a total contribution of 20 million USD to this fund.

Performance

KPI and Target as of FY2025	FY2024 Results
3ADC: 8 indications launched (as new indications during the medium-term plan period)	Enhertu[®] • Approval for HER2-positive multiple solid tumors (US: April 2024) • Approval for treatment of HER2-low expressing breast cancer without prior chemotherapy (US: January 2025, EU: March 2025) • HER2-positive gastric cancer second-line treatment (Ph3) TLR acquired (February 2025) Datopotamab[®] • Application for non-small cell lung cancer with EGFR gene mutation with prior treatment history, voluntary withdrawal of application for non-small cell lung cancer second/third-line treatment (US: November 2024) • Approval for hormone receptor-positive, HER2-negative breast cancer (Japan: December 2024, US: January 2025) HER3-DXd • EGFR-mutant non-small cell lung cancer third-line treatment CRL (Complete Response Letter) received (US: June 2024) • EGFR-mutant non-small cell lung cancer second-line treatment trial data readout (September 2024)
Multiple products that will become growth drivers following 3ADC are in late-stage development or beyond	Ezharmia • Approval for relapsed or refractory peripheral T-cell lymphoma (Japan: June 2024) • DS-7300 Small cell lung cancer second-line treatment (Ph3), dosing initiated (July 2024) • DS-6000 Ovarian cancer (Ph2/3), first patient dosing initiated (April 2024) • DS-3939 Multiple solid tumors (Ph1/2) trial ongoing
Post-DXd-ADC modalities are in the development stage	• DS-9606 Ph1 trial ongoing • DS-2325 Ph1b/2 trial ongoing
Number of priority review designations (cumulative total count)	12 cases in FY2024, cumulative total of 25 cases from FY2023

Improving Access to Pharmaceuticals

Policies

The “Daiichi Sankyo Group Medical Access Policy” defines the improvement of access to pharmaceuticals and includes the following:

- In developing countries, patients have limited access to necessary medications due to inadequate supply systems and counterfeit drugs, and even in developed countries, patients face restrictions due to healthcare system structures
- Taking full consideration of each country’s circumstances and healthcare system structures, collaborating with various initiatives to deliver pharmaceuticals to patients who need them

The same policy also defines regional healthcare infrastructure strengthening as follows:

- There are challenges that hinder medical access in developing countries and other regions, including inadequate health insurance systems and medical infrastructure, pharmaceutical manufacturing and quality control issues, and shortages of healthcare personnel
- In response to these challenges, we will maximize the use of our Group’s resources and engage in activities that can achieve the most desirable impact

Actions

Expanding Pharmaceutical Access through Strategic Partnerships

We are implementing optimal access strategies, including strategic partnerships, to deliver our innovative pharmaceuticals to more patients more quickly.

- We entered into strategic partnerships for our ADC products with AstraZeneca in March 2019 and with Merck & Co., Inc., Rahway, NJ, USA in October 2023.

Early Access Program

In countries and regions where our products are not yet approved, we provide pre-approval investigational drugs in accordance with each country’s regulations for patients suffering from life-threatening serious diseases or conditions who cannot participate in ongoing clinical trials. In programs to deliver Enhertu® to patients early in countries and regions where it is not yet approved, we have established special risk management systems to ensure patient safety.

Performance

KPI and Target as of FY2025	FY2024 Results
Expansion of the number of countries and regions where cancer products are launched through collaboration with partners and other initiatives (40 or more countries launched)	Enhertu launched countries/regions: 69 countries and regions, 17 new countries/regions in fiscal year 2024 (Approximately 94,650 patients treated*)
As our contribution to addressing new risks through collaboration with regulatory authorities in various countries and other companies: • DS-5670 (Daichirona) development progressing as planned	Daichirona • Launched Omicron JN.1-adapted mRNA vaccine in Japan (Sep. 2024)

* Estimated based on the formula dividing “total sales volume” by the “amount of use required by one patient per year”

Patients and Healthcare Professionals

Stable Supply of Pharmaceuticals

Policies

We view the stable supply of pharmaceuticals as our corporate social responsibility itself. The Daiichi Sankyo Group is building a supply system with high risk resilience by promoting diversification of manufacturing sites, diversification of raw material procurement, and supply chain risk management. We have also established a system that can flexibly respond to risks such as natural disasters and pandemics through business continuity planning (BCP).

Actions

Building a Stable Production and Supply System

Our Group is building a flexible and efficient production and supply system by integrating the function to stably procure reliable raw materials for users and produce pharmaceuticals according to plan and logistics function to deliver products quickly and reliably after receiving orders, while centralizing information to ensure stable supply of high-quality pharmaceuticals. We have also established a stable supply system for global markets through collaboration with overseas production sites.

Pharmaceuticals are designed to deliver their efficacy effectively and safely. To reproduce the quality of developed pharmaceuticals as designed in production and provide stable supply of reliable products, it is necessary to establish a production management system that is scientifically verified from both hardware and software perspectives. Our Group has independently established world-class high-level standards through our quality and safety management system, building a global supply system for reliable pharmaceuticals.

Strengthening Quality Assurance Systems

We thoroughly comply with GMP (Good Manufacturing Practice) standards and conduct regular internal and external audits.

Performance

KPI and Target as of FY2025	FY2024 Results
Capital investment in our own facilities and CMO investment for establishing ADC production systems and stable supply of high-quality pharmaceuticals to patients: up to 300 billion yen	Implemented supply capacity expansion to respond to demand forecasts (approximately 226 billion yen, cumulative investment decision of approximately 522 billion yen from fiscal year 2021) Secured stable inventory

Patients and Healthcare Professionals

Ethical Marketing Activities

Policies

Our Group has established the “Group Healthcare Professional and Healthcare Institution Interaction Policy” to maintain high standards in interactions with healthcare professionals, healthcare institutions, and patient organizations, as well as in pharmaceutical promotion, in addition to establishing codes at our company and each subsidiary that comply with industry codes in each country and region based on the IFPMA Code of Practice (International Federation of Pharmaceutical Manufacturers & Associations Code, hereinafter “IFPMA Code”).

This policy clearly states that the relationship between our company and Group companies with healthcare professionals is aimed at improving the quality of medical care, and must focus on providing information about pharmaceuticals to healthcare professionals, providing scientific and educational information, and supporting medical research and education.

In January 2019, we revised this policy in line with the revision of the IFPMA Code to include provisions prohibiting the provision of gifts and promotional materials to healthcare professionals. Our Group prohibits the provision of entertainment and cash and personal gifts, and stipulates strict contractual requirements and appropriateness of compensation when paying healthcare professionals.

Actions

Strengthening Review System for Promotional Materials

Our Group conducts rigorous review of pharmaceutical promotional materials in compliance with laws and industry codes in each country. Globally, we have established the Product Material Review Process (PMRP) for creating globally common product-related materials and disease awareness materials, primarily in the oncology field, with reviews conducted by reviewers from Japan, the US, and Europe. When approved globally common materials are used as country-specific versions, they must be separately reviewed and approved in the respective country to comply with that country's laws, regulations, and industry codes. We strictly operate the creation of global materials in this manner.

Providing High-Quality Medical Information/Patient Safety and Privacy

Policies and Actions

Our Group collaborates across related units to identify necessary and missing information for patients and healthcare professionals, creating and providing information through clinical studies and post-marketing surveillance. The Daiichi Sankyo Group has established the “Daiichi Sankyo Group Quality Policy” to promote the cultivation of a quality culture for providing safe and effective pharmaceuticals and high-quality medical information.

Medical Affairs Activities

Based on medical and scientific expertise, we interact with healthcare professionals while ensuring fairness, independence, and transparency, identify clinical questions (questions that arise for patients and in medical settings regarding drug use), and plan and promote clinical studies to clarify these questions, thereby engaging in new evidence generation activities. We actively conduct information dissemination activities for clinical study results, including presentations at Japanese and international conferences and publication in medical journals.

Medical Information Provision Activities

Medical Representatives (MRs) play a role in providing, collecting, and communicating information related to our pharmaceuticals to various healthcare professionals. Through our comprehensive training system, they deepen their knowledge of diseases and pathophysiology and engage in bidirectional communication with healthcare professionals. They strive to accurately and promptly convey specialized information on safety and efficacy, as well as information to help patients and their families lead healthy and fulfilling lives, in response to various needs of patients and families. Through these MR medical information provision activities, including proper use of our pharmaceuticals, promotion of post-marketing surveillance, and disease awareness, we strive to understand the voices of healthcare professionals and the patients and families they serve, thereby contributing to medical care.

Patients and Healthcare Professionals

Handling Inquiries from Patients and Healthcare Professionals

Our Product Information Center receives approximately 6,000 inquiries per month and about 70,000 inquiries annually regarding our pharmaceutical products from healthcare professionals and patients. To understand the background of inquiries, investigate pharmaceutical information, and provide accurate and easy-to-understand explanations, we conduct daily training in medical and pharmaceutical knowledge as well as questioning and explanation skills. We have introduced and utilize many systems for handling inquiries, including artificial intelligence (AI). These include systems that instantly present optimal Q&As to operators and voice recognition systems that connect inquiries to operators in charge of specific product areas.

Integration and Management of Internal and External Data

With the global launch of oncology products, timely management and monitoring of vast amounts of safety information has become increasingly important. Our company utilizes an Integrated Data Analysis Platform (IDAP) to streamline data aggregation and monitoring of proper use compliance. For interstitial lung disease, which is one of the particularly important safety concerns, we have achieved timely monitoring and information provision aimed at early detection and prevention of severe cases.

Counterfeit Drug Countermeasures

Our Group is addressing the growing threat of counterfeit drugs by reviewing sealing materials and changing box specifications for our manufactured and marketed products, while advancing technical studies and implementation to prevent counterfeit drugs. To strengthen traceability of prescription pharmaceuticals, GS1 code labeling incorporating expiration date and lot number information on sales packaging units and original packaging units has been mandated for products shipped from April 2021 onwards. For controlled narcotic pharmaceutical products, GS1 code labeling incorporating expiration date and lot number information on sales packaging units and original packaging units has also been mandated for products shipped from December 1, 2022 onwards. Our company has completed implementation for all applicable products.

We will continue to collaborate with the pharmaceutical industry and related organizations to consider the roles required of marketing authorization holders and strengthening measures according to product risks.

We are also actively promoting compliance with GDP^{*1} to enhance reliability assurance during pharmaceutical storage and transportation.

*1 Abbreviation for Good Distribution Practice. Standards for proper distribution of pharmaceuticals.

Personal Information Protection Initiatives

Our Group has established internal regulations compliant with laws and regulations in each country and region based on global unified standards for personal information protection (Daiichi Sankyo Group Privacy Policy), thoroughly implementing safe management of personal information while conducting regular training to ensure proper handling of personal information. Furthermore, personal information regulations are being strengthened in countries around the world, including Europe's GDPR (General Data Protection Regulation). Our Group is working to comply with personal information protection legislation enacted in relevant countries and regions.

Performance

KPI	FY2024 Results
Improvement in stakeholder evaluation of our information provision approach, particularly from healthcare professionals	Japan Business Unit MR: Overall 1st place, Product Information Center: 1st place in pharmacist evaluation*

* MR: Aug. 2024, INTAGE Healthcare Inc. , Product Information Center: Nov. 2024, transcosmos inc. and The Japan Research Institute, Limited

Our Company's Employees

We empower our people as they are the most important asset. To achieve our Purpose and Mission, we aim to maximize human capital through the promotion and development of talent across various areas of the value chain, striving for mutual sustainable growth for both our employees and the company. All business activities are supported by talent, and we believe that attracting diverse talent and implementing effective human capital management in our global business expansion are sources of competitiveness.

Material Impacts, Risks And Opportunities (IROs)

A Workplace That Attracts Competitive Talent

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●		●	●	●

To continuously create innovative pharmaceuticals with high quality, it is necessary to attract and retain competitive talent.

Working in a workplace where the corporate culture “One DS Culture” is deeply embedded and work-life balance is well-established contributes to improving employee engagement, enabling competitive talent to maximize their value contribution. This ultimately leads to the creation of more innovations and the delivery of innovative pharmaceuticals to more patients.

A Workplace Environment Where Employees Can Work with Peace of Mind

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R		●		●	●	●

In workplaces such as factories and research facilities, inadequate occupational health and safety can lead to accidents, resulting in operational shutdowns, reviews of safety and health management systems, and loss of sales and profits due to damaged credibility. Currently, even as our business expands, we are implementing measures and environmental improvements to minimize risks and the impact of accidents when they occur.

Development and Career Advancement of Specialized Personnel

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●				●

Implementation of specialized training necessary for business operations and support for self-development enhances employees' expertise and promotes individual capability improvement. Additionally, career development aligned with both business needs and each employee's aspirations and abilities improves employee motivation and encourages their active contribution.

The optimal placement and active contribution of these specialized personnel will drive the expansion of innovative pharmaceutical development.

For example, strengthening S&T and bio talent will contribute not only to increasing the number of R&D pipeline projects but also to improving antibody drug manufacturing capabilities.

Our Company's Employees

A Diverse Workplace That Promotes Innovation

IRO		Value chain			Time horizon		
Impact (P/N)	Risk/ Opportunity	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
P	O		●		●	●	●

Our Group aims to actively embrace employee diversity through Inclusion & Diversity (I&D) initiatives, enabling each employee to maximize their potential value. Additionally, enhanced mutual understanding among employees improves their sense of fulfillment at work. By leveraging diverse values and working together with purpose, employees and teams will drive the creation of innovative pharmaceuticals that transform the Standard of Care (SOC) and foster innovation across the entire value chain, supporting the company's sustainable growth.

Stakeholders Engagement and Channels to Raise Concerns or Needs

Stakeholder Engagement Process

The Daiichi Sankyo Group determines and implements employee-related initiatives based on employee engagement surveys and feedback.

The primary method for obtaining direct feedback from employees is the “Global Engagement Survey” conducted for all employees worldwide. Through this annual survey, we assess employee satisfaction with working at our Group and measure the penetration and identify challenges related to our unique corporate culture, “One DS Culture.” Survey results are communicated to all employees under the CEO's name. Additionally, the EMC discusses workplace issues and initiatives identified through the results and analysis, leading to actions for creating a better workplace.

Furthermore, we maintain ongoing communication with labor unions in regions where they are organized. In Japan, which accounts for approximately half of all Group employees, we value our trust-based relationship with labor unions and emphasize labor-management dialogue to achieve constructive discussions aimed at resolving issues and transparent information disclosure to employees. For matters related to working conditions, we primarily use a consultation-based approach, conducting discussions and reports through respective meeting bodies for “the entire Daiichi Sankyo Group,” “Japanese Group companies,” and “individual business sites” according to Group-wide commonalities and the nature of consultation and reporting content. Where applicable, labor unions agreements have been concluded between each company and labor unions. For example, regarding organizational changes, as a labor-management reporting matter, we inform employees of the purpose of changes through our internal portal site.

Additionally, based on our “Global I&D Statement,” our Group promotes the theme “Be Inclusive & Embrace Diversity” through regional BERGs (Business Employee Resource Groups) that proactively drive dialogue sessions and networking opportunities, reflecting the unique characteristics and challenges of each region. Through these initiatives, we aim to help employees learn the importance of recognizing and respecting each individual's differences and commonalities, thereby promoting deeper understanding and establishment of I&D (Inclusivity & Diversity).

Channels To Raise Concerns or Needs

We have established a Global Hotline as a Group-wide external whistleblowing channel. (For details, please refer to P.15 Global Hotline.)

Policies, Actions and Performance for material IROs

A Workplace That Attracts Competitive Talent

Policies

Our Group has established in the Daiichi Sankyo Group Corporate Conduct Charter that “We respect the diversity of our employees, and seek to include a diversity of thought in our daily work. We are committed to ensuring a healthy and safe working environment and do not tolerate harassment and discrimination” and “We provide employees the opportunity to develop their skills and abilities for the mutual growth of the individual employee and the corporation.”

We have also established a People Philosophy, which commits to treating, developing, and supporting the performance of employees worldwide across our Group who share our “Core Values” in a fair manner. Employee-related policies and initiatives at each Group company are formulated in accordance with the following principles defined in this Philosophy.

1. Attraction
2. Inclusion & Diversity
3. Workforce Planning
4. Well-being
5. Engagement
6. Performance Management
7. Learning & Career Development
8. Rewards
9. Leadership & Succession

These policies are published on our Group's internal portal site, where all employees can access them. Global Compliance & Risk Management and Global HR are respectively responsible for overseeing these policies.

Actions

Implementation And Operation of Global HR Systems

- Our Group has introduced and operates global evaluation and grading system since FY2024 and new compensation frameworks since FY2025.
- The grade and compensation system focuses on achieving differentiated treatment based on job value and contribution level, aiming to enhance employee motivation and productivity while securing and retaining excellent talent.
- The evaluation system emphasizes coaching and feedback through daily one-on-one meetings, with talent development as its primary focus.

“One DS Culture” Penetration Activities (GCI: Global Culture Initiative)

- Implementation of GCI Leadership Forum: Conducted workshops on best practices for culture embedding and other topics with approximately 200 global leaders from our Group.
- Implementation of Culture Ambassador Workshops: Held workshops with nearly 300 Culture Ambassadors responsible for culture penetration within each organization to discuss the current status of GCI activities and activity plans.

Performance

KPI and Target as of FY2025	FY2024 Results
Positive response rate for engagement survey on corporate culture and workplace environment; 80% or higher	Positive response rate: 76%

A Workplace Environment Where Employees Can Work with Peace of Mind

Policies

Daiichi Sankyo Group considers environmental conservation and the assurance of health and safety as important responsibilities in our corporate activities, and has established an EHS (Environment, Health & Safety) Policy. We prioritize these issues in all corporate activities, comply with relevant laws and international agreements, and set higher goals to strive for their achievement.

Additionally, we achieve continuous improvement by clarifying organizational roles and responsibilities and establishing an EHS management system. Furthermore, we enhance EHS-related knowledge and awareness through education and awareness-raising activities.

Actions

The Head of Global Corporate Strategy oversees EHS management across the entire Group as the Global EHS Management Officer, while the Head of Global HR promotes EHS management as the Global Health & Safety Officer. Additionally, we have established an EHS management structure that considers regions and units, designating EHS management sites as needed and conducting target management.

In the Sustainability Committee, the Head of Global Corporate Strategy serves as the chairperson, deliberating on EHS management policies, annual plans, implementation reports, and other matters, and reports the results to the EMC.

Performance

Indicators regarding Health and Safety

Classification	Boundary	FY2022	FY2023	FY2024
Lost time injuries frequency rate* (Full-time employees, contract employees, temporary employees, etc.)	Global	1.05	-	-
	Japan	0.17	-	-
	Outside Japan	2.03	-	-
Lost time injuries frequency rate (Full-time employees, contract employees)	Global	-	1.42	1.62
	Japan	-	0.23	0.58
	Outside Japan	-	2.69	2.60
Lost time injuries frequency rate (Temporary employees)	Global	-	1.59	1.90
Occupational accident fatalities	Global	0	0	0

* Number of work-related deaths and injuries/Total hours worked × 1,000,000

The number of work-related deaths and injuries counts cases that involved at least a day of leave.
Please refer to the ESG Data page for further details on the scope.

Development and Career Advancement of Specialized Personnel

Policies

We have established policies regarding “Learning & Career Development” within our People Philosophy, which applies to the entire Daiichi Sankyo Group. Our Group commits to providing employees with learning opportunities, personal innovation, and environments that lead to career growth, while developing talent that creates competitiveness and competitive advantage.

Actions

We provide initiatives from the perspectives of “Business Skill Enhancement” and “Career Development.”

Our Company's Employees

Business Skill Enhancement Support

- Joint Daiichi Sankyo Group training according to one's career stage
 - » Tier-based training, global leader training for future management personnel, and manager development training
- Specialized capability training by each department to enhance expertise for each job function
 - » Training for each job function at each company, training to acquire specialized skills and knowledge, tier-based training for junior employees, etc.
- Systems to support individual employee self-development
 - » Voluntary enrollment training and provision of online learning tools

Support for Self-Actualization (Career Development)

- Self-development declaration system
 - » Every year, all employees declare their current status and future self-actualization vision to the company
- Deployment of role changes, inter-organizational transfers, and job function changes
 - » Support for strengthening broad perspectives and ability to handle diverse tasks
- Utilization of training and consultation services
 - » Implementation of career development support training and establishment of career support services

Performance

KPI and Target as of FY2025	FY2024 Results
Positive response rate through engagement surveys on development and growth opportunities: 80% or higher,	Positive response rate: 77%
1. Publication of actual education investment amount per employee	Education investment per employee: ¥207,430

A Diverse Workplace That Promotes Innovation

Policies

Our Group believes that by valuing each individual person and actively embracing diverse perspectives in our work, we can achieve greater goals as a Group. Our Group focuses on accepting diversity and fostering an organizational culture where everyone can thrive. This is because we believe that employees with diverse perspectives can maximize their abilities and skills, promote innovation, and contribute to patients worldwide by continuously creating innovative pharmaceuticals.

Actions

Daiichi Sankyo Group-wide Initiatives

- Membership in the Healthcare Businesswomen's Association, a nonprofit organization for all employees working in the healthcare industry
- We share and discuss challenges and improvement activities related to women's advancement (Gender Parity), centered around BERG activity members in each region.

Action in Japan

- Senior management personally conducts annual meetings with all division heads at Daiichi Sankyo Co., Ltd. to identify challenges in women's advancement within each organization and promote solutions.
- We have established a network of women in management positions and are working on mutual support, development of the next generation, and building relationships with similar organizations globally.



Workers In the value chain

Material Impacts, Risks and Opportunities (IROs)

Working Conditions

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
N	R	●	●	●	●	●	●

When business partners have inadequate workplace safety environments, Such situations may have negative implications for the physical and mental health of business partner employees, and could potentially increase the risk of occupational accidents. As a result, there is a possibility of negative financial impact on our company due to quality deterioration of products and services provided to us or manufacturing stoppages.

Stakeholders Engagement and Channels to Raise Concerns or Needs

Processes for Engagement

The Daiichi Sankyo Group clearly stipulates in Article 2 of its Corporate Code of Conduct to “conduct responsible procurement,” and has established “sustainable procurement” as an important policy in its procurement policy. Based on this procurement policy, we have developed a “Business Partner Code of Conduct” that systematically outlines our expectations for business partners who provide products and services toward the realization of a sustainable society.

This code is compliant with the principles of PSCI, a nonprofit organization comprised of global pharmaceutical companies, and includes specific provisions regarding important aspects such as “ethical and honest business conduct,” “respect for human rights and labor,” “occupational health and safety,” and “promotion of environmental management.” The Daiichi Sankyo Group aims to jointly fulfill social responsibility through proactive communication with business partners who understand and empathize with the spirit of this code. Particularly regarding respect for human rights, we established the “Daiichi Sankyo Group Human Rights Policy” in 2020 and are focusing on realizing respect for human rights and sustainable business activities throughout our entire supply chain.

Channels to Raise Concerns or Needs

We have established a Global Hotline as a group-wide external whistleblowing system.
(For details, please refer to P.15 Global Hotline.)

Workers In the value chain

Policies, Actions and Performance for Material IROs

Working Conditions

Policies

The concept of respect for human rights is the foundation of the Daiichi Sankyo Group's sustainability activities and is defined in the following charters, policies, and codes regarding business partners.

- Daiichi Sankyo Group Corporate Conduct Charter: Article 2 stipulates “responsible procurement,” Article 4 addresses “respect for human rights,” Article 5 covers respect for employee diversity and the establishment of workplace environments that prioritize health and safety, and Article 10 mandates promoting actions based on the charter’s principles among business partners.
- Daiichi Sankyo Group Employee Code of Conduct: Establishes “respecting the human rights of all people and complying with labor standards” as a behavioral standard.
- Daiichi Sankyo Group Human Rights Policy: Established in June 2020 with approval from the Board of Directors. Respects international norms and fundamental principles including the Universal Declaration of Human Rights, International Covenant on Human Rights, ILO Declaration, and the UN “Guiding Principles on Business and Human Rights,” and as a signatory to the UN Global Compact, expresses support for the 10 principles across four areas: human rights, labor, environment, and anti-corruption. Also addresses “prohibition of child labor” and “protection of young workers.” Expects all business partners, including suppliers, to support this policy.

Our Group has compiled expectations for business partners who provide products and services to comply with and respect various international standards including human rights in our “Business Partner Code of Conduct.”

Furthermore, we established the Business Partner Management Guidelines for Japan in September 2021 and the global version in October 2022, working to strengthen our management framework throughout the supply chain.

Actions

The Daiichi Sankyo Group has established a business partner management system based on risk assessment covering “corruption,” “confidential information and personal information,” “human rights,” and “environment” at the commencement of transactions with suppliers, followed by continuous monitoring, in order to avoid risks of corporate value damage caused by business partner-related issues. For suppliers judged to be high-risk before or during transactions, we implement risk mitigation measures such as making decisions on whether to proceed with transactions considering the impact on the Daiichi Sankyo Group's business and social credibility, or conducting individual interviews and requiring submission of improvement plans according to the content and degree of risk. In addition, based on the Business Partner Code of Conduct, we conduct a Sustainable Survey on a 3-year cycle to assess how domestic and international suppliers address human rights in their business activities. We have also established an internal framework to respond to supplier-related issues and ensure that appropriate measures are taken promptly when risks are identified.

Performance

Based on risk assessments, when suppliers under contract are judged to be high-risk, we implement risk mitigation measures such as conducting individual interviews and requiring submission of improvement plans according to the content and degree of risk. In fiscal year 2023, we conducted 3 cases of interviews and requests for improvement plan submissions. Additionally, we held online training sessions for business partners with 'occupational health and safety' as the theme.

We regularly conduct training for employees engaged in procurement operations and hold annual seminars on the Act against Delay in Payment of Subcontract Proceeds, Etc. (Subcontract Act). In January 2023, we participated in the “Partnership Building Declaration” and are working on co-existence, co-prosperity, and strengthened collaboration throughout the entire supply chain. Additionally, in response to the UK Modern Slavery Act and Germany's LkSG, we continuously report on specific initiatives to prevent modern slavery and human trafficking in our business operations and supply chain.

Material Impacts, Risks and Opportunities (IROs)

Business Conduct Policies and Corporate Culture

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
	R		●		●	●	●

When employee compliance violations or inappropriate conduct occur, litigation may arise and regulatory responses may be required, potentially resulting in costs associated with litigation response and legal fine payments. To prevent such situations, the Daiichi Sankyo Group has established global policies regarding compliance and maintains an ethical organizational culture.

Anti-Corruption and Anti-Bribery

IRO		Value chain			Time horizon		
I (P/N)	RO	Upstream	Internal	Downstream	Short-term	Mid-term	Long-term
	R	●	●	●	●	●	●

If bribery or corruption is discovered, it could result in loss of trust from stakeholders, ultimately leading to decreased sales and increased fundraising costs.

To prevent these issues, the Daiichi Sankyo Group has established policies and programs for the prevention and detection of bribery and corruption incidents, strengthening corporate risk management.

Policies, Actions and Performance for Material IROs

Business Conduct Policies and Corporate Culture

Policies

The CEO has appointed a Chief Compliance Officer (CCO), to oversee and manage the global compliance and risk management unit. In accordance with Daiichi Sankyo Group Compliance Management Policy established in April 2025, the Global Ethics and Compliance Committee oversees and advises the Compliance function.

The Daiichi Sankyo Group Employee Code of Conduct (the ECC) was established in April 2020 to provide clearer global uniform standards of the individual behavior expected of the Group’s executives and employees. We conduct training programs regularly to increase awareness of the ECC. In addition, Group companies in Japan have established the Compliance Code of Conduct, which sets out specific behavioral standards for officers, employees, and other personnel. This code has been developed in alignment with the Daiichi Sankyo Group Corporate Conduct Charter, the Daiichi Sankyo Group Employee Code of Conduct, and the JPMA Compliance Program Guidelines issued by the Japan Pharmaceutical Manufacturers Association. Group companies outside Japan have also established internal rules tailored to the laws, regulations, and specific characteristics of their respective countries and regions.

Actions

We are striving to raise compliance awareness within the Group by conducting activities, such as periodic messages (twice a year) from our CEO to the Group regarding the importance of compliance. The Company conducts an annual global compliance survey on corporate culture, targeting all executives and employees of Group companies to monitor the level of compliance awareness.

In order to promote the awareness of compliance, encourage the highest ethical standards, and cultivate an open workplace environment, the Company and the Group companies in Japan conduct small group discussion periodically (Compliance Communication Meeting) using training materials

developed in-house.

Furthermore, the Company conducts compliance training by external specialists on a regular basis for the Company's Board Members, members of the Audit and Supervisory Board, corporate officers of the Company, and Presidents and Auditors in Group companies in Japan. The Group companies in Japan also conduct compliance training annually for new employees and managers.

Group companies outside of Japan conduct compliance training through the face-to-face conversation, e-learning or other methods, as appropriate to each region.

Anti-Corruption and Anti-Bribery

Policies

The Group has specified the prevention of bribery and corruption in the ECC. In order to further ensure compliance particularly in this regard, we have also established the Daiichi Sankyo Group Anti-Bribery & Anti-Corruption Policy, which sets forth more detailed rules on the prevention of bribery and corruption, including the prohibition of cash payments to government officials and healthcare professionals.

Through a series of initiatives across the Group, we appropriately prevent, detect, and respond to suspected or actual cases of bribery and corruption. These initiatives include training on the Daiichi Sankyo Group Anti-Bribery and Anti-Corruption Policy, education on proper internal reporting procedures, regular audits and monitoring to identify high-risk functions, and the reporting of suspected cases arising in relevant regions or local affiliates to the Group's Board of Directors.

We communicate our principles on anti-bribery and anti-corruption to all executives, employees, and dispatched staff through key pages on the corporate website, global training programs, internal policies and procedures, and compliance communications. In addition, the Daiichi Sankyo Group requires all executives, employees, and dispatched staff to complete training on anti-bribery and anti-corruption.

Performance

KPI and Target as of FY2025	FY2024 Results
Number of significant compliance violations* ¹ : 0	0
Number of Notable Industry Code Violations (NICV)* ² : 0	3
Improvement of periodic employee survey scores on ethical culture following baseline	93% of positive response rate(+7 YoY)
Conduction of continuous compliance and promotional activities monitoring at each company	Conducted monitoring at each company

*1 Compliance violations which occur in domestic and overseas group companies are regarded as significant when disclosure under the relevant laws or regulations is required by the DS group

*2 Cases where there have been healthcare-related findings by the pharmaceutical regulatory authorities and industry-related organizations that may materially discredit or reduce confidence in Daiichi Sankyo Group of companies

Independent Assurance Report for Environmental and Social Indicators

Independent Practitioner's Limited Assurance Report

To the Representative Director President and CEO of Daiichi Sankyo Company, Limited

Conclusion

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the "subject matter information" or the "SMI") presented in Daiichi Sankyo Company, Limited's (the "Company") Value Report 2025 (PDF version) (the "Report") as of and for the year ended March 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained on the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "☑".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI as of and for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described on the "ESG Data" page of the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visits at one of the Company's sites which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Yoshimitsu Nagasaka
Yoshimitsu Nagasaka, Engagement Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo Office, Japan
September 26, 2025

Notes to the Reader of Assurance Report:

This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

ESG Data

Information with this mark has been assured by KPMG AZSA Sustainability Co., Ltd.

Environment

Promoting Environmental Management

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
CO ₂	CO ₂ emissions	Global	Total	t-CO ₂	109,735	109,239	116,312
		Global	Scope 1 ^{*2}	t-CO ₂	86,006	85,245	91,836
	CO ₂ emissions by Greenhouse Gas Protocol classification	Global	Scope 2 (market-based) ^{*2}	t-CO ₂	23,729	23,994	24,477
		Global	Scope 3 Category 1 ^{*3}	t-CO ₂	1,809,230	3,887,790	3,549,346
Energy ^{*4}	Breakdown of energy use	Global	Renewable electricity utilization rate	%	78.1	80.0	79.9
		Global	Total	MWh	680,723	736,789	719,671
Water resources	Water used (municipal water, industrial water, fresh ground water)	Global (Plants and research facilities)		1,000m ³	8,261	8,191	8,060
	Wastewater	Global (Plants and research facilities)		1,000m ³	8,090	8,232	8,078
	COD ^{*5}	Global (Plants and research facilities that discharge wastewater into public waters)		t	14	15	15
Waste	Total amount of waste discharged (outsourced waste treatment)	Global (Plants and research facilities)		t	12,189	10,909	13,371
	Total amount of waste discharged (excluding hazardous waste) ^{*6}	Global (Plants and research facilities)		t	4,995	5,435	10,223
	Waste plastic recycling rate	Global (Plants and research facilities)		%	69.3	72.4	77.8
	Disposal of hazardous waste ^{*7}	Global (Plants and research facilities)		t	7,194	5,474	3,148

GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Social

Employees

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Employees	Number of employees ^{*8}	Global	Total	Persons	17,435 ^{*9}	18,726 ^{*9}	19,765 ^{*9}
			Female	Persons	6,940	7,683	8,459
				%	39.8	41.0	42.8
			Male	Persons	10,493	11,037	11,297
				%	60.2	58.9	57.2
		Japan	Total	Persons	9,263	9,468	9,362
			Female	Persons	2,471	2,615	2,711
				%	26.7	27.6	29.0
			Male	Persons	6,792	6,853	6,651
				%	73.3	72.4	71.0
		Outside Japan	Total	Persons	8,172 ^{*9}	9,258 ^{*9}	10,403 ^{*9}
			Female	Persons	4,469	5,068	5,748
				%	54.7	54.7	55.3
			Male	Persons	3,701	4,184	4,646
				%	45.3	45.2	44.7
	Number of new employees	Global	Total	Persons	2,164 ^{*9}	2,840	2,513 ^{*9}
			Female	Persons	1,180	1,560	1,318
			Male	Persons	983	1,280	1,161
	Average years of service	Global	Total	Years	13.1	12.7	12.4
			Female	Years	8.7	8.7	8.8
			Male	Years	16	15.5	15.1
	Proportion of senior managerial employees ^{*10}	Global		%	19.2	18.7	24.2
			Female	%	5.6	8.2	11.4
			Male	%	13.6	10.5	12.8
	Number of managerial employees	Global	Total	Persons	6,238	6,781 ^{*9}	7,254 ^{*9}
			Female	Persons	2,022	2,361	2,757
				%	32.4	34.8	38.0
			Male	Persons	4,216	4,418	4,494
				%	67.6	65.2	62.0
		Japan	Total	Persons	2,923	2,889	2,723
			Female	Persons	267	288	303
				%	9.1	10.0	11.1
			Male	Persons	2,656	2,601	2,420
				%	90.9	90.0	88.9
		Outside Japan	Total	Persons	3,315	3,892 ^{*9}	4,531 ^{*9}
			Female	Persons	1,755	2,073	2,454
				%	53	53.3	54.2
			Male	Persons	1,560	1,817	2,074
				%	47.1	46.7	45.8
	Employment rate of people with physical or mental disabilities	Japan	Total	%	2.44	2.57	2.59

Employees							
Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Human resource development	Amount of training/development investments per employee		Total	Yen	145,734	166,906	207,430
	Positive response rate (%) on corporate culture & work environment through engagement survey	Global		%	77	79	76
	Positive response rate (%) on development & growth opportunities through engagement survey			%	75	76	77
Occupational health and safety	Lost time injuries frequency rate ^{*11} (Full-time employees, contract employees, temporary employees, etc.) ^{*12}	Global		—	1.05	—	—
		Japan		—	0.17	—	—
		Outside Japan		—	2.03	—	—
	Lost time injuries frequency rate ^{*11} (Full-time employees, contract employees) ^{*13}	Global		—	—	1.42	1.62
		Japan		—	—	0.23	0.58
		Outside Japan		—	—	2.69	2.60
	Lost time injuries frequency rate ^{*11} (Temporary employees) ^{*14}	Global		—	—	1.59	1.90
Labor union	Occupational accident fatalities	Global		Persons	0	0	0
		Japan	Total	%	89	89	89
	Coverage of collective bargaining			%	100	100	100

Enhancement of Communication

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Overall assessment of MRs ^{*15}	All responding physicians				1st	1st	1st
	Hospital doctors	Japan		Rank	1st	1st	1st
	Private practitioner				1st	1st	1st
Number of inquiries received by the product information center from outside the company (prescription pharmaceuticals)		Japan		Cases	60,000	60,000	60,000

Improving Access to Healthcare

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Number of development projects conducted through the GHIT ^{*16}			Aggregate (January to December)	Cases	4	4	3

Social Contribution Activities

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Social Contribution Activities	Number of employees taking short-term volunteer leave	Japan		Persons	0	9	5

Governance

Corporate Governance

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Structure of Board of Directors	Number of directors		Total	Persons	9	9	10
			Female	Persons	1	1	1
	Number of outside directors		Total	Persons	4	4	5
Structure of Audit & Supervisory Board	Number of Audit & Supervisory Board members	Non-consolidated	Total	Persons	5	5	5
			Female	Persons	2	2	3
	Number of Outside Audit & Supervisory Board members		Total	Persons	3	3	3
Remuneration to Members of the Board	Total		Total	JPY Million	1,092	1,200	1,120
Remuneration to Members of the Audit and Supervisory Board	Total		Total	JPY Million	154	154	154

Ethics & Compliance

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Training	Compliance training	Japan		Persons	599	691	628
	Training on Daiichi Sankyo Group Employee Code of Conduct (e-learning and group training)	Japan		Persons	9,454	9,637	10,103
		Outside Japan		Persons	2,370	5,880	3,954
	GVP ^{*17} training	Non-consolidated	Total	%	100	100	100
				Persons	5,909	5,980	6,436
	GQP ^{*18} training	Non-consolidated		%	100	100	100
Survey	Periodic employee survey on ethical culture	Global		%	-	86	93
Allegations	Number of allegations received Reports Received	Global		Cases	207	315	363

Quality Management

Aspect	Classification	Boundary ^{*1}	Items	Unit	FY2022	FY2023	FY2024
Number of recalls	(Class I) ^{*19}	Global		Cases	0	0	0
	(Class II) ^{*20}				5	2	3

^{*1} Japan: Daiichi Sankyo (non-consolidated) and consolidated subsidiaries in Japan. Outside Japan: overseas consolidated subsidiaries. Global: Daiichi Sankyo (non-consolidated) and all its consolidated subsidiaries. ^{*2} Scope 1: For domestic sites, the emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used. The emissions include those from renewable energy and waste incineration. For overseas sites, the emission factors stipulated by each country's laws and regulations are generally applied. Where specific factors are unavailable, emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used. Scope 2: The emission factors are basically determined by the power contract or each country's laws and regulations. Where specific factors are not available, the latest factors for the countries published by "Emissions Factors 2023" of the International Energy Agency (IEA) are used instead. When renewable energy or renewable energy certificates are used, an emission factor of zero is applied. ^{*3} Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains" provided by Ministry of the Environment is used. In FY2023, CO₂ emissions increased due to changes in calculation methods, such as revision of emission intensity allocation, and the growth in business operations. ^{*4} Fuel consumption is calculated mainly using the heat values per unit defined by the U.S. Environmental Protection Agency (EPA). ^{*5} COD pollution in Japan is the sum of measurements at four sites in Japan (Tatebayashi site, Onahama site, Odawara site and Kitamoto site) with potassium permanganate as an oxidant. The global COD pollution load represents the total of Japan and overseas, with the overseas figures measured by the colorimetric determination method. ^{*6} The figure in FY2024 includes the waste temporarily generated by the soil remediation at Odawara Plant. ^{*7} The figure in FY2024 decreased due to changes in production volumes for certain items. ^{*8} The numbers of employees means the total count of employees in all Group companies at the end of the fiscal year (as of March 31, 2025 for FY2024). Average years of service is calculated based on the information as of April 1 of the next fiscal year. ^{*9} Including non-binary category based on the requests ^{*10} Percentage of employees at the level of division head or above ^{*11} Number of work-related deaths and injuries / Total hours worked × 1,000,000 The number of work-related deaths and injuries counts cases that involved at least a day of leave ^{*12} Temporary employees, contractors, and outsourced contractors are excluded from the figures for domestic consolidated subsidiaries, but included those for overseas consolidated subsidiaries ^{*13} In FY2023, outside Japan and Global excluded Daiichi Sankyo Australia, Daiichi Sankyo Singapore, and Daiichi Sankyo Canada. In FY2024, outside Japan and Global excluded Daiichi Sankyo Australia, Daiichi Sankyo Singapore, Daiichi Sankyo Mexico, and Daiichi Sankyo Colombia. ^{*14} In FY2023, Global excluded Daiichi Sankyo Inc, Daiichi Sankyo Australia, and Daiichi Sankyo Singapore, and Daiichi Sankyo Canada. In FY2024, Global excluded Daiichi Sankyo Inc., Daiichi Sankyo Australia, Daiichi Sankyo Singapore, Daiichi Sankyo Mexico, and Daiichi Sankyo Colombia. ^{*15} Survey by INTAGAE Healthcare Inc (Reg-ii) ^{*16} Global Health Innovative Technology Fund ^{*17} Good Vigilance Practice. Standards for safety management of post-marketing pharmaceuticals, quasi-pharmaceuticals, cosmetics, and medical devices after manufacturing and selling ^{*18} Good Quality Practice. A ministerial ordinance on quality management standards for pharmaceuticals, quasi-pharmaceuticals, cosmetics, and medical devices ^{*19} A situation in which there is a reasonable probability that the use of or exposure to the product will severely affect the health or cause death ^{*20} A situation in which the use of a product may cause temporary or medically reversible adverse health consequences or carries a minimal risk for serious adverse health effects.



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