

Corporate Governance

We place a high priority on corporate governance practices to ensure that our business activities comply with standards of care as well as global and domestic regulations. We also pride ourselves on our ability to be flexible and to adapt quickly to changes in the business environment. Daiichi Sankyo has established internal governance policies that include the Daiichi Sankyo Group Corporate Conduct Charter and Standards of Conduct for Compliance, to ensure sound management based on regulatory compliance. A vital component of this structure is our governance organization consisting of directors and auditors. Our 10-member Board of Directors, including four external directors, ensures sound and appropriate business operations and quick decision-making.

Integral to our governance is a corporate officer system in which corporate officers are

appointed by the Board of Directors to perform specific duties under the direction of the President. Individuals appointed as corporate officers have a high level of expertise in their specific business fields. Additionally, Daiichi Sankyo has adopted a corporate auditor system in which the Board of Corporate Auditors, consisting of four corporate auditors including two outside auditors, verifies the legality and soundness of management decisions. Each corporate auditor provides guidance in accordance with the corporate audit standards and verifies the details of reports received from directors and others and investigates the state of business and property of the company. The Internal Audit Department implements group-wide internal audits of the compliance system, risk management system, internal control system and other areas in accordance with the company's audit plan.

