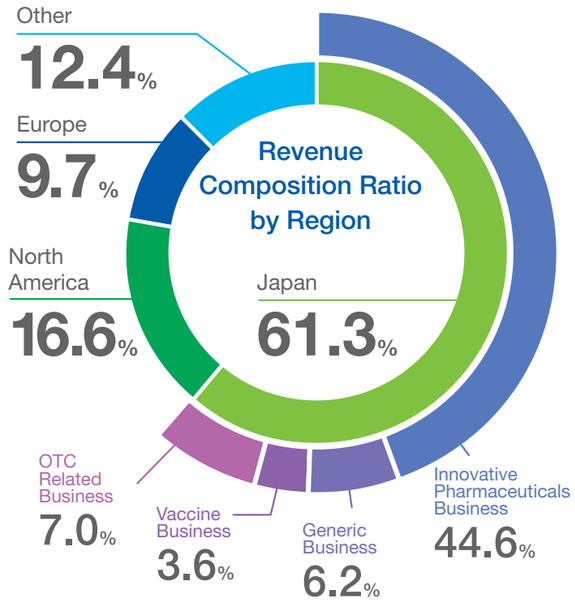
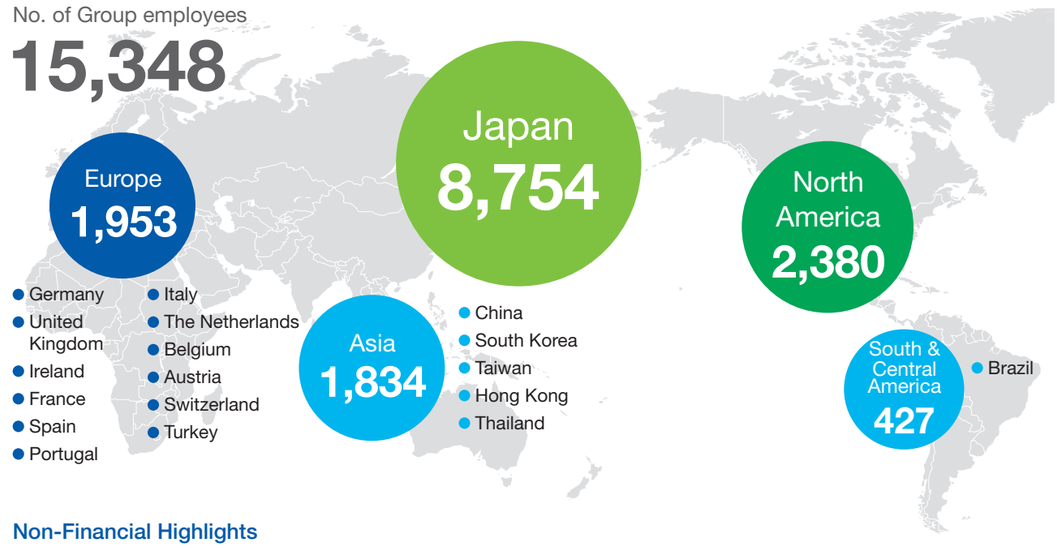
At a glance

Summary of Financial Results in FY2019

		Ratio to revenue
Revenue	¥981.8 billion	–
Cost of sales	¥343.2 billion	35.0%
SG&A expenses	¥302.3 billion	30.8%
R&D expenses	¥197.5 billion	20.1%
Operating profit	¥138.8 billion	14.1%
Profit attributable to owners of the Company	¥129.1 billion	13.1%
ROE	10.1%	
Liabilities	¥799.3 billion	
Total equity	¥1,306.3 billion	
Total assets	¥2,105.6 billion	
Equity ratio	62.0%	



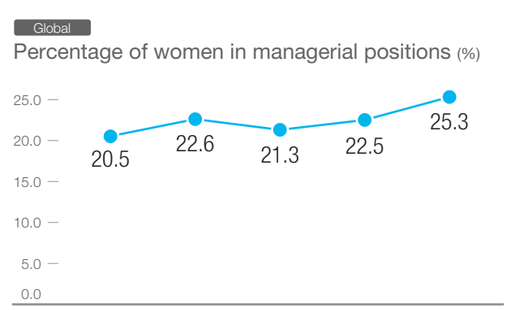
Employees and Bases (As of March 31, 2020)



Non-Financial Highlights

Global

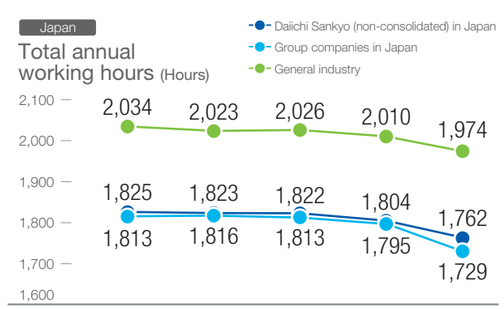
Percentage of women in managerial positions (%)



In fiscal 2019, the percentage of women in managerial positions increased 2.8% from the previous fiscal year to 25.3%. We will continue to work on measures for empowering women.

Japan

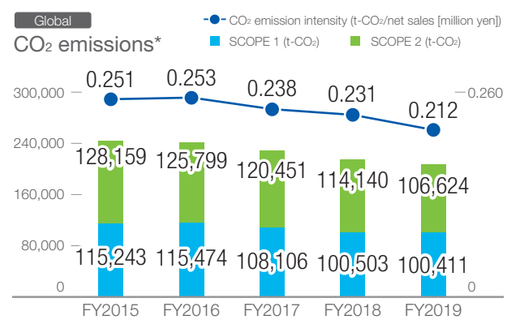
Total annual working hours (Hours)



The total annual working hours in the Daiichi Sankyo Group were approximately 200 hours shorter than those in the general industry in FY2019. The Group companies in Japan have developed measures for preventing long working hours and a flexible shift system, and is promoting work style reforms to ensure that employees are in good mental and physical health and are able to produce results within a limited time.

Global

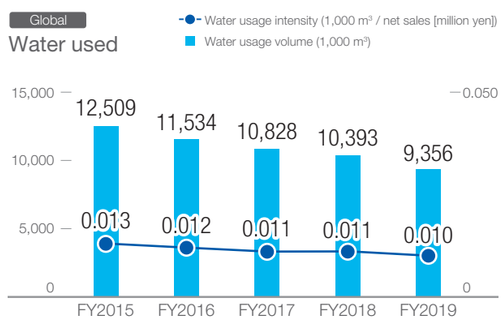
CO_2 emissions*



*CO_2 emissions by Greenhouse Gas Protocol
The Daiichi Sankyo Chemical Pharma Onahama Plant has decided to install a self-consumption solar power system, which is to be put into operation by the end of fiscal 2020. The Group will continue to work on the efficient use of resources and energy.

Global

Water used



Water is an important resource which is essential for the production of pharmaceuticals. The Group identifies the status of water resources in countries and regions where our operating sites are located and the risks and challenges associated with water usage, and takes measures including reducing water consumption by using water reasonably and efficiently, and promoting reuse with purification equipment.

Key Products

Innovative Pharmaceuticals Business

Global

Revenue in fiscal 2019 ¥154.0 billion

Anticoagulant
LIXIANA/SAVAYSA

Generic name *Edoxaban*

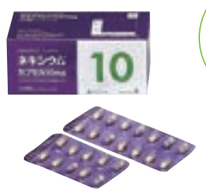
Global

Revenue in fiscal 2019 ¥14.0 billion

Anti-cancer agent
ENHERTU

Generic name *Trastuzumab deruxtecan*

Japan

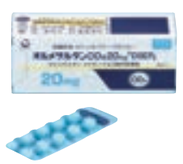


Revenue in fiscal 2019 ¥79.8 billion

Ulcer treatment
NEXIUM

Generic name *Esomeprazole*

Generic Business



Antihypertensive agent
Olmesartan (AG)

Vaccine Business

Seasonal influenza vaccine
Influenza HA Vaccine

OTC Related Business

Antipyretic analgesics
Topical anti-inflammatory analgesics
Loxonin S/Loxonin S Tape

At a glance

At the Daiichi Sankyo Group, we build and expand pipelines constantly placing focus on patients' unmet medical needs.

The R&D unit sets its new strategy of "3 and Alpha," and we proactively allocate R&D expenses and human resources to the three ADCs (*DS-8201*, *DS-1062*, *U3-1402*) to maximize their product values. With Alpha, we intend to contribute to supporting Daiichi Sankyo's sustainable growth, with the goal of nurturing the "buds" of new innovation not only in the oncology field, but also in rare diseases, immune diseases, and other research areas with high unmet medical needs.

Major R&D Pipeline (In-House Development Projects, as of July 2020)

		Generic Name/Project Code Number/MOA	Target Indication	Region	Stage
3 ADCs		***Trastuzumab deruxtecan*/*DS-8201*/Anti-HER2 ADC**	Breast cancer (HER2 positive post *T-DM1*)	JP/US	Launched/P3
				EU	Submitted/P3
				Asia	P2/P3
			Breast cancer (HER2 positive vs. *T-DM1*)	JP/US/EU/Asia	P3
			Breast cancer (HER2 low expression)	JP/US/EU/Asia	P3
			Gastric cancer (HER2 positive, 3L)	JP	Submitted
				US/Asia	P2
			Gastric cancer (HER2 positive, 2L)	US/EU	P2
			Gastric cancer (HER2 positive, 2L-/1L)	US/EU/Asia	P1
			Colorectal cancer (HER2 positive)	JP/US/EU	P2
			NSCLC (HER2 positive/mutant)	JP/US/EU	P2
			NSCLC (combination with *durvalumab*)	US/EU/Asia	P2
			TNBC (combination with *durvalumab*)	US/EU/Asia	P1/2
			HER2 expressing cancer	US/Asia	P2
			Breast cancer, bladder cancer (combination with *nivolumab*)	US/EU	P1
			Breast, NSCLC (combination with *pembrolizumab*)	US/EU	P1
		***DS-1062*/Anti-TROP2 ADC**	NSCLC, TNBC	JP/US	P1
		***Patritumab deruxtecan*/*U3-1402*/Anti HER3-ADC**	Breast cancer (HER3 positive)	JP/US	P1/2
			NSCLC	JP/US/Asia	P1
Alpha	**Oncology**	***Quizartinib*/FLT3 inhibitor**	AML (relapsed/refractory)	US/EU/Asia	P3
			AML (first-line)	JP/US/EU/Asia	P3 LCM
		***Axicabtagene ciloleucel*/*Axi-Cel*™/Anti-CD19 CAR-T cells**	Relapsed/refractory B-cell lymphoma	JP	Submitted
		***DS-1647(G47Δ)*/Oncolytic HSV-1**	Malignant glioma	JP	P2
		***Valemetostat*/*DS-3201*/EZH1/2 inhibitor**	Adult T-cell leukemia/lymphoma	JP	P2
			Non-Hodgkin's lymphomas (PTCL)	JP/US	P1
			AML, ALL	US	P1
		***Milademetan*/*DS-3032*/MDM2 inhibitor**	Solid tumor (lyposarcoma)	JP/US	P1
			AML	JP/US	P1
		***PLX2853*/BET inhibitor**	AML	US	P1
			Solid tumor	US	P1
		***DS-1001*/mutant IDH1 inhibitor**	Glioma	JP	P2 prep
		***DS-1205*/AXL inhibitor**	EGFRm NSCLC (combination with *gefitinib*)	JP	P1
			EGFRm NSCLC (combination with *osimertinib*)	Asia	P1
		***DS-7300*/anti-B7-H3 ADC**	Solid tumor	JP/US	P1/2
		***DS-6157*/anti-GPR-20 ADC**	Gastrointestinal stromal tumors	JP/US	P1
Alpha	**Specialty medicine**	***Edoxaban*/Factor Xa inhibitor**	Atrial fibrillation in very elderly patients	JP	P3 LCM
		***Prasugrel*/ADP receptor inhibitor**	Ischemic stroke	JP	P3 LCM
		***Esaxerenone*/MR antagonist**	Diabetic nephropathy	JP	P3 LCM
		***Mirogabalin*/$\alpha_2\delta$ ligand**	Central neuropathic pain	JP/Asia	P3 LCM
		***DS-5141*/ENA oligonucleotide**	Duchenne muscular dystrophy	JP	P2
		***DS-1211*/TNAP inhibitor**	Pseudoxanthoma elasticum	US	P1
		***DS-2741*/anti-Orai1 antibody**	Atopic dermatitis	JP	P1
		***DS-2319*/nafamostat inhalation**	COVID-19	JP	Clinical trial prep
	Vaccines	***VN-0107/MEDI3250*/Nasal cavity spray live attenuated influenza vaccine**	Prevention of seasonal influenza	JP	Submitted
		***VN-0102/JVC-001*/Measles-Mumps-Rubella vaccine**	Prevention of Measles, Mumps and Rubella	JP	P3
		***DS-5670* (COVID-19 vaccines)**	Prevention of COVID-19	JP	Clinical trial prep

Clinical trial stage

ALL: acute lymphocytic leukemia, AML: acute myeloid leukemia, IIS: investigator-initiated study, LCM: life cycle management, NSCLC: non-small cell lung cancer, PTCL: peripheral T-cell lymphoma, TNBC: triple negative breast cancer

☆ : Projects in the field of oncology which are planned for application based on the results of Phase 2 trials

: Projects that have been granted SAKIGAKE Designation (JP) or Breakthrough Therapy Designation (US)

: Projects that have been granted Orphan Drug Designation (JP/US/EU)

Column: Pharmaceutical Company's Business Model

Launching a new drug requires an R&D period spanning some 9 to 16 years, as well as anything from tens of billions of yen to over 100 billion yen in costs. As such, it is said that the probability of creating a new drug is one in around 25 thousand compounds.

Once approved, new drugs can be sold exclusively for a certain period (patent term, data protection period). After launch, sales of the new drug grow during the exclusivity period, but then generally fall dramatically once the exclusivity period ends and generic drugs enter the market. This fall in sales at the loss of exclusivity is called the "patent cliff." In order to overcome the patent cliff and achieve continuous growth, it is essential to continually develop and launch new drugs through R&D.