

# Messages from Outside Directors and Outside Audit & Supervisory Board Members (Independent Directors)



**Sawako Nohara**

Outside Director (Independent Director)

## Leveraging Our Strengths to Confront New Diseases Brought About by Global Environmental Changes and Other Factors

Please tell us about your role based on the skill matrix.

I have founded and managed a company conducting research related to digital business and innovation. With that experience, I am actively participating in the discussions on the Company's new business development and DX promotion, leveraging digital technology and AI, and R&D strategy.

I have also served as an outside director for a number of companies in many different industries that are at various stages of management and governance transformation. I think that those experiences have allowed me to have a relative perspective on each company and be more objective in judging the situation. I hope to make use of my experience in a variety of opportunities, including examining the Company's management styles and strategies, improving its corporate governance, and implementing materiality management in the Company.

Please tell us what you expect from Daiichi Sankyo and what should be strengthened in order for us to contribute to the development of a sustainable society.

For the development of a sustainable society, it is essential to reduce the environmental impact of business activities and actively implement measures to combat climate change, such as reducing CO<sub>2</sub> emissions and recycling waste plastics. However, that is not everything. By utilizing our strengths in science and technology (S&T), we can create innovative pharmaceuticals for new infectious diseases and other new disorders that could arise from changes in the structure of diseases due to ongoing global warming and other factors. Furthermore, I believe we can contribute to the society more by providing a stable supply of those products to the world and thereby reassuring medical professionals treating patients.

I expect Daiichi Sankyo to build a system to detect the signs of new disease outbreaks and create advanced preventive and therapeutic drugs in a faster manner. To this end, we need to step up our efforts to promote research in various modalities, develop specialized and diverse human resources while promoting their activities, and expand our investment capacity with enhanced global management capabilities.



**Tsuguya Fukui**

Outside Director (Independent Director)

## Utilizing My Medical Knowledge and Experience in Healthcare Delivery and Organization Management

Please tell us about your role based on the skill matrix.

Of the nine types of skills listed in the skill matrix, I am rated as having science and technology (S&T) skills and personnel/human resource development skills. I studied medicine—not only the natural sciences but also the humanities and social sciences—and have provided medical care. During that time, I studied public health (epidemiology, statistics, environmental medicine, behavioral science, health policy management, etc.) in the United States, and also engaged in university and hospital administration and management. A critical part of administrating and managing a university or a hospital is personnel administration and human resource development. In my past experiences, this process sometimes went better than expected; on the other hand, there were several times I wished it had been done differently.

With this academic background and experience in healthcare delivery and organizational management, I hope to contribute when we consider significant corporate decisions from all possible perspectives.

Please tell us what you expect from Daiichi Sankyo and what should be strengthened in order for us to contribute to the development of a sustainable society.

Corporate entities and every one of us are expected to have economic activities and lifestyles that will help achieve a sustainable society, and this can be characterized by the keywords: SDGs (Sustainable Development Goals) and ESG (Environmental, Social and Corporate Governance). Daiichi Sankyo has determined priority issues (materiality) based on these perspectives, set specific targets for achieving them, and integrated them into management. Therefore, we should monitor our contribution to the SDGs as we progress toward the targets.

Our priorities lie in the Company's missions to deliver health and welfare and to bring job satisfaction and economic growth. In addition to these, I believe that Daiichi Sankyo can adopt clean energy in the stages of pharmaceutical processing and research to address climate change (reduce carbon dioxide emissions). In the future, I also expect Daiichi Sankyo to contribute part of its profits to the eradication of poverty and hunger.



**Kazuaki Kama**

Outside Director (Independent Director)

## Aiming for Governance with Both Aggressive and Defensive Approaches and Bringing Out the Best in Each Employee

Please tell us about your role based on the skill matrix.

I believe that Outside Directors are expected to contribute to Daiichi Sankyo's sustainable growth and enhancement of its corporate value. This fiscal year is the first year of the new 5-year business plan. We have started implementing measures to realize our FY2025 Vision "Global Pharma Innovator with Competitive Advantage in Oncology."

To support the implementation of the measures, I intend to utilize my experience and knowledge as an executive officer in a comprehensive heavy industry manufacturer and my expertise and practical experience in finance and accounting. To this end, I will fulfill the two roles of governance in a well-balanced manner: "aggressive" governance to drive measures and "defensive" governance to verify risks and internal control effectiveness.

Please tell us what you expect from Daiichi Sankyo and what should be strengthened in order for us to contribute to the development of a sustainable society.

The measures and timetables for achieving our FY2025 Vision are all set. Now it is vital that we follow the PDCA cycle of the measures without fail.

Another thing to address is risks. As we have witnessed pandemics represented by the recent outbreak of COVID-19, large-scale natural disasters, and geopolitical risks, the probability of such occurrences is rising, and the magnitude of resulting losses is even more significant than in the past. This requires us to execute thorough risk management practices and take appropriate actions in a crisis.

It is up to each and every employee of the Group working on the global stage to attain the new 5-year business plan's goals. There is and will be a dramatic change in our work styles during and after the COVID-19 pandemic. Accordingly, we need to create an environmental system that allows each employee to demonstrate their abilities fully.

Messages from Outside Directors and Outside Audit & Supervisory Board Members (Independent Directors)



**Tateshi Higuchi**

Outside Audit & Supervisory Board Member  
(Independent Auditor)

## Toward Enhanced Management to Nip Risks in the Bud

Please tell us about your role based on your experience and expertise.

As we contribute to the development of a sustainable society, what is your approach to corporate governance?

I have served as a police bureaucrat in charge of public safety for many years, engaging in creating a society where incidents and accidents are less likely to occur. However, once a severe incident is allowed to happen, even if we resolved it quickly, there is no hope of 100 percent recovery from that damage, not only in terms of human lives but also economic losses. Enhancing the ability to respond to incidents after the occurrence and preparing equipment and materials are undoubtedly important, but there is no better way than to prevent them from happening. The Japanese police have endeavored to thoroughly analyze the causes of incidents and accidents, painstakingly preparing a social environment that prevents such causes from developing. In my view, those efforts have led Japan to the healthiest and safest country in the world.

For Daiichi Sankyo, as a leading global healthcare company, to contribute to the development of a sustainable society, we need to build an advanced governance process that can deal with complex and diversified risks. I believe that the methods used to prevent accidents and incidents can also be a viable solution to risk management. At present, many companies start managing risks as soon as they are aware of their existence. However, if we catch them further in advance and nip them in the bud, many risks should not be materializing.

The process up to the materialization of risk varies depending on each case, but human factors are always involved. As I see it, the key to nipping risks in the bud is to enhance personnel administration and business management with a focus on those in charge of critical operations that could have serious consequences if the risk manifested itself. From that perspective, I would like to utilize my knowledge on the process of developing society so that Audit & Supervisory Board may contribute to enhancing the Company's corporate governance further.



**Yukiko Imazu**

Outside Audit & Supervisory Board Member  
(Independent Auditor)

## Toward the Establishment of a High-Quality Corporate Governance System That Meets the Trust of Society

As we contribute to the development of a sustainable society, what is your approach to corporate governance?

Please tell us about your role based on your experience and expertise.

A higher priority is placed on transparency and compliance in corporate management than ever before. Sound corporate management requires enhancing the internal autonomous and self-cleansing functions and examining the situation from an external, third-party perspective. As the unstable situation caused by COVID-19 continues, it is increasingly important to develop diverse talent who can create competitive edge and advantage. Furthermore, encouraging these people to play an active part is also essential. Leveraging my experiences in corporate legal affairs and corporate governance with a focus on labor and employment cases as a lawyer, I, as an Outside Audit & Supervisory Board Member of the Company, will continuously strive to contribute to establishing good corporate governance in response to the public trust.

In order to fulfill our mission of contributing to the enrichment of quality of life around the world through the creation of innovative pharmaceuticals, and through the provision of pharmaceuticals addressing diverse medical needs, the Company must be flexible to meet the needs of the times. Our current 5-year business plan aims to realize the 2025 Vision, "Global Pharma Innovator with Competitive Advantage in Oncology," while shifting to the growth stage toward achieving the 2030 Vision. We have also established a new global management structure to become a truly global healthcare company.

However, when a company tries to make a change, not only opportunities but also risks will arise. An Outside Audit & Supervisory Board Member in the capacity of a lawyer is expected to contribute to providing a sense of security to shareholders and increasing corporate value of the Company. In order to achieve these, I will always offer objective opinions from an auditor's view in accordance from the legal mind and a neutral stance, so that unnecessary legal risks and damages to corporate value will be avoided. I will continue to endeavor to secure compliance and sound management of the Company in pursuit of its sustainable growth.



**Masako Watanabe**

Outside Audit & Supervisory Board Member  
(Independent Auditor)

## Contributing as a Corporate Accounting and Auditing Professional for Further Improvement of Corporate Governance

Please tell us about your role based on your experience and expertise.

I was elected as a Outside Audit & Supervisory Board Member at the general meeting of shareholders held in June 2021. With the global spread of COVID-19, the role played by pharmaceutical companies and society's expectations of them have never been greater. Under these unprecedented circumstances, I have renewed my determination since becoming an Outside Audit & Supervisory Board of Daiichi Sankyo, a company that is making groupwide efforts to become an advanced global drug discovery company.

I have been working as a certified public accountant for 30 years at an auditing firm, where I have conducted accounting audits and financial investigations in a number of industries and business categories. In the course of my work, I have faced various management issues and fraud cases arising from corporate governance systems and internal control systems.

Each time such a problem occurred, I confronted and discussed it with the company's side, such as the management and auditors. In this way, I have come to recognize the importance of a corporate governance system. From this experience, I would like to speak my opinions actively in various aspects as a corporate auditor and also as a specialist in corporate accounting and auditing. I will strive for further improvement of the Company's corporate governance system. I will also work closely with the Internal Audit Department, Accounting Auditors, and Group companies' auditors to audit the functioning of internal control systems. I will commit to the continuous improvement of the Group's corporate value.

Please tell us about your aspirations as a new Audit & Supervisory Board Member.

I hope to fulfill my role as a Outside Audit & Supervisory Board Member by better understanding the Company's business and actual conditions. Therefore, I would like to exchange opinions with Audit & Supervisory Board Members who are actively engaged in their roles. I would also like to conduct direct interviews with each department and site visits to R&D and manufacturing sites as necessary. I look forward to working for Daiichi Sankyo.