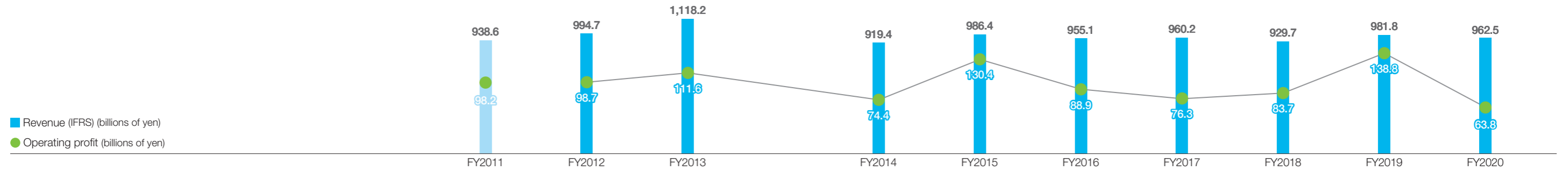


10-Year Financial Summary



Item	Japanese GAAP			IFRS						
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Financial Results										
Revenue	938.6	994.7	1,118.2	919.4	986.4	955.1	960.2	929.7	981.8	962.5
Overseas revenue	469.0	483.2	584.5	392.4	430.7	375.2	341.9	333.8	374.1	401.8
Ratio of overseas revenue to revenue (%)	50.0	48.6	52.3	42.7	43.7	39.3	35.6	35.9	38.1	41.7
Operating profit	98.2	98.7	111.6	74.4	130.4	88.9	76.3	83.7	138.8	63.8
Ratio of operating profit to revenue (%)	10.5	9.9	10.0	8.1	13.2	9.3	7.9	9.0	14.1	6.6
Profit attributable to owners of the Company	10.3	64.0	60.9	322.1	82.3	53.5	60.3	93.4	129.1	76.0
Research and development expenses	185.0	184.4	191.2	190.7	208.7	214.3	236.0	203.7	197.5	227.4
Ratio of research and development expenses to revenue (%)	19.7	18.5	17.1	20.7	21.2	22.4	24.6	21.9	20.1	23.6
Depreciation and amortization	46.3	45.3	51.5	42.0	44.3	47.4	46.7	46.2	52.6	57.4
Capital expenditure	62.9	65.1	49.2	36.3	23.3	23.9	26.9	38.3	29.0	40.1
Financial Position										
Total assets	1,518.4	1,684.9	1,854.0	1,982.3	1,900.5	1,915.0	1,897.8	2,088.1	2,105.6	2,085.2
Total equity	832.7	938.5	1,007.5	1,307.0	1,233.5	1,171.4	1,133.0	1,249.7	1,306.3	1,272.1
Cash Flows										
Net increase (decrease) in cash and cash equivalents	(89.7)	(37.8)	(23.7)	(10.7)	45.4	24.4	115.2	(116.7)	186.6	(49.5)
Free cash flows*1	(32.5)	20.4	(124.1)	121.5	168.3	39.4	217.0	(50.5)	278.3	153.0
Per Share Information										
Basic earnings per share (yen)*2	4.92	30.32	28.86	152.52	39.79	26.54	30.44	48.07	66.40	39.17
Equity per share attributable to owners of the Company (yen)*2	381.17	429.31	464.01	617.43	600.63	591.00	583.11	642.93	671.64	663.85
Annual dividends per share (yen)*3	60	60	60	60	70	70	70	70	70	27
Main Financial Indicators										
Return on equity attributable to owners of the Company (ROE) (%)	1.3	7.4	6.5	28.2	6.5	4.4	5.2	7.8	10.1	5.9
Ratio of equity attributable to owners of the Company to total assets (%)	53.0	53.8	52.9	65.8	64.8	61.4	59.7	59.8	62.0	61.0
Ratio of dividends to equity attributable to owners of the Company (DOE) (%)	5.1	4.9	4.5	3.7	3.8	3.9	4.0	3.8	3.5	4.0
Price-earnings ratio (PER)	102.2	20.0	20.1	4.2	21.0	31.5	38.6	35.4	37.3	82.3
Stock price at the end of the year (yen)	1,508	1,815	1,738	1,907	2,502	2,507	3,526	5,100	7,434	3,225
Market capitalization*4	1,061.5	1,277.7	1,223.5	1,342.6	1,710.2	1,662.7	2,283.7	3,304.2	4,817.7	6,179.6
Average exchange rates (USD/JPY)	79.07	83.11	100.24	109.94	120.14	108.42	110.86	110.91	108.75	106.06
(EUR/JPY)	108.96	107.15	134.38	138.78	132.57	118.84	129.70	128.40	120.83	123.7
Number of Employees										
Japan	9,308	9,251	9,145	8,543	8,589	8,648	8,765	8,865	8,754	8,979
North America	3,737	3,331	3,402	3,322	2,321	2,464	2,191	2,172	2,380	2,602
Europe	2,624	2,556	2,226	2,094	1,997	1,578	1,582	1,778	1,953	2,137
Others	16,260	17,091	18,018	2,469	2,342	1,980	1,908	2,072	2,261	2,315

*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 yen (interim dividend of 13.5 yen and year-end dividend of 13.5 yen) is stated on the assumption that the share split had been implemented at the beginning of the FY2020.

*4 Market capitalization is calculated excluding treasury stocks.

Financial Results and Financial Analysis

Consolidated Financial Results for FY2020

Consolidated Financial Results

	FY2019 Results	FY2020 Results	YoY	(Billions of yen)
Revenue	981.8	962.5	-19.3 (-2.0%)	
Cost of sales	343.2	338.3	-4.9	
SG&A expenses	302.3	333.1	30.8	
Research and development expenses	197.5	227.4	29.9	
Operating profit	138.8	63.8	-75.0 (-54.0%)	
Profit before tax	141.2	74.1	-67.0 (-47.5%)	
Profit attributable to owners of the Company	129.1	76.0	-53.1 (-41.2%)	

Yen exchange rates for major currencies (Annual average rate)

	FY2019 Results	FY2020 Results	YoY
USD/JPY	108.75	106.06	-2.69
EUR/JPY	120.83	123.70	+2.87

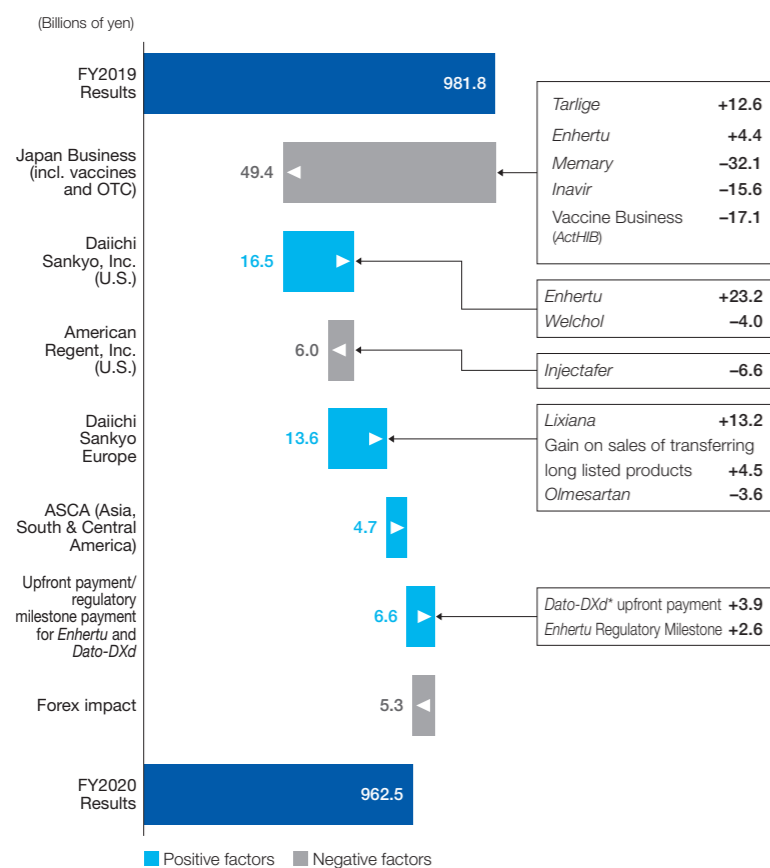
1. Revenue

Consolidated revenue in FY2020 decreased by ¥19.3 billion, or 2.0% year on year, to ¥962.5 billion.

The foreign exchange impact placed downward pressure on revenue to the extent of ¥5.3 billion. When the impact is excluded, the decrease in revenue was ¥14.0 billion.

Revenue

Decreased by ¥19.3 billion (Decreased by ¥14.0 billion excl. forex impact)



*Datopotamab deruxtecan (DS-1062)

In the Japan Business, products including *Tarlige* experienced an increase in revenue, but overall revenue decreased by ¥49.4 billion due to such factors as a decrease in *Memary* sales resulting from generic drugs entering the market, termination of vaccine business alliance, and a decrease in *Inavir* sales resulting from the reduced spread of seasonal influenza.

In the United States, revenue from Daiichi Sankyo, Inc. increased by ¥16.5 billion year on year due to the contribution of *Enhertu*, which was launched in January 2020.

American Regent Inc. saw a revenue decrease of ¥6.0 billion year on year following a decrease in revenue from *Injectafer* under the influence of the spread of COVID-19.

Revenue at Daiichi Sankyo Europe GmbH increased by ¥13.6 billion year on year due to an increase in *Lixiana* sales, despite a decrease in sales from *olmesartan*.

As for ASCA (Asia and South & Central America) business, the revenue increased by ¥4.7 billion year on year due to an increase in *edoxaban* sales.

For this fiscal year, ¥6.6 billion of revenue was recognized from the revenue of upfront payment for *Dato-DXd* (DS-1062; *Datopotamab deruxtecan*) and the revenue of regulatory milestone payment associated with *Enhertu*'s approval for indication of second-line treatment of gastric cancer in the United States and indication of third-line treatment of breast cancer in Europe. For *Dato-DXd*, Daiichi Sankyo concluded an agreement with AstraZeneca in July 2020.

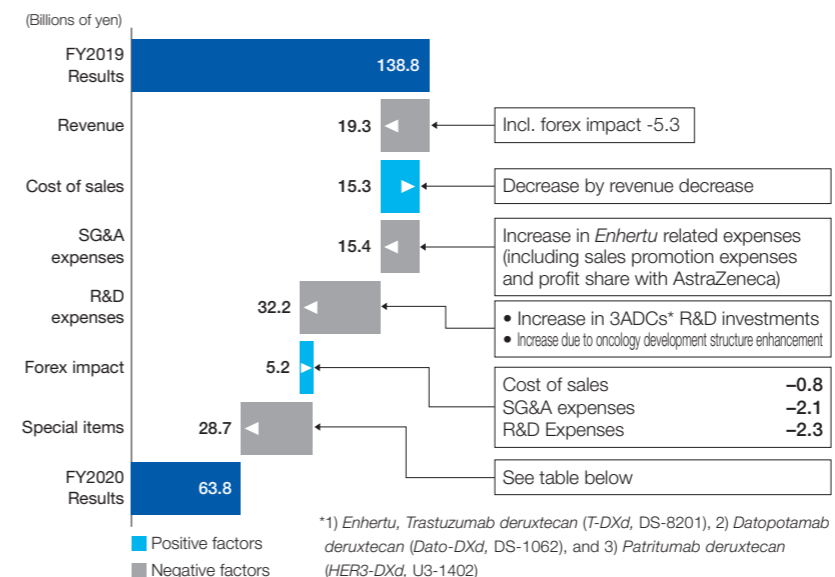
2. Operating profit

Operating profit in FY2020 decreased by ¥75.0 billion, or 54.0% year on year, to ¥63.8 billion.

The actual decrease in operating profit excluding the foreign exchange impact and special items (Items having a transitory and material impact on operating profit) was ¥46.3 billion.

Operating profit

Decreased by ¥75.0 billion (Decreased by ¥46.3 billion excl. forex impact and special items)



*1) *Enhertu*, *Trastuzumab deruxtecan (T-DXd, DS-8201)*, 2) *Datopotamab deruxtecan (Dato-DXd, DS-1062)*, and 3) *Patritumab deruxtecan (HER3-DXd, U3-1402)*

Special items

	FY2019 Results	FY2020 Results	YoY
Cost of sales	Restructuring costs in supply chain	1.3	
	Impairment loss (intangible assets)*1	6.3	11.2
	Gain on sales of subsidiary*2	-18.8	
SG&A expenses	Gain on sales of fixed assets*3	-10.6	15.0
	Environmental expenditures*4	8.2	17.4
Total	-13.7	15.0	28.7

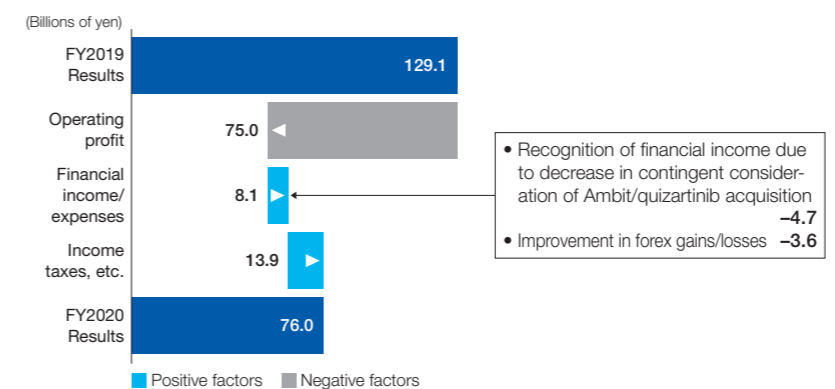
*1 Morphabond, Roxybond, Zelboraf *2 Takatsuki Plant *3 Nihonbashi Building *4 Former Yasugawa Plant

3. Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased ¥53.1 billion, or 41.2% year on year, to ¥76.0 billion.

Profit attributable to owners of the Company

Decreased by ¥53.1 billion



Income taxes, etc.

	FY2019 Results	FY2020 Results	YoY
Profit before tax	141.2	74.1	-67.0
Income taxes, etc.	12.2	-1.7	-13.9
Tax rate	8.6%	-2.3%	

Consolidated revenue in FY2020 decreased ¥19.3 billion, including impact from foreign exchange to the extent of ¥5.3 billion.

Cost of sales was down ¥15.3 billion due to a decrease by revenue decrease.

SG&A expenses increased by ¥15.4 billion year on year, owing to an increase in *Enhertu* related expenses (including sales promotion expenses and profit share with AstraZeneca), despite of the impact of decrease in expenses according to the spread of COVID-19. R&D expenses increased by ¥32.2 billion year on year due to an increase in 3ADCs* R&D investments.

Expenses decreased by ¥5.2 billion due to the foreign exchange impact.

Special items caused an increase of ¥28.7 billion in expenses. Special items in FY2019 included gain on sales of subsidiary associated with Takatsuki plant transfer, resulting in a total decrease of ¥13.7 billion in expenses. However, special items in FY2020 included loss compensation associated with the termination of alliance for vaccine business, resulting in an increase of ¥15.0 billion in expenses.

Operating profit decreased by ¥75.0 billion including the foreign exchange impact and special items.

Income taxes, etc. decreased ¥13.9 billion year on year. Income tax rate was 8.6% in FY2019, resulting from decision of introduction of consolidated taxation system, whereas in FY2020, income taxes etc. were negative because the future taxable income amount increased and recognized additional deferred tax assets in conjunction with enhanced product value of 3ADCs.

Financial Results and Financial Analysis

Financial Position

1. Assets, Liabilities, and Equity

ASSETS

Total assets at the end of FY2020 amounted to ¥2,085.2 billion. Cash and cash equivalents as well as trade and other receivables decreased, whereas inventories and other financial assets (non-current assets) increased. These, among other factors, resulted in a decrease of ¥20.4 billion compared to the end of the previous fiscal year.

Liabilities

Total liabilities at the end of FY2020 amounted to ¥813.1 billion. Trade and other payables as well as other non-current liabilities increased, whereas bonds and borrowings decreased. These, among other factors, resulted in an increase of ¥13.8 billion in total liabilities compared to the end of the previous fiscal year.

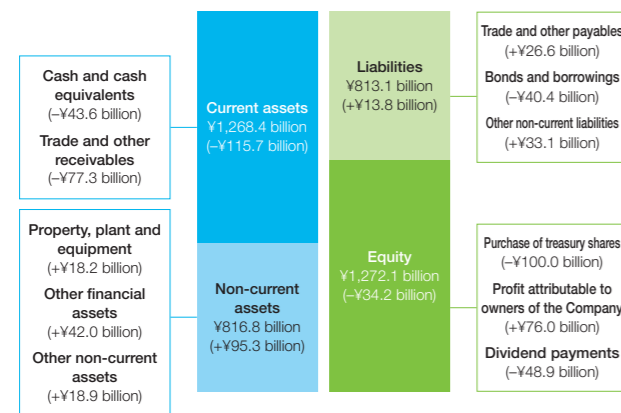
Equity

Total equity at the end of FY2020 amounted to ¥1,272.1 billion. Profit attributable to owners of the Company recorded for the year contributed to an increase, whereas dividend payments and purchase of treasury shares (29.47 million shares at a cost of ¥100.0 billion) among other factors ultimately led to a decrease of ¥34.2 billion compared to the end of the previous fiscal year.

Summary of consolidated statement of financial position

As of March 31, 2021: parentheses () indicate comparison to March 31, 2020

Consolidated total assets ¥2,085.2 billion (–¥20.4 billion)



2. Cash Flows

Cash and cash equivalents at the end of FY2020 decreased by ¥43.6 billion year on year to ¥380.5 billion.

Cash flows from operating activities

Cash inflows from operating activities were ¥192.2 billion (¥196.6 billion in the previous fiscal year) due to a profit before tax amounting to ¥74.1 billion, depreciation and amortization amounting to ¥57.4 billion, and other non-cash items, as well as upfront payment and regulatory milestone payment for the *Enhertu* strategic collaboration and upfront payment for the *Dato-DXd* strategic collaboration among other contributing factors.

Cash flows from investing activities

Cash outflows from investing activities were ¥39.2 billion (¥81.7 billion inflow in the previous fiscal year) due to factors including capital expenditure and acquisitions of intangible assets, despite payments into time deposits among other factors.

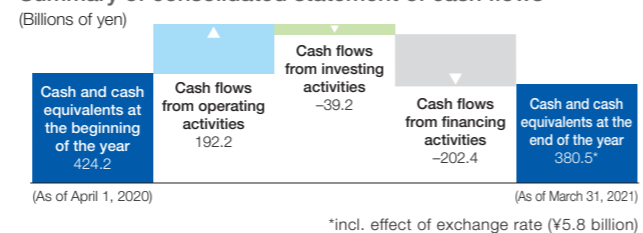
Cash flows from financing activities

Cash outflows from financing activities were ¥202.4 billion (¥91.6 billion outflow in the previous fiscal year) due to purchase of treasury shares, dividend payments, repayments of bonds and borrowings, and other factors.

	FY2019 Results	FY2020 Results	YoY
Cash flows from operating activities	196.6	192.2	–4.4
Cash flows from investing activities	81.7	–39.2	–120.9
Cash flows from financing activities	–91.6	–202.4	–110.8
Net increase in cash and cash equivalents	186.6	–49.5	–236.1
Effect of exchange rate change on cash and cash equivalents	–5.6	5.8	11.4
Cash and cash equivalents at the end of the year	424.2	380.5	–43.6
Free cash flows*	278.3	153.0	–125.3

*Free cash flows = Cash flows from operating activities + Cash flows from investing activities

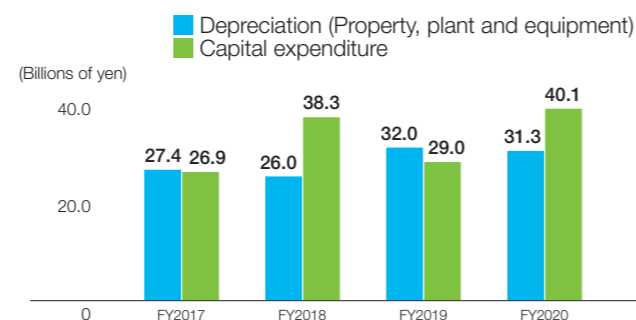
Summary of consolidated statement of cash flows



3. Capital Expenditure

We continuously invest in plants and equipment, aiming to enhance and streamline production facilities as well as strengthen and facilitate research and development. The investment amount for FY2020 was ¥40.1 billion.

	FY2019 Results	FY2020 Results	YoY
Capital expenditure	29.0	40.1	11.2
Depreciation (Property, plant and equipment)	32.0	31.3	–0.8



Forecast for FY2021

The revenue is expected to increase by 2.9% year on year to ¥990.0 billion due to an increase in revenue for our mainstay products such as *Enhertu*, *Lixiana* and *Tarlige* although there are factors for decrease in revenue such as the NHI drug price revision in Japan and the termination of the sales collaboration for *Nexium*.

Core operating profit is expected to decrease by 11.2% to ¥70.0 billion year on year due to an expected increase in expenses resulting from the continued intensive investment in the oncology business, including the increase of profit share payments to AstraZeneca due to increased sales of *Enhertu*

and the expansion of 3ADC development plan, etc.

Operating profit is expected to increase by 9.7% to ¥70.0 billion year on year due to posting loss compensation of ¥15.0 billion for the vaccine business to Sanofi in the previous fiscal year and no plan to make a temporary gains/losses in FY2021.

Profit attributable to owners of the Company are expected to be ¥50.0 billion, which is 34.2% decrease year on year due to the fact that the normal level is assumed for FY2021 while additional deferred tax assets increased and negative income taxes were negative through increasing future taxable income amount in FY2021.

Forecast of consolidated financial results for FY2021

	FY2020 Results	FY2021 Forecast	YoY
Revenue	962.5	990.0	27.5 (+2.9%)
Core operating profit*	78.9	70.0	–8.9 (–11.2%)
Operating profit	63.8	70.0	6.2 (+9.7%)
Profit before tax	74.1	70.0	–4.1 (–5.6%)
Profit attributable to owners of the Company	76.0	50.0	26.0 (–34.2%)

Yen exchange rates for major currencies (Annual average rate)

	FY2020 Results	FY2021 Forecast
USD/JPY	106.06	105.00
EUR/JPY	123.70	120.00

*From FY2021, the Group will disclose core operating income, which excludes temporary gains/losses from operating income, as an indicator of ordinary profitability. Temporary gains/losses include gains/losses on sales of fixed assets, gains/losses associated with business restructuring (excluding gains/losses on sales of developed and launched products), impairment loss on property, plant and equipment, intangible assets and goodwill, compensation for damages or settlement, and other non-temporary and material gains/losses.

Shareholder Returns

In order to achieve sustainable growth in corporate value, the basic policy of management is to decide profit distributions based on a comprehensive evaluation of the investments essential for implementing the growth strategy and profit returns to shareholders.

Based on the policy introduced in the previous 5-year business plan (FY2016-FY2020) to pay a total return ratio*¹ of 100% or more through distributing stable ordinary dividend of ¥70 or more yearly as well as exercising the agile purchase of treasury shares, the annual dividend for FY2020, on a pre-split*² basis, increased by ¥11.0 from the previous fiscal year, to ¥81.0 per share.

Furthermore, to increase shareholder returns and enhance capital efficiency, we purchased 29.47 million treasury shares for the cost of ¥100.0 billion from November 2020 to March 2021.

As a result, the total return ratio was 200.3% for FY2020 and 105.6% cumulatively over five years.

For FY2021, based on the shareholder return policy*³ of the current 5-year business plan (FY2021-FY2025), we intend to pay an annual dividend of ¥27 (on a post-split*² basis) per share.

Total return ratio during the period of the previous 5-year business plan (FY2016-FY2020)

	FY2016 Results	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Results
Dividend per share (pre-split* ² basis)	¥70	¥70	¥70	¥70	¥81
Purchase of treasury shares	¥50.0 billion	¥50.0 billion	—	—	¥100.0 billion
Total return ratio* ¹	180.7%	159.1%	48.5%	35.1%	200.3%

*¹ (Total dividends + Total acquisition costs of own shares) / Profit attributable to owners of the Company

*² We implemented a three-for-one split of our common stock effective on October 1, 2020.

*³ For the shareholder return policy of the current 5-year business plan (FY2021-FY2025), please refer to "Message from the CFO" on page 37.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(Millions of yen)						
	Equity attributable to owners of the Company			Other components of equity		
	Share capital	Capital surplus	Treasury shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2019	50,000	94,633	(162,964)	1,805	66,628	46,732
Changes in accounting policies	—	—	—	—	—	—
Adjusted balance as of April 1, 2019	50,000	94,633	(162,964)	1,805	66,628	46,732
Profit for the year	—	—	—	—	—	—
Other comprehensive income (loss) for the year	—	—	—	—	(15,409)	(7,682)
Total comprehensive income (loss) for the year	—	—	—	—	(15,409)	(7,682)
Purchase of treasury shares	—	—	(85)	—	—	—
Cancellation of treasury shares	—	—	530	(194)	—	—
Dividends	—	—	—	—	—	—
Changes associated with obtaining control of subsidiaries	—	—	—	—	—	—
Changes associated with losing control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(9,785)
Total transactions with owners of the Company	—	—	445	(194)	—	(9,785)
Balance as of March 31, 2020	50,000	94,633	(162,519)	1,611	51,218	29,264
Profit for the year	—	—	—	—	—	—
Other comprehensive income (loss) for the year	—	—	—	—	18,805	12,499
Total comprehensive income (loss) for the year	—	—	—	—	18,805	12,499
Purchase of treasury shares	—	(138)	(100,054)	—	—	—
Cancellation of treasury shares	—	—	1,320	(572)	—	—
Dividends	—	—	—	—	—	—
Changes associated with losing control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(1,347)
Total transactions with owners of the Company	—	(138)	(98,733)	(572)	—	(1,347)
Balance as of March 31, 2021	50,000	94,494	(261,252)	1,038	70,024	40,416

(Millions of yen)						
	Equity attributable to owners of the Company			Other components of equity		
	Remeasurements of defined benefit plans	Total for other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2019	—	115,166	1,152,806	1,249,642	62	1,249,705
Changes in accounting policies	—	—	(375)	(375)	—	(375)
Adjusted balance as of April 1, 2019	—	115,166	1,152,431	1,249,267	62	1,249,329
Profit for the year	—	—	129,074	129,074	(107)	128,967
Other comprehensive income (loss) for the year	(4,272)	(27,364)	—	(27,364)	—	(27,364)
Total comprehensive income (loss) for the year	(4,272)	(27,364)	129,074	101,710	(107)	101,602
Purchase of treasury shares	—	—	—	(85)	—	(85)
Cancellation of treasury shares	—	(194)	(64)	271	—	271
Dividends	—	—	(45,354)	(45,354)	—	(45,354)
Changes associated with obtaining control of subsidiaries	—	—	—	—	576	576
Changes associated with losing control of subsidiaries	—	—	—	—	(67)	(67)
Transfer from other components of equity to retained earnings	4,272	(5,512)	5,512	—	—	—
Total transactions with owners of the Company	4,272	(5,707)	(39,905)	(45,167)	509	(44,658)
Balance as of March 31, 2020	—	82,094	1,241,600	1,305,809	464	1,306,274
Profit for the year	—	—	75,958	75,958	(127)	75,830
Other comprehensive income (loss) for the year	7,847	39,151	—	39,151	—	39,151
Total comprehensive income (loss) for the year	7,847	39,151	75,958	115,110	(127)	114,982
Purchase of treasury shares	—	—	—	(100,192)	—	(100,192)
Cancellation of treasury shares	—	(572)	(474)	273	—	273
Dividends	—	—	(48,946)	(48,946)	—	(48,946)
Changes associated with losing control of subsidiaries	—	—	—	—	(336)	(336)
Transfer from other components of equity to retained earnings	(7,847)	(9,194)	9,194	—	—	—
Total transactions with owners of the Company	(7,847)	(9,767)	(40,226)	(148,866)	(336)	(149,203)
Balance as of March 31, 2021	—	111,479	1,277,332	1,272,053	—	1,272,053

Consolidated Statement of Cash Flows

(Millions of yen)		
	FY2019 (For the year ended March 31, 2020)	FY2020 (For the year ended March 31, 2021)
Cash flows from operating activities		
Profit before tax	141,164	74,124
Depreciation and amortization	52,611	57,382
Impairment loss	7,548	607
Financial income	(9,849)	(12,916)
Financial expenses	7,813	2,755
Share of (profit) loss of investments accounted for using the equity method	(327)	(168)
(Gain) loss on sale and disposal of non-current assets	(9,309)	829
(Increase) decrease in trade and other receivables	110,165	83,093
(Increase) decrease in inventories	(7,392)	(21,222)
Increase (decrease) in trade and other payables	(44,726)	23,882
Others, net	(29,650)	7,315
Subtotal	218,047	215,683
Interest and dividends received	7,261	2,889
Interest paid	(2,526)	(1,839)
Income taxes paid	(26,181)	(24,525)
Net cash flows from (used in) operating activities	196,601	192,207
Cash flows from investing activities		
Payments into time deposits	(881,884)	(568,192)
Proceeds from maturities of time deposits	908,646	746,544
Acquisition of securities	(152,836)	(352,431)
Proceeds from sale of securities	208,547	203,043
Acquisitions of property, plant and equipment	(31,936)	(31,245)
Proceeds from sale of property, plant and equipment	157	33
Acquisition of intangible assets	(20,629)	(32,848)
Acquisition of subsidiaries	463	(4,401)
Proceeds from sale of subsidiary	37,128	—
Payments for loans receivable	(533)	(24)
Proceeds from collection of loans receivable	520	725
Others, net	14,028	(449)
Net cash flows from (used in) investing activities	81,673	(39,246)
Cash flows from financing activities		
Proceeds from bonds and borrowings	3,981	—
Repayments of bonds and borrowings	(40,387)	(40,389)
Purchase of treasury shares	(85)	(100,192)
Proceeds from sale of treasury shares	0	2
Dividends paid	(45,356)	(48,946)
Others, net	(9,790)	(12,906)
Net cash flows from (used in) financing activities	(91,637)	(202,433)
Net increase (decrease) in cash and cash equivalents	186,636	(49,471)
Cash and cash equivalents at the beginning of the year	243,155	424,184
Effect of exchange rate change on cash and cash equivalents	(5,608)	5,834
Cash and cash equivalents at the end of the year	424,184	380,547

Major Products

Innovative Pharmaceuticals Business

Brand Name (Generic Name)	Efficacy	Launched	Remarks
Japan Daiichi Sankyo Co., Ltd.			
<i>Emgality</i> (<i>galcanezumab</i>)	Prophylaxis of migraine attacks	2021	Humanized CGRP monoclonal antibody. It binds specifically to calcitonin gene-related peptide (CGRP), which is considered to be associated with migraine, and thereby inhibits migraine attacks.
<i>Enhertu</i> (<i>trastuzumab deruxtecan</i>)	Anti-cancer agent (HER2 directed antibody drug conjugate)	2020	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.
<i>Tarlige</i> (<i>mirogabalin</i>)	Pain treatment	2019	An $\alpha 2\delta$ ligand. The pain therapy agent to reduce the neurotransmitter release from nerve terminals.
<i>Canalia</i> (<i>teneligliptin / canagliflozin</i>)	Type 2 diabetes mellitus treatment	2017	A first combination drug of the DPP-4 inhibitor <i>teneligliptin</i> and the SGLT2 inhibitor <i>canagliflozin</i> approved in Japan, which demonstrates blood glucose-lowering activity through a complementary pharmacological effect.
<i>Vimpat</i> (<i>lacosamide</i>)	Anti-epileptic agent	2016	Sodium channel blocker. Suppresses the excessive excitation of nerves in the brain, and reduces the occurrence of epileptic seizures.
<i>Efient</i> (<i>prasugrel</i>)	Antiplatelet agent	2014	ADP receptor inhibitor. Inhibits platelet aggregation and reduces the incidence of artery stenosis and occlusion due to thrombosis.
<i>Pralia</i> (<i>denosumab</i>)	Treatment for osteoporosis / inhibitor for rheumatoid arthritis-induced progression of bone erosion	2013	Human monoclonal anti-RANKL antibody. Subcutaneous formulation which controls bone resorption and bone destruction by specifically inhibiting RANKL.
<i>Tenelia</i> (<i>teneligliptin</i>)	Type 2 diabetes mellitus treatment	2012	DPP-4 inhibitor. The agent facilitates glucose-dependent insulin release and inhibits glucagon release, thereby demonstrating the blood glucose-lowering activity.
<i>Ranmark</i> (<i>denosumab</i>)	Treatment for bone disorders caused by bone metastases from tumors	2012	Human monoclonal anti-RANKL antibody. This controls abnormal bone destruction caused by osteoclasts, and reduces the occurrence of fractures and other skeletal related events (SRE). Approved for the indication of giant cell tumors of bone in 2014 and was designated as an orphan drug.
<i>Lixiana</i> (<i>edoxaban</i>)	Anticoagulant	2011	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.
<i>Nexium</i> (<i>esomeprazole</i>)	Ulcer treatment	2011	Proton pump inhibitor. This can be used for a wide range of ages, from infants to adults. It suppresses excessive gastric acid secretion.
<i>Memary</i> (<i>memantine</i>)	Alzheimer's disease treatment	2011	N-methyl-D-aspartate (NMDA) receptor antagonist. <i>Memantine</i> slows down progression of dementia symptoms in patients with moderate to severe Alzheimer's disease.
<i>Inavir</i> (<i>laninamivir</i>)	Anti-influenza treatment	2010	Neuraminidase inhibitor that inhibits influenza viral proliferation. Treatment is completed with a single inhaled dosage.
<i>Olmotec</i> (<i>olmesartan</i>)	Antihypertensive agent	2004	Angiotensin II receptor blocker. This suppresses the vasoconstriction effects of angiotensin II, and thereby demonstrates the effect of lowering blood pressure.
<i>Rezaltas</i> (<i>olmesartan</i>)	Antihypertensive agent	2010	A combination drug of two antihypertensive agents: an angiotensin II receptor blocker, <i>olmesartan medoxomil</i> , and a calcium ion antagonist, <i>azelnidipine</i> . This combination demonstrates the effect of decreasing blood pressure through a complementary pharmacological effect.
<i>Cravit</i> (<i>levofloxacin</i>)	Synthetic antibacterial agent	1993	New quinolone antibacterial agent offering strong antibacterial action and a broad antibacterial spectrum.
<i>Mevalotin</i> (<i>pravastatin</i>)	Hypercholesterolemia treatment	1989	HMG-CoA reductase inhibitor (statin) that lowers blood cholesterol levels by inhibiting cholesterol synthesis in the liver.
<i>Loxonin</i> (<i>loxoprofen</i>)	Anti-inflammatory analgesic	1986	Nonsteroidal anti-inflammatory analgesic. Suppresses the production of prostaglandin associated with inflammation, and thereby demonstrates an analgesic effect. Also available as transdermal agents (poultice, gel, tape).



Lixiana (Japan)



Tenelia, Canalia (Japan)



Pralia (Japan)



Tarlige (Japan)



Ranmark (Japan)



Efient (Japan)



Enhertu (Japan)



Emgality (Japan)

Innovative Pharmaceuticals Business

Brand Name (Generic Name)	Efficacy	Launched	Remarks
US Daiichi Sankyo, Inc.			
<i>Enhertu</i> (<i>trastuzumab deruxtecan</i>)	Treatment for malignant tumors (anti-HER2 antibody drug conjugate)	2020	An antibody drug conjugate that combines a fully human monoclonal antibody with a payload drug through a linker. The human monoclonal antibody binds specifically to human epidermal growth factor receptor 2 (HER2), a member of cell growth factor family receptor. The payload is a potent topoisomerase I inhibitor that has high membrane permeability and also kills nearby cancer cells with a bystander effect.
<i>Savaysa</i> (<i>edoxaban</i>)	Anticoagulant	2015	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.
<i>Efient</i> (<i>prasugrel</i>)	Antiplatelet agent	2009	Inhibits platelet aggregation and reduces the incidence of artery stenosis and occlusion
<i>Benicar</i>		2002	<i>Benicar: Olmesartan</i>
<i>Benicar HCT</i>		2003	<i>Benicar HCT: A combination drug of olmesartan medoxomil and hydrochlorothiazide (diuretic)</i>
<i>Azor</i> (<i>olmesartan</i>)	Antihypertensive agent	2007	<i>Azor: A combination drug of olmesartan medoxomil and amlodipine besylate (calcium channel blocker)</i>
<i>Tribenzor</i>		2010	<i>Tribenzor: A triple combination drug of olmesartan medoxomil, hydrochlorothiazide, and amlodipine besylate</i>
<i>Welchol</i> (<i>colesevelam</i>)	Hypercholesterolemia treatment / Type 2 diabetes mellitus treatment	2000	Bile acid sequestrant. Marketed as a drug for treatment of hypercholesterolemia. Gained approval also for type 2 diabetes mellitus indication as part of life-cycle management
US American Regent, Inc.			
<i>Injectafer</i> (<i>ferric carboxymaltose injection</i>)	Iron deficiency anemia treatment	2013	Effective for patients who have intolerance to oral iron or have had unsatisfactory response to oral iron, or who have non-dialysis-dependent chronic kidney disease
<i>Venofer</i> (<i>iron sucrose injection</i>)	Iron deficiency anemia treatment	2000	Iron replacement product. Effective for treatment of iron deficiency anemia in dialysis patients, etc.
Europe Daiichi Sankyo Europe GmbH			
<i>Enhertu</i> (<i>trastuzumab deruxtecan</i>)	Anti-cancer agent (HER2 directed antibody drug conjugate)	2021	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.
<i>Lixiana</i> (<i>edoxaban</i>)	Anticoagulant	2015	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.
<i>Efient</i> (<i>prasugrel</i>)	Antiplatelet agent	2009	Inhibits platelet aggregation and reduces the incidence of artery stenosis and occlusion
<i>Olmotec</i>		2002	<i>Olmotec: Olmesartan</i>
<i>Olmotec Plus</i>		2005	<i>Olmotec Plus: A combination drug of olmesartan medoxomil and hydrochlorothiazide (diuretic)</i>
<i>Sevikar</i> (<i>olmesartan</i>)	Antihypertensive agent	2009	<i>Sevikar: A combination drug of olmesartan medoxomil and amlodipine besylate (calcium channel blocker)</i>
<i>Sevikar HCT</i>		2010	<i>Sevikar HCT: A triple combination drug of olmesartan medoxomil, hydrochlorothiazide, and amlodipine besylate</i>

Generic Business

Brand Name (Efficacy)	
Japan Daiichi Sankyo Espha Co., Ltd.	
<i>Olmesartan</i> (Antihypertensive agent)	
<i>Memantine OD</i> (Alzheimer's disease treatment)	
<i>Gefitinib</i> (Treatment for malignant tumors)	
<i>Bicalutamide</i> (Prostate cancer treatment)	
<i>Tamoxifen</i> (Anti-breast cancer agent)	

Vaccine Business

Brand Name	
Japan Daiichi Sankyo Co., Ltd.	
<i>Influenza HA Vaccine</i>	
<i>Live Attenuated Measles-Rubella Combined Vaccine</i>	
<i>Live Attenuated Mumps Vaccine</i>	
<i>H5N1 Influenza Vaccines</i>	

OTC Related Business

Brand Name	
Japan Daiichi Sankyo Healthcare Co., Ltd.	
<i>Lulu</i> (Combination cold remedy)	
<i>Loxonin S</i> (Antipyretic analgesic / topical anti-inflammatory analgesic)	
<i>Transino</i> (Melasma improvement / treatment against spots and freckles)	
<i>Minon</i> (Skincare)	
<i>Breath Labo</i> (Oral care)	
<i>Clean Dental</i> (Oral care)	



Enhertu (US)



Injectafer (US)



Lixiana (Europe)



Memantine OD (Generic Drugs)



Gefitinib (Generic Drugs)



Influenza HA Vaccine (Vaccines)



Lulu (OTC Related Drugs)



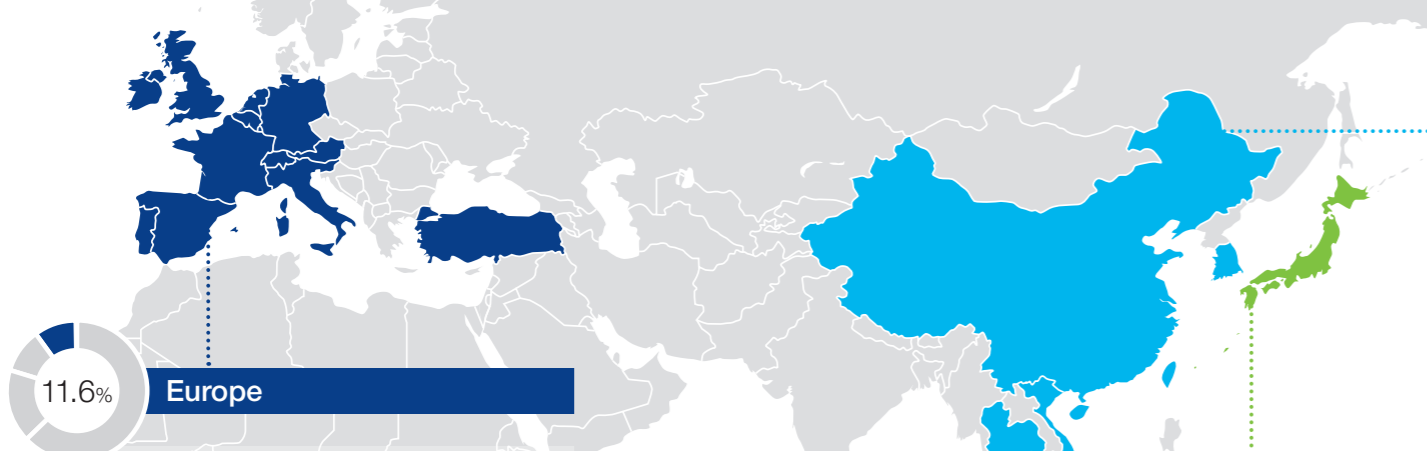
Minon series (OTC Related Drugs)

Corporate Profile / Main Group Companies

Corporate Profile

(As of April 1, 2021)

Company name DAIICHI SANKYO CO., LTD.
 Established September 28, 2005
 Business Research and development, manufacturing, import, sales, and marketing of pharmaceutical products
 Share capital ¥50,000 million
 Headquarters 3-5-1, Nihonbashi-honcho, Chuo-ku, Tokyo 103-8426, Japan
 Branches Sapporo, Tohoku, Tokyo, Chiba, Saitama, Yokohama, Kanetsu, Tokai, Kyoto, Osaka, Kobe, Chugoku, Shikoku, and Kyushu



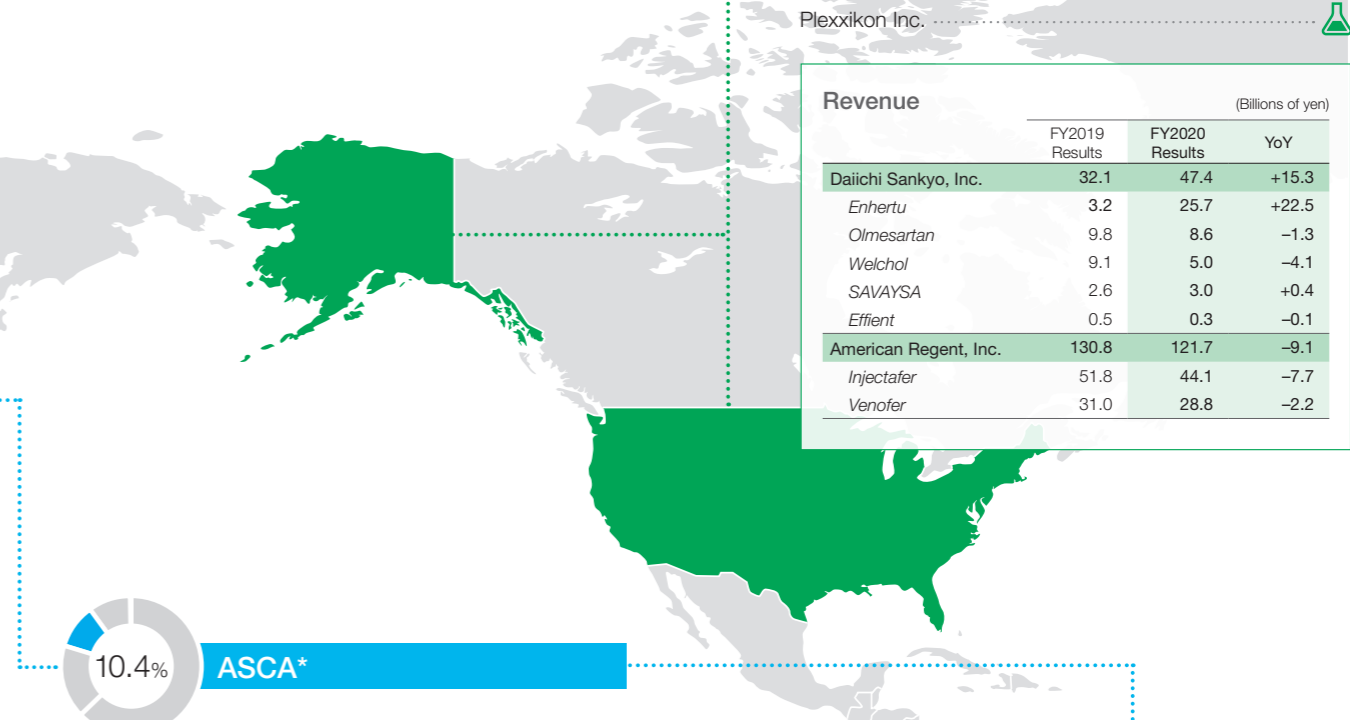
- Daiichi Sankyo Europe GmbH
- Daiichi Sankyo Deutschland GmbH
- Daiichi Sankyo France SAS
- Daiichi Sankyo Italia S.p.A.
- Daiichi Sankyo España, S.A.U.
- Daiichi Sankyo UK Ltd.
- Daiichi Sankyo (Schweiz) AG
- Daiichi Sankyo Portugal, Unipessoal Lda.
- Daiichi Sankyo Austria GmbH
- Daiichi Sankyo Belgium N.V.-S.A.
- Daiichi Sankyo Nederland B.V.
- Daiichi Sankyo Ilac Ticaret Ltd. Şti.
- Daiichi Sankyo Ireland Ltd.
- Daiichi Sankyo Altkirch Sarl

Revenue (Billions of yen)			
	FY2019 Results	FY2020 Results	YoY
Daiichi Sankyo Europe	95.5	111.7	+16.1
ENHERTU	-	0.0	0.0
LIXIANA	61.7	76.7	+15.0
Olmesartan	24.6	21.5	-3.1
Efient	2.5	1.6	-0.9

- Daiichi Sankyo Espha Co., Ltd.
- Daiichi Sankyo Healthcare Co., Ltd.
- Daiichi Sankyo Propharma Co., Ltd.
- Daiichi Sankyo Chemical Pharma Co., Ltd.
- Daiichi Sankyo Biotech Co., Ltd.
- Daiichi Sankyo RD Novare Co., Ltd.
- Daiichi Sankyo Business Associe Co., Ltd.
- Daiichi Sankyo Happiness Co., Ltd.

Revenue (Billions of yen)			
	FY2019 Results	FY2020 Results	YoY
Domestic Prescription Drug and Vaccine Business	533.5	489.1	-44.4
NEXIUM	79.8	77.8	-1.9
LIXIANA	83.0	77.4	-5.6
PRALIA	30.9	34.6	+3.7
TENELIA	24.7	24.2	-0.5
Loxonin	28.3	24.2	-4.1
Tarige	8.0	20.6	+12.6
RANMARK	17.9	19.3	+1.4
Memary	50.5	18.4	-32.1
CANALIA	12.8	15.4	+2.6
VIMPAT	11.2	14.5	+3.4
Efient	14.0	14.1	+0.1
Rezaltas	14.6	13.1	-1.5
Olmotec	11.7	9.2	-2.4
ENHERTU	-	4.4	+4.4
Inavir	19.3	3.6	-15.6
Daiichi Sankyo Healthcare (OTC Related)	68.5	67.2	-1.3

Sales Manufacturing Research and development



- Daiichi Sankyo (China) Holdings Co., Ltd.
- Daiichi Sankyo Taiwan Ltd.
- Daiichi Sankyo Korea Co., Ltd.
- Daiichi Sankyo (Thailand) Ltd.
- Daiichi Sankyo Vietnam Co., Ltd.
- Daiichi Sankyo Hong Kong Ltd.
- Daiichi Sankyo Brasil Farmaceutica LTDA.

* Asia, South & Central America

Revenue (Billions of yen)			
	FY2019 Results	FY2020 Results	YoY
Asia, South & Central America (ASCA)	98.3	99.7	+1.3
Daiichi Sankyo China	46.0	45.6	-0.4
Daiichi Sankyo Korea	17.2	19.6	+2.4
Daiichi Sankyo Brasil	11.5	10.5	-1.0
Daiichi Sankyo Taiwan	7.6	8.3	+0.7
Daiichi Sankyo Thailand	3.3	2.3	-1.1

- Daiichi Sankyo, Inc.
- American Regent, Inc.
- Plexxikon Inc.

Revenue (Billions of yen)			
	FY2019 Results	FY2020 Results	YoY
Daiichi Sankyo, Inc.	32.1	47.4	+15.3
Enherthu	3.2	25.7	+22.5
Olmesartan	9.8	8.6	-1.3
Welchol	9.1	5.0	-4.1
SAVAYSA	2.6	3.0	+0.4
Efient	0.5	0.3	-0.1
American Regent, Inc.	130.8	121.7	-9.1
Injectafer	51.8	44.1	-7.7
Venofer	31.0	28.8	-2.2

Number of Bases

(As of March 31, 2021)



ESG (Environmental, Social, and Governance) Data

Environmental

Promoting Environmental Management

Aspect	Classification	Item	Scope*1	Unit	FY2018	FY2019	FY2020	
CO ₂	CO ₂ emissions		In Japan	t-CO ₂	159,406	152,486	130,572	
			Global	t-CO ₂	214,643	207,035	182,865	
	CO ₂ emissions by Greenhouse Gas Protocol	Scope 1*2	In Japan	t-CO ₂	79,505	78,597	69,103	
			Global	t-CO ₂	100,503	100,411	86,785	
		Scope 2*3	In Japan	t-CO ₂	79,901	73,889	61,468	
			Global	t-CO ₂	114,140	106,624	96,080	
Water resources	Water used	Factories and research laboratories in Japan		1,000m ³	9,867	8,894	7,926	
			Global	1,000m ³	10,393	9,356	8,395	
	Wastewater	Factories and research laboratories in Japan		1,000m ³	9,476	8,797	7,789	
			Global	1,000m ³	9,809	9,111	8,113	
	Effective water usage volume*4		Global		1,000m ³	584	245	282
Waste	Total amount of waste generated (including valuables)		In Japan	t	14,684	17,371	17,362	
			Global	t	17,044	19,315	19,319	
	Final disposal rate		In Japan	%	0.51	0.29	0.65	
	Amount of office paper consumed		In Japan	Million sheets	51.09	43.20	27.50	

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

Social

Promoting Compliance Management

Aspect	Classification	Item	Scope*1	Unit	FY2018	FY2019	FY2020
Compliance	Training on Daiichi Sankyo Group Individual Conduct Principles	Number of employees participating in e-learning and group training	In Japan	Persons	9,248	9,070	9,167
			Outside Japan	Persons	Approx. 6,100	Approx. 3,140	4,813
	GVP*5 compliance training	Ratio of GVP-related employees undergoing training	Non-consolidated	%	100	100	100
			Number of all employees (excluding GVP-related employees) undergoing training	Non-consolidated	Persons	5,682	5,822
	Development-related training (including GCP)	Aggregate number of e-learning programs and group training sessions	Non-consolidated	Times	86	92	141

Compliance Data for FY2020 (Global)

- Number of allegations received: 185
- Categories of allegations: Financial and competitive integrity, Workplace standards, Marketing and promotional activities, Conflicts of interest, Others
- Measures: Out of all allegations received, we appropriately investigated cases that we determined as requiring investigation. For cases that were recognized as compliance violations among them, we took necessary disciplinary action including dismissing the violators.

Note: The results included in this information for FY2020 were calculated by each DS affiliate based on the individual criteria, as impacted by regional differences in laws, employment practices, and local policies & procedures. Accordingly, this information has been aggregated and the discrepancies impact the overall meaning and categorization of the figures.

*1 In Japan: Daiichi Sankyo (non-consolidated) and consolidated subsidiaries in Japan. Outside Japan: consolidated overseas subsidiaries. Global: Daiichi Sankyo (non-consolidated) and all its consolidated subsidiaries.
 *2 Scope 1: For sites in Japan, the emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used. The emissions from renewable energy and waste incineration are included. For overseas sites, the emission factors stipulated by each country's regulation are generally used. If the specific factors are not available, the emission factors stipulated by the Act on Promotion of Global Warming Countermeasures are used.
 *3 Scope 2: Generally, the emission factors are determined by the power contract or each country's regulations. If the specific factors are not available, the latest factors (as of 2018) published by the International Energy Agency (IEA) are used instead. The emissions from renewable energy are included.
 *4 Water intake-Wastewater
 *5 Good Vigilance Practice: Standard for post-marketing safety control of pharmaceuticals, quasi-pharmaceutical products, cosmetics, and medical devices



The Company updates its corporate website with other ESG data.
<https://www.daiichisankyo.com/sustainability/performance-reports/esg/>

Mutual Growth of Employees and the Company

Aspect	Classification	Item	Scope*1	Unit	FY2018	FY2019	FY2020		
Employees	Employee data*6	Number of employees by region*7	In Japan	Persons	8,865	8,754	8,979		
			Outside Japan	Persons	6,022	6,594	7,054		
			Global	Persons	14,887	15,348	16,033		
		Number of male employees	In Japan	Persons	6,695	6,608	6,683		
			Outside Japan	Persons	3,076	3,232	3,410		
			In Japan	Persons	2,170	2,146	2,296		
	Number of female employees	Outside Japan	Persons	2,946	3,362	3,644			
			Average years of service	In Japan	Male	Years	20.1	20.4	20.9
					Female	Years	15.5	15.2	15.1
	All	Years	19.0	19.1	19.4				
	Diversity*6	Percentage of female employees	In Japan	%	24.5	24.5	25.6		
				Global	%	34.4	35.9	37.0	
Percentage of women in managerial positions		In Japan	%	6.5	7.3	7.9			
			Global	%	22.5	25.3	26.9		
Percentage of women in senior managerial positions*8		In Japan	%	2.1	1.7	3.7*9			
			Global	%	22.5	22.8	16.3*9		
Employment rate of people with physical or mental disabilities	In Japan	%	2.43	2.33	2.34				
Human resources development	Number of company-wide award winners*10	In Japan	Persons	44	60	62			
			Employee turnover rate*11	Global	%	6.0	5.3	4.1	

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

Enhancement of Communication with Stakeholders

Aspect	Classification	Item	Scope*1	Unit	FY2018	FY2019	FY2020
Patients and medical professionals	Evaluation of corporate stance and MR activities	MRs rated (all responding physicians)*12	In Japan	Rank	First	First	First
		MRs rated (hospital doctors)*12	In Japan	Rank	First	First	First
		MRs rated (private-practice physicians)*12	In Japan	Rank	First	First	First
		Number of inquiries our Medical Information Center received from outside the Company (pharmaceutical products)	In Japan	1,000 cases	89	90	70

Improvement of Access to Healthcare

Aspect	Classification	Item	Scope	Unit	FY2018	FY2019	FY2020
Social	Number of mobile healthcare field clinics	Number of activities (January–December)	In Tanzania/Myanmar	Times	1,090	28	8
			In Japan	Cases	4	4	6

Social Contribution Activities

Aspect	Classification	Item	Scope*1	Unit	FY2018	FY2019	FY2020
Social	Amount of contributions	Number of visitors to our laboratories/factories	Non-consolidated	Millions of yen	1,532	1,396	1,464
			In Japan	Persons	849	667	4
			Non-consolidated	Persons	24,362	20,568	1,261
Employees	Acquisition of volunteer leave		In Japan	Persons	17	16	0

Governance

Aspect	Classification	Item	Scope	Unit	FY2018	FY2019	FY2020
Governance	Structure of Board of Directors	Number of directors	Non-consolidated	Persons	9	9	9
		Number of outside directors	Non-consolidated	Persons	4	4	4
		Number of female directors	Non-consolidated	Persons	1	1	1
	Structure of Audit & Supervisory Board	Number of Audit & Supervisory Board members	Non-consolidated	Persons	5	5	5
		Number of Outside Audit & Supervisory Board members	Non-consolidated	Persons	3	3	3
		Number of Outside Audit & Supervisory Board members (female)	Non-consolidated	Persons	2	2	2
	Remuneration of Directors	Total	Non-consolidated	Millions of yen	650	683	547
	Remuneration of Audit & Supervisory Board members	Total	Non-consolidated	Millions of yen	120	120	120

*6 The number of employees as of the settlement date of each Group company (as of March 31, 2021 for FY2020).
 *7 The number of employees as of the settlement date of each Group company (as of March 31, 2021 for FY2020). Average years of service is as of April 1 of the next fiscal year.
 *8 Percentage of women who are in positions equivalent to division heads or higher positions.
 *9 The definition of senior managerial positions in group companies has been changed since FY 2020.
 *10 Total number of employees who received prize from culture-building and achievement awards

*11 Rate of employees retiring for personal reasons
 *12 Conducted by ANTERIO inc. (FY2018-FY2020)
 *13 Global Health Innovative Technology Fund
 *14 In FY2020, as a measure to prevent the spread of COVID-19, opened by reservation only, limited to 3 groups per day (maximum 10 people)

Independent Assurance Report for Environmental and Social Indicators



Independent Assurance Report

To the President and CEO of Daiichi Sankyo Co, Ltd.

We were engaged by Daiichi Sankyo Co., Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with (the “Indicators”) for the period from April 1, 2020 to March 31, 2021 included in its Value Report 2021 (the “Report”) for the fiscal year ended March 31, 2021.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of Daiichi Sankyo Propharma Co., Ltd.’s Hiratsuka Plant selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
October 29, 2021



Inclusion in ESG Indices in Reflection of External CSR and ESG Evaluations

To address sustainability issues, we pursue ongoing improvements to our corporate values. These efforts have been highly appreciated, resulting in the Group being selected for the following ESG indices as of September 2021.

Selected for the “World Index” in the pharmaceutical sector for four consecutive years

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

The Dow Jones Sustainability Indices(DJSI), managed by S&P Global are ESG indices evaluating the sustainability of a company and provides important criterion for investors to select investment targets.

The Company has been included in the DJSI World Index for four consecutive years from 2017 and the DJSI Asia/Pacific for eleven consecutive years from 2010. Specifically, the Company was recognized for its strong performance in the areas of Marketing Practice, Environmental Reporting, Environmental Policy & Management System and Social Reporting.

Items that received the highest appraisal in the pharmaceutical sector

Economic aspects	• Marketing Practice
Environmental aspects	• Environmental Reporting • Environmental Policy & Management System
Social aspects	• Social Reporting

Selected consecutively for thirteen years/five years



FTSE4Good



FTSE Blossom
Japan

The FTSE4Good Index Series and the FTSE Blossom Japan Index are indices that reflect the performance of corporations that excel in environmental, society, and governance (ESG) factors, established by FTSE Russell, a global index provider and wholly-owned subsidiary of the London Stock Exchange.

The Company has been selected for thirteen consecutive years from 2009 as a component of the FTSE4Good Global Index and for five consecutive years from 2017 as a component of the FTSE Blossom Japan Index.

This index is one of four indices selected by the Government Pension Investment Fund (GPIF) as an ESG Index in Japanese stocks.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Daiichi Sankyo Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

Selected consecutively for six years



Sompo Sustainability Index

The SNAM Sustainability Index is an SRI fund managed by Sompo Japan Nipponkoa Asset Management Co., Ltd., aimed at pension funds and institutional investors that invest in a wide range of companies highly rated in terms of ESG factors (environment, society, governance). The Company has been included in this index for six consecutive years from 2016.

Selected consecutively for four years

**2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

The MSCI Japan Empowering Women (WIN) Select Index is an index of MSCI in the U.S. that assesses gender diversity in corporations such as the percentage of females among new recruits, employees, average work years and the percentage of female executives, and comprises corporations that excel in these factors. The Company has been included in this index for four consecutive years from 2018. This index is one of four indices selected by the Government Pension Investment Fund (GPIF) as an ESG Index in Japanese stocks.

Selected consecutively for three years

**2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

The MSCI Japan ESG Select Leaders Index is an index of MSCI in the U.S. that comprises corporations among corporations included in the MSCI Japan IMI Top 700 Index that are highly assessed in ESG (environment, society, and governance) evaluations. The Company has been included in this index for three consecutive years from 2019. This index is one of four indices selected by the Government Pension Investment Fund (GPIF) as an ESG Index in Japanese stocks.

THE INCLUSION OF DAIICHI SANKYO CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF DAIICHI SANKYO CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

(As of September 2021)

Shareholders' Information

Common Stock (As of March 31, 2021)

Number of shares authorized	8,400,000,000
Number of shares issued	2,127,034,029
	(including 210,868,203 treasury shares)
Number of shareholders	82,607

Major Shareholders (As of March 31, 2021)

Name	Number of Shares Held (Thousands of shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	218,758	11.42
JP Morgan Chase Bank 385632	182,590	9.53
Custody Bank of Japan, Ltd. (trust account)	151,386	7.90
Nippon Life Insurance Company	107,328	5.60
SSBTC CLIENT OMNIBUS ACCOUNT	68,490	3.57
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	43,208	2.25
Custody Bank of Japan, Ltd. (trust account 7)	40,937	2.14
STATE STREET BANK AND TRUST COMPANY 505001	36,402	1.90
The Shizuoka Bank, Ltd.	34,172	1.78
Government of Norway	28,069	1.46

Notes: 1. The Company held 210,868,203 treasury shares as of March 31, 2021, which are excluded from the above list.
2. Treasury shares are not included in the computing of equity stake.

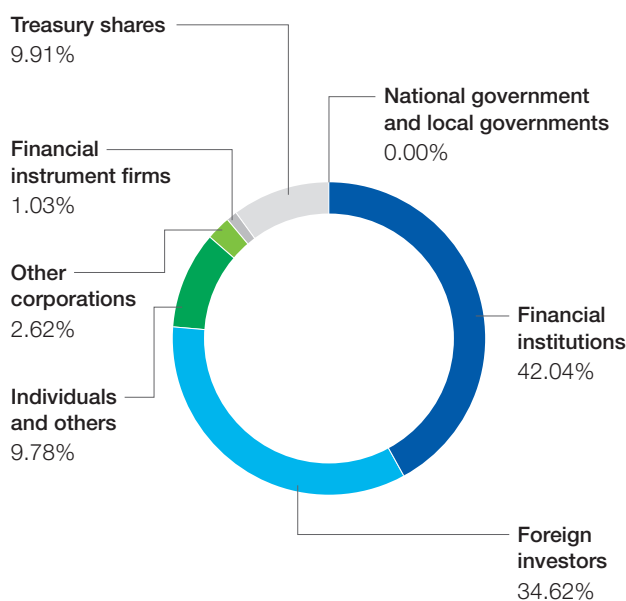
Share Registrar

Mitsubishi UFJ Trust and Banking Corporation

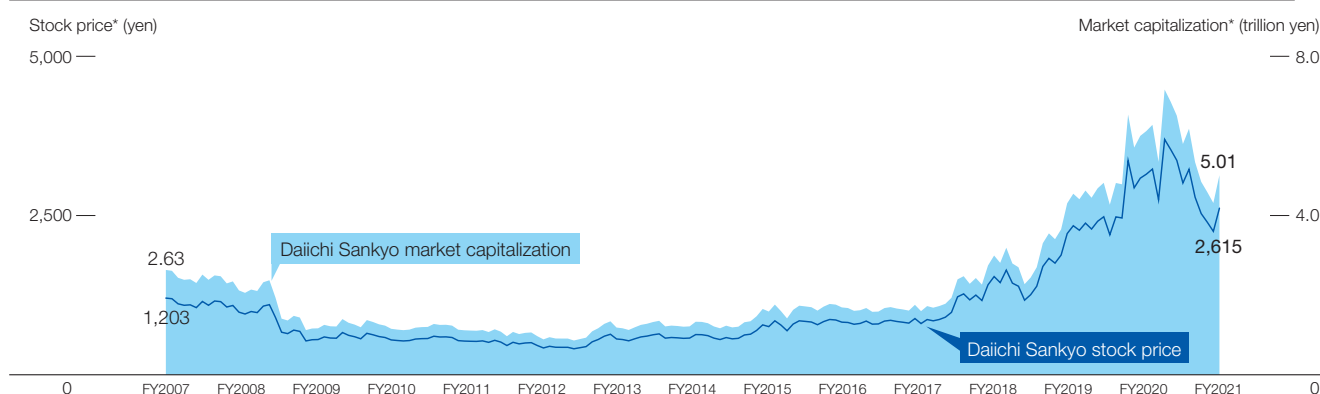
Mailing address and telephone number:

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)

Distribution of Shareholders (As of March 31, 2021)



Market Capitalization and Changes in Stock Price



* Stock prices and market capitalization are based on closing price at the end of month from March 2007 to August 2021. 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.