Value Creation Model Underpinned by our Strength in

Create Shared Value with our Stakeholders to Realize Sustainable Value Creation

Requirements from Society

- Human capital
  - Number of global employees: 17,435 (as of March 31, 2023)
  - Japan: 9,923, North America: 3,062, Europe: 2,556, Asia, and Central and South America: 2,556
  - Number of new employees (global): 2,351
  - Capital investments: 103.6 billion yen (FY2022)

- Intellectual capital
  - 13 production sites globally
  - Accumulated pharmaceutical information
  - Research and development investments: 336.7 billion yen (FY2022)

- Manufactured capital
  - 13 production sites globally
  - Utilization of our collaboration with CMOs (Contract Manufacturing Organizations)
  - Capital investments: 103.6 billion yen (including CMO investments: FY2022)

- Social and relationship capital
  - Footprint in 26 countries/regions around the world
  - Firm relationship with stakeholders
  - Ensuring trust through compliance

- Natural capital
  - Total energy used: 680,723 MWh (FY2022)
  - Water consumed: 8,261,000 m³ (FY2022)

- Financial capital
  - Equity capital (total equity): 1,449 trillion yen (as of March 31, 2023)
  - Borrowed capital (total liabilities): 1,061.3 trillion yen (as of March 31, 2023)

- ESG initiatives, and other requirements

Output

- Value Created for Stakeholders
  - Patients
    - Pharmacologicals Responding to Diverse Medical Needs
      - Innovative pharmaceuticals
      - Vaccines
      - Consumer healthcare products

  - Shareholders and investors
    - Enhance corporate value
    - Improve total shareholder return

  - Society and the natural environment
    - Respond to climate change
    - Respond to emerging and re-emerging infectious diseases of the future

  - Employees
    - Encourage the mutual continuous growth of both our employees and our Group

- Diverse Range of People

Core Value / Core Behavior

- Our Mission
  - Purpose: Contribute to the enrichment of quality of life around the world
  - Mission: Create innovative pharmaceuticals addressing diverse medical needs

- 2030 Vision
  - Innovative Global Healthcare Company Contributing to the Sustainable Development of Society

- Mid-term strategy (FY2021 to FY2025)
  - Identify and build pillars for further growth
  - Create shared value with stakeholders

Value Chain

- Drug Discovery and Research
- Clinical Development
- Supply Chain
- Value Delivery

Materiality on Business

- Materiality on Business Foundations
  - Promoting Environmental Management
  - Promoting Compliance Management

- Materiality on Business
  - Creating Innovative Pharmaceuticals
  - Providing a Stable Supply of Top-Quality Pharmaceutical Products
  - Providing the Highest Quality Medical Information
  - Improving Access to Healthcare

Materiality on Business Foundations

- Core Value / Core Behavior

Sustainable enhancement of corporate value through the value creation cycle

As a global pharmaceutical company, the Daiichi Sankyo Group is uniquely positioned to address diverse social needs, including unmet medical needs. We endeavor to meet such needs throughout our entire value chain, by investing our human and intellectual capital, and by leveraging our excellence in Science & Technology—the source of our competitive advantages. We provide patients and other stakeholders with social and economic value through pharmaceuticals that meet various medical needs, through reductions in our environmental footprint, and through the activities of our diverse range of people. Creating value with our stakeholders allows us to build a sustainable cycle of value creation, through which we aim to continually enhance our corporate value and contribute to the sustainable growth of society.