

Special feature

Daiichi Sankyo's Challenge to Realize the 2030 Vision

~ Providing new value for a changing society ~

We are taking up the challenge of evolving as a Group toward realizing our 2030 Vision and growing sustainably beyond 2030.

In this special feature, we explain how we are addressing the three primary challenges that the Daiichi Sankyo Group is tackling to create new value in light of changes in society.

CHALLENGE 01

Identify and build pillars and actions for further growth

P23

Our long-term growth objective is to become a global top 10 oncology company. To meet this goal, we are progressing our pipeline and pursuing the R&D strategy based on the "5DXd-ADCs and Next Wave" strategy to maximize the value of five DXd-ADCs and continuously create innovative pharmaceuticals.

CHALLENGE 02

Contributing to society by realizing Healthcare as a Service (HaaS)

P24

We are creating new value unique to our Group and our vision of providing healthcare services beyond pharmaceutical therapies. These include health promotion to disease prevention to palliative care, to provide optimal services tailored to each individual's Life Journey.

CHALLENGE 03

Transforming into a truly global company
- Global Organization
- Global Talent

P25

We understand the challenges associated with the globalization of our business, including building a global structure. Our organization must allow for timely and accurate decision-making, more sophisticated and efficient management, and strong global talents based on fostering the One DS Culture.

DS initiatives to address the CHALLENGES

Transformation to boost strengths in Science & Technology

Strengthening Talents

Deepening DX Technology

Advancing Organization

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In this section, we describe how we are strengthening our foundation to address these major challenges Group-wide. We introduce our transformation initiatives aimed at further bolstering our Science & Technology (S&T) strengths, the driving force of our value creation, under the categories of human resources, technology, and organization.

CHALLENGE 01

Identify and build pillars and actions for further growth

MESSAGE



Global Head of R&D
Ken Takeshita

The Daiichi Sankyo Group will maximize and expand our strengths and sources of innovation—Science & Technology, to realize our 2030 vision to become a global top 10 oncology company. By maximizing our five DXd-ADCs (5DXd-ADCs) built with our proprietary DXd-ADC technology, we will continue to rapidly deliver life-changing treatment options to more patients worldwide. Furthermore, for future sustainable growth, we will build and execute our R&D growth strategy to continue creating innovative medicines beyond these 5DXd-ADCs to patients around the world through drug discovery using a variety of modalities, such as our competitively superior ADC technologies. To be a source of innovation to improve patients' lives around the world, our R&D model will enable us to achieve sustainable growth for the Daiichi Sankyo Group that is both scalable for global expansion and agile enough to respond to environmental challenges.

Identify and build pillars for further growth beyond 2030: strategy and action plans

The Daiichi Sankyo Group will maximize and expand Science & Technology, our strength and source of innovation, to realize our 2030 Vision to become a global top 10 oncology company. By maximizing the five DXd-ADCs (5DXd-ADCs) created from our proprietary DXd-ADC technology, we will continue to rapidly deliver life-changing treatment options to more patients worldwide. Furthermore, for future sustainable growth, we will build and execute our R&D growth strategy

to continue creating innovative pharmaceuticals beyond the 5DXd-ADCs to patients around the world through drug discovery using a variety of modalities, such as our competitively superior ADC technologies. For source of innovation to improve patients' lives around the world, our R&D model will enable us to achieve sustainable growth for the Daiichi Sankyo Group that is both scalable for global expansion and agile enough to respond to environmental challenges.

Strategy and action plans (Figure 1)

- Pursue the R&D strategy through steady progress of the "5DXd-ADCs and Next Wave" by maximizing the value of our five lead DXd-ADCs, establishing the next pillars of the oncology pipeline, and through identification and development of candidates for specialty medicine and vaccines.
- To contribute to the benefit of cancer patients through our Science & Technology, we are employing an Expand and Extend strategy to maximize the value of five DXd-ADCs and other oncology drugs in our pipeline (Figure 2). Through the Expand strategy, we aim to 1) establish DXd-ADC therapies in breast and lung cancers, 2) expand to patients in earlier lines of therapy, and 3) expand into other cancer types with high unmet medical needs. In our Extend strategy, 1) we will address unmet needs based on the scientific merits of individual medicines in our pipeline. In addition to that, by taking into account our advantages in certain cancers with *Enhertu*¹ and other drugs from our pipeline, 2) we seek to create

- effective treatments for patients who are post-DXd-ADCs including novel assets and next-generation/new-concept ADCs, and novel combinations.
- In the areas of specialty medicine and vaccines, we will build and execute growth strategies based on our proprietary modality technologies.
- To commercialize and deliver robust pipelines to patients rapidly, we will establish efficient and effective governance as a single "One Global R&D" organization that crosses regional and functional boundaries. We are building a global development platform that can be expanded as the pipeline grows. We are strengthening global early development and precision medicine* functions to accelerate the growth of post-5DXd-ADCs assets. We are also enhancing our drug discovery research productivity through exploratory research and digital transformation in oncology and specialty medicine to enhance our productivity in drug discovery.

* Innovative approach to tailoring disease prevention and treatment that takes into account differences in genetics, environments, and lifestyles

Figure 1 From "3 and Alpha" to "5DXd-ADCs and Next Wave"

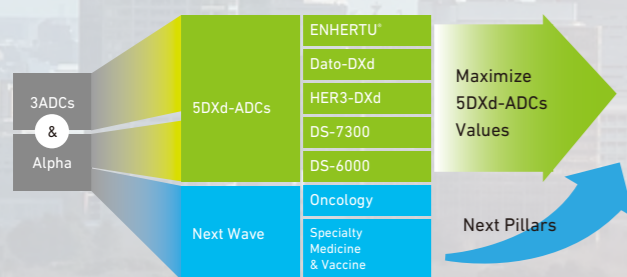
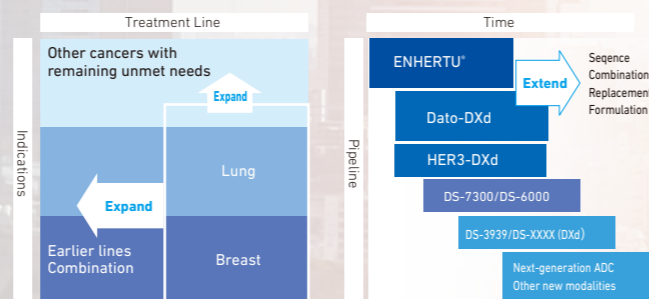


Figure 2 EXPAND & EXTEND to deliver our technology to more patients



For more information on the Daiichi Sankyo Group's pipeline, click here.

<https://www.daiichisankyo.com/rd/pipeline/>

CHALLENGE 02

Contributing to society by realizing HaaS

MESSAGE



Vice President, Global DX HaaS Planning Department
Shin Nakajima

"Bringing smiles to patients, their families, and society" - this is what we are aiming for. We will provide new value to patients and their families by realizing a Healthcare as a Service (HaaS)¹ that includes preventive medicine, telemedicine, and other healthcare services, and engage in the Patient Journey and each individual's Life Journey. With the convergence of healthcare and digital technologies, as well as changes in the industrial structure, the HaaS perspective is becoming increasingly important as a potential solution to today's and tomorrow's social issues. In particular, we believe that our mission as a leader in the field of oncology is to contribute to the well-being of cancer patients, including their health and happiness. The HaaS Planning Department, newly established this fiscal year, is a diverse group of experts from research, development, marketing, sales, digital and medical devices. With our advanced scientific capabilities and the trust with society we have built over the years, we will work to create innovative services and solutions that patients can use with confidence.

The value that Daiichi Sankyo provides to society through HaaS

Advances in drug research and development have led to the creation of an increasing number of promising products for cancer patients. On the other hand, there are many peripheral symptoms and quality of life (QOL) concerns, and there is an urgent need to address the issues that patients face, including physical issues such as fatigue and discomfort, psychological issues such as anxiety and stress, and economic and social issues such as social participation and concerns of family members and caregivers.

Solving these issues and contributing as much as possible to improving patients' well-being requires comprehensive support and care.

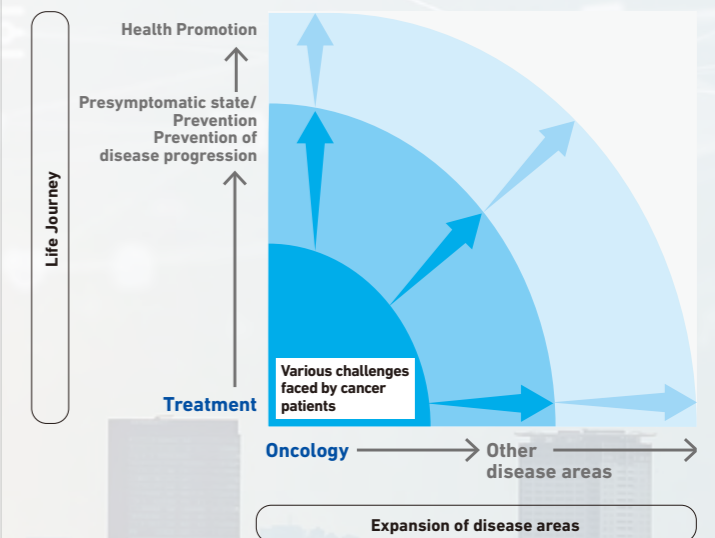
We are working to solve these issues by establishing the Total Care Ecosystem²/Total Care Platform³ as part of our efforts to realize HaaS. In FY2022, we initiated the Total Care Ecosystem projects with Google, Google Cloud Japan, ExaWizards and Deloitte Tohmatsu Financial Advisory. We are also working on developing various digital solutions centered on our Software as a Medical Device (SaMD) program, and for our mobile app that supports patients as they go through cancer treatment. We have incorporated patient feedback into product development and are currently preparing for supporting clinical trials also.

In the future, we will not only expand the range of diseases we seek to address, but we will also seek to improve the overall Patient Journey beyond medicines.

We believe these initiatives will contribute to a sustainable society by supporting health and well-being, reducing costs and expanding access to healthcare.

¹ HaaS refers to providing health and medical services that are optimized and tailored to each individual by utilizing a variety of data and advanced technologies.
² An ecosystem in which companies, organizations, data providers, technology companies, and others in the health and medical fields collaborate to create and provide total care that covers health promotion, disease prevention, medical treatment, and prognosis, with the aim of solving the problems of individual patients and consumers and ensuring their well-being.
³ An IT platform within the Total Care Ecosystem that enables the utilization of data by linking personal health and medical data using a universal ID.

HaaS strategy to provide services and solutions across the Life Journey



Achieve total care through using various data points to develop new modalities/solutions that expand into all phases of life and new disease areas

CHALLENGE 03

Transforming into a truly global company

Globalization for the Daiichi Sankyo Group means bringing *Enhertu* and other innovative pharmaceuticals and therapeutic solutions to people all over the world. To become a true innovative global healthcare company, we are building a global structure that enables more sophisticated and efficient organizational management and timely and accurate decision-making, and developing global talents with the ability to produce innovative results while working collaboratively with one another.

Strengthening the foundation of the global organization

● Strengthening the foundation of the OBU

Our Oncology Business Unit (OBU) was designed knowing we will have the humbling and incredible opportunity to be the primary driver of global growth for the Group over the next decade and beyond.

Our structure and culture eliminates silos, builds confidence, and create trust, allowing us to anticipate and respond quickly to stakeholder needs. It is our obligation to move swiftly because cancer will not wait. We internalize feedback and insights from patients and the entire community. Learnings from each launch will also inform our future initiatives. We deliver the data, evidence, and support they need as the practice of oncology continues to evolve at a fast pace, with new and more specific genetic testing and treatment paradigms.

Our objective for FY2023 is to prepare for the launch of multiple products. We will further strengthen our foundation and maintain the momentum we've established through *Enhertu* and our DXd ADCs. We have also received approval for *Vanflyta*® as a first-line treatment in Japan and in the US for patients diagnosed with FLT3-ITD Positive AML. Finally, we will continue to refine our structure and build expertise to prepare for data readouts and launches of the numerous DXd-ADCs and other rising stars in our oncology portfolio.

● Global management structure

To achieve our FY2025 target and realize our 2030 Vision, we work with a global network of members across various functions and regions to mobilize the Group's collective strength and provide new treatment solutions to patients as fast as we can. We aim to streamline business operations by having four functional units direct the formulation and execution of global strategies in their respective areas of expertise, with six business units structured around disease areas responsible for formulating and executing strategies for each area and region.

On April 1, 2023, we revised our global management structure to further globalize, including by establishing the Technology Unit consisting of Pharmaceutical Technology, Supply Chain and Biologics Units. We named chief officers*4 to lead of newly formed global functions, overseeing the entire Group's activities from a management perspective. This

Click here for the Global Management Structure Chart

https://www.daiichisankyo.com/about_us/mission-strength/global_operations/

experienced leadership team will work to improve corporate value and address the challenges we may face during our globalization process.

In addition, to ensure smooth Group management and to support our growth as a unified team, we reorganized the Corporate Unit into seven global corporate functions and are taking on initiatives to transform the Group globally (Project CONNECT). This transformation is scheduled to be completed by the end of FY2025.

*4 Chief Strategy Officer (CSO), Chief Digital Transformation Officer (CDXO), Chief Human Resources Officer (CHRO), General Counsel (GC)

● Project 4D (Daiichi Sankyo Data-Driven Decision Making)

We launched Project 4D to build "Data-Driven management" that enables speedy and sound decision making. We aim to standardize business processes and systems globally, reform the operating model and improve enterprise resource planning (ERP) across finance, human resources, manufacturing, supply chain, services, procurement, and more. We will integrate our ERP systems globally with a phased migration across Group companies in Japan, the US, and Europe from 2025 to 2027.

VOICE



James Felix
Vice President, Information Technology and Regional IT Head Americas Daiichi Sankyo, Inc.

In light of the shift toward global business, IT infrastructure that can seamlessly integrate at the global level is essential. We are currently building a new environment that enhances global communication and collaboration and are working on the C2 Project (Global Communication Collaboration Project), which is

designed to promote stronger and more unified collaboration and synergies among regions and divisions through a centralized technology platform. Not only will this tool foster more global efficiencies for the business, but it will also support our goal to bring people with different backgrounds together and enable better understanding of each other.

Fostering a One DS Culture and developing global talent

MESSAGE



CHRO
Takashi Matsumoto

The Daiichi Sankyo Group employs more than 17,000 people worldwide. To bring medicines such as *Lixiana*® and *Enhertu*, as well as other products under development, to patients around the world, we need our employees to collaborate and work together seamlessly throughout the value chain. In order to realize our 2030 Vision of becoming an "Innovative Global Healthcare Company Contributing to the Sustainable Development of Society" and evolve into a truly global company, we must not only globalize our organizational structure, but also develop global diverse talent from different cultures and with unique ways of thinking. It is also important to foster a corporate culture where all employees learn and grow, trust each other, have a sense of belonging, and remain engaged. We are building a human resource infrastructure that enables all of the above, so that the organization can function effectively. Against this backdrop, we are promoting the Global Culture Initiative to foster a One DS Culture, while also establishing a global leadership development program and a shared global human resource (HR) system and HR information system.

● One DS Culture

We are working to foster a unified One DS Culture, which helps support business expansion on a global scale. By overcoming the challenges we face while leveraging our know-hows and strengths, we aim to create a workplace where all employees can work energetically, embracing our differences such as gender, disability, nationality, and cultural barriers. We will innovate for our patients by understanding and practicing the three Daiichi Sankyo Core Behaviors, building trust across functions and regions and effectively aligning our employees around the world to realize our Purpose and Vision.

▶ For more information on fostering the One DS Culture, please refer to P40

● Boosting engagement

To measure our progress in fostering One DS Culture and employee engagement, we have been conducting a global engagement survey of all Group employees since FY2021. This year marks the second time we conducted the survey, and our scores have improved for 20 questions, including all 9 questions related to Core Behaviors. On the other hand, while our score for "Learn From Mistakes" increased by 2 points, the gap with the benchmark is still large, and we will continue to address this issue as a company-wide issue.

Improvement results in Core Behavior and Engagement in the FY2022 Global Engagement Survey



● Shared global talent development

Among the global engagement survey items, we monitor the "Opportunities for Growth" score as a key performance indicator of our culture and engagement objectives.

To support shared global talent development measure, we are now offering multiple in-person and online learning opportunities to global employees, creating an environment that enables anyone to learn anytime and anywhere.

● Inclusion & Diversity (I&D)

We believe that having a diverse workforce of various nationalities, experiences, races, genders, lifestyles, disabilities and ages will enable us to bring forward innovative ideas for patients, will help all employees feel they belong, and allow each of us to maximize our own potential. On International Women's Day in March 2022, we announced our Global Inclusion & Diversity (I&D) Statement to clearly state both internally and externally our stance and approach to I&D as part of our efforts to create a diverse and inclusive organization.

▶ For more information on I&D, please refer to P81

VOICE



Audit & Supervisory Board Member
Miyuki Arai

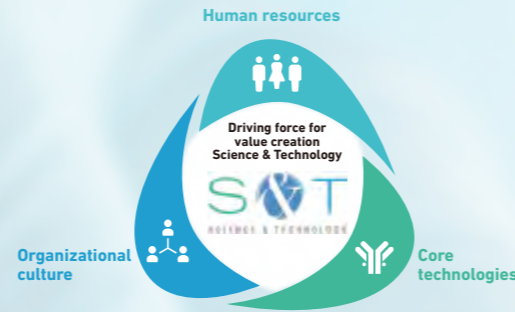
Today, Daiichi Sankyo is at a stage where it has the potential to make an unprecedented leap forward. To realize our 2030 Vision and become a truly global company in accordance with our Purpose, it is essential that we translate the diversity of our employees into innovation. From my own experience to date, I am keenly aware that the perspectives, knowledge, and experience of many different people are essential to success, and I believe this is the essence of I&D.

In terms of the empowerment of women, women comprised 33% of our all executive position across the globe in FY2022. However, there are large variations between countries and regions. We also recognize it is not just a matter of achieving a numerical target for women as executives. As an Audit & Supervisory Board Member, I recognize that a diverse environment where all employees, regardless of nationality, race, age, gender, etc., can fully demonstrate their individual strengths in their own way, are willing to take on challenges. We must also ensure the newer generations of talent who will lead the next generation of success at Daiichi Sankyo are supported and feel they belong.

Transformation to boost strengths in S&T



This section introduces the transformation centered on human resources, technology, and organization aimed at further boosting our greatest strengths in Science & Technology (S&T), the source of the Daiichi Sankyo Group's value creation.

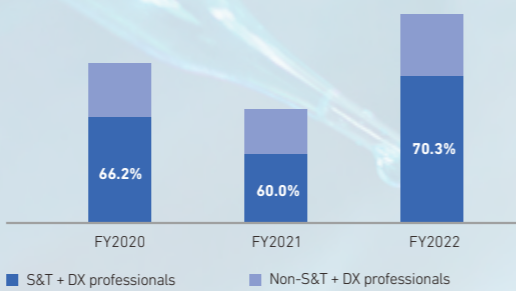


Transformation 01 Strengthening Talents

Proactively acquiring highly specialized professionals to underpin our strengths in S&T

To further boost our strengths in S&T, we not only develop our current talent, but we also seek to recruit top S&T talent externally, particularly those with a transformation mindset, particularly in the areas of drug discovery research, pharmaceutical technology, and digital transformation (DX) professionals*5. Since FY2020, the ratio of S&T and DX professionals as a percentage of all career hires has reached 60-70% globally. To further boost our strengths in S&T, we will continue to focus on attracting excellent talent through a variety of recruiting channels.

Ratio of highly specialized professionals to total number of career hires (Japan)



*5 People with a transformative mindset who understand both the business requirements and digital data in each of the DS Group's value chains.

▶ For more information on human capital including human resources, please refer to P19

Transformation 02 Deepening DX Technology

To fulfill our 2030 Vision, we are promoting DX initiatives under the banner of our 2030 DX Vision "As Innovative Global Healthcare Company, we will contribute to healthcare transformation by fully leveraging the promise of data collection and digital technology." The features of our DX initiatives lie in our centralized DX promotion system, Integrated Data Analysis Platform (IDAP) and diversity of human resources, which enables us to continue creating value over the mid-to-long-term. Leveraging these features, we will further utilize advanced digital technologies and data to deepen our existing business model, such as accelerating and automating R&D by applying data-driven drug discovery, artificial intelligence (AI), and other technologies. In May of FY2023, our achievements since the establishment of the DX promotion organization were recognized when we were selected as the DX Stock 2023*6, which is a list of companies on the Tokyo Stock Exchange that have established internal mechanisms to promote DX to enhance corporate value and have demonstrated outstanding achievements in using digital technologies.



*6 Selected the stocks of outstanding companies for their continuous outstanding efforts for not only introducing exceptional information systems and utilizing data, but also boldly taking efforts to change their business models and management practices in a continuous manner based on digital technologies.

Company-wide business transformation through advanced digital technologies and data utilization

To flexibly respond to changes in the environment through the use of advanced digital technologies and data, we must reform existing systems and business processes, and foster a culture of transformation. The DX promotion function explores and evaluates advanced digital technologies that may have

a high impact on our business, and matches technologies to issues and transformation needs across divisions and the entire company. Most recently, we have developed measures to promote the use of advanced digital technologies such as cloud services including generative AI such as ChatGPT as well as the

Metaverse. As for the generative AI, we have been promoting its use within the company since this fiscal year by operating our own in-house cybersecurity environment with information management and security risk countermeasures in place.

Through the experience of using Metaverse, we are also trying to create and materialize ideas for business utilization, which is expected to lead promote DX from the individual employee level and foster a DX promotion culture.

Accelerating and automating R&D by applying data-driven drug discovery and drug development, AI, and other technologies

We are utilizing AI for compound design and property prediction to discover high-probability new drug candidates and accelerate drug discovery. In addition, we are leveraging IDAP for safety information monitoring. Furthermore, we are incorporating Real World Evidence (RWE)*7 obtained from analyzing Real World Data (RWD) to apply for drug approvals in the field of oncology, including our five lead ADCs, as well as to understand the real world treatment use and conduct

cost-effectiveness analysis. Furthermore, to improve efficiency in supporting clinical trials, we will use AI technologies to automatically identify protocol deviation categories. These efforts facilitate efficient and rapid clinical development and accelerated delivery of therapeutic options.

▶ For more information on the use of IDAP in oncology, please refer to P34

*7 Clinical evidence gained from analyzing Real World Data (data on patient health status and/or health care delivery routinely collected from a variety of data sources)

Transformation 03 Advancing Organization



MESSAGE



Head of Technology Unit
Hiroto Kashiwase

In the oncology field, where Daiichi Sankyo's presence is increasing, many clinical trials are conducted even after the initial filing, which means the manufacturing of investigational drugs and commercial products proceed in parallel. Furthermore, once clinical trials show positive results, manufacturing scales up and/or adds of manufacturing sites to meet the surge in demand. The Biologics, Pharmaceutical Technology (CMC), and Supply Chain Units have collaborated with great success so far, and have worked hard to create holistic optimization and proactively address inefficient business processes.

We established a single, unified Technology Unit that integrates Biologics, Pharmaceutical Technology (CMC), and Supply Chain to realize proactive and flexible decision-making and to centralize technology development, manufacturing, and supply management from the early development to post-marketing phase. In addition to strengthening the CMC research function, which contributes to our Science & Technology strengths, we will also live up to the expectations for talent development, by taking advantage of our strength as a global organization with approximately 4,000 employees across five countries.

Our Technology Unit's challenges to contribute to patients around the world

We commit to ensuring a stable supply of investigational drugs and commercial products globally, reducing costs continuously, contributing to new modality development, and creating technology-based new businesses, by taking responsibilities from developing technologies and processes to commercial manufacturing/supply, through consistent technological/manufacturing managements throughout the product lifecycle.

The Technology Unit's 2030 Vision is "A Global Technology Unit creating the future of healthcare". This Vision reflects five aspirations and ambitions.

- (1) Challenge the status quo with a flexible and open mind
- (2) Explore futuristic technology strategy and realize diverse advanced technologies
- (3) Generate and strengthen businesses through ideas that combine technology, digital, and assets
- (4) Clinically and commercially integrate global organization that can proactively and flexibly respond to environmental changes
- (5) Develop talents and global leaders who lead the entire value chain

We will contribute to the rapid and reliable delivery of our innovative pharmaceutical solutions to patients around the world, by further deepening and integrating our collaboration beyond the organizational boundaries with realizing our Vision, aspirations, and ambitions.