In April 2021, the Daiichi Sankyo Group announced its current 5-year business plan (FY2021-FY2025) toward realizing our 2030 Vision. Following is an overview of major initiatives under that 5-year plan.

Strategic Pillar 1

Maximize our 3 Lead ADCs

- Maximize *Enhertu*® and *Dato-DXd* through strategic alliance with AstraZeneca
- Maximize *HER3-DXd* without a partner
- Expand work force and supply capacity efficiently in a phased manner depending on changes around product potential

Our three lead ADCs refer to *Enhertu*, *Dato-DXd*, and *HER3-DXd*, which are all based on our proprietary DXd-ADC technology. These three medicines are strategic priorities where we are concentrating much of our R&D and human resources. In the oncology area, we expect to achieve revenue of over ¥900 billion in FY2025, well above the ¥600 billion originally planned, thanks to the strong sales prospects of *Enhertu* and the steady progress in development for the three lead ADCs. (Figure 1)

Enhertu is our largest growth driver. In FY2022, *Enhertu* earned new indications in the US, Europe, and Japan as a second-line treatment for HER2 positive breast cancer, and for HER2 low breast cancer post chemotherapy treatment, thanks to positive results in the DESTINY-Breast03 and DESTINY-Breast04 trials. In lung cancer, *Enhertu* was approved in the US as a second-line treatment for non-small cell lung cancer (NSCLC) with HER2 mutation. Furthermore, we are steadily expanding the number of countries and regions where this medicine is available, including China, where it is indicated for the second-line treatment of HER2 positive breast cancer. FY2022 global *Enhertu* sales grew to ¥207.5 billion.

Research and development to further maximize the value of *Enhertu* is steadily progressing, and we anticipate new indication approvals during the current 5-year business plan to far exceed our initial plan. (Framed in by the red square in Figure 2) In addition, the development of both *Dato-DXd* and *HER3-DXd*, is progressing faster than originally planned. Pivotal trials*1 are progressing, and multiple phase 3 trials for additional indications after launch already initiated. To complete these trials, we expect R&D expenses to exceed our initial plan. However, all of these trials are essential for maximizing these three ADCs for the ultimate benefit of patients with these devastating and difficult to treat types of cancer. We are making priority investments in DXd-ADC development with the aim of securing approval and delivering these medicines to patients as soon as possible for further growth in the future.

*1 Tests to prove the efficacy and safety of pharmaceutical products. Conducted to acquire the data required to apply for regulatory approval.

Figure 1 Expectation on Oncology Revenue
(as of 2023 Apr.)

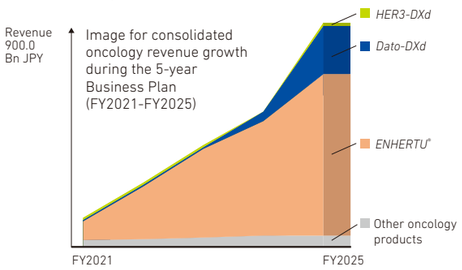
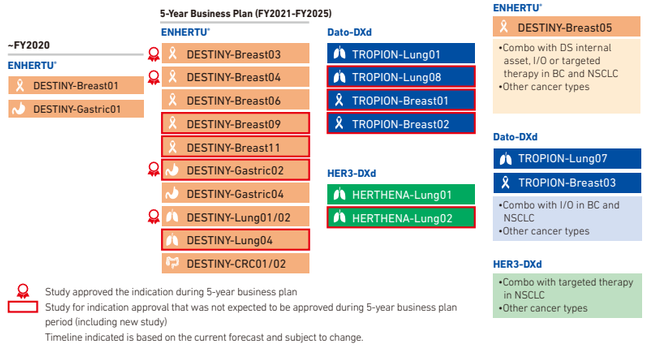


Figure 2 3ADCs launch plan



Strategic Pillar 2

Profit growth for current business and products

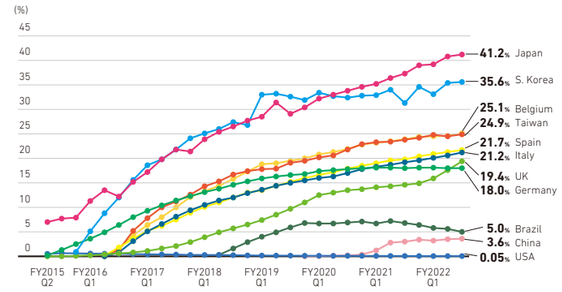
- Maximize *Lixiana*® profit
- Grow *Tarlige*®, *Nilemdo*®, etc. quickly
- Transform to profit structure focused on new drugs
- Profit growth for American Regent, Inc. and Daiichi Sankyo Healthcare Co., Ltd.

For our existing global mainstay product, *Lixiana*, the addition of a new dosage and administration regimen has improved the value of the product. Sales in each country and region continue to grow faster than expected. In addition to Japan, Korea, and Taiwan, sales are steadily expanding in Belgium, Spain, the UK, and other European countries. In FY2022, global revenue for *Lixiana* rose ¥38.3 billion year on year to ¥244.0 billion; in FY2023, we aim to further accelerate growth to reach ¥259.4 billion in revenue. (Figure 3)

To enhance our product portfolio, we launched a new orally disintegrating tablet (OD tablet) in Japan in May 2022 for *Minnebro*®, an antihypertensive agent we began marketing in 2019. Furthermore, under a marketing alliance agreement with Eli Lilly Japan, we launched migraine medication *Reyvow*® in June 2022. We launched anti-cancer agent *Ezharmia*® in December 2022. In September 2022, we obtained approval for the OD tablets of pain treatment *Tarlige* and are preparing to launch the product in the first half of the year 2023. In March 2023, we received marketing approval for intranasal live attenuated influenza vaccine *Flumist*® as an indication of prevention, for which we have a development and marketing license agreement with AstraZeneca's subsidiary MedImmune. We aim to launch this vaccine in FY2023.

In the US in August FY2022, American Regent acquired HBT Labs, Inc., a company engaged in the research and development, manufacturing, and marketing of generic oncology injectable drugs. Through synergies with HBT Labs, we aim to strengthen our product portfolio and further grow our generic injectables business. Furthermore, Daiichi Sankyo Healthcare has achieved steady profit growth by gaining the top market share in its target market of OTC drugs.

Figure 3 *Lixiana* : Growth in each country/region



Strategic Pillar 3

Identify and build pillars for further growth

- Identify new growth drivers following our 3 Lead ADCs
- Select new modalities for further development, to follow DXd-ADCs

DS-7300 (B7-H3-directed ADC) and *DS-6000* (CDH6-directed ADC) are rising stars in our portfolio, as they have tremendous promise for patients and therefore to become growth drivers.

For *DS-7300*, we obtained interim analysis data suggesting an early efficacy signal in a variety of cancer types in the phase 1 trial. We have also initiated a phase 2 trial for second-line treatment of advanced small cell lung cancer.

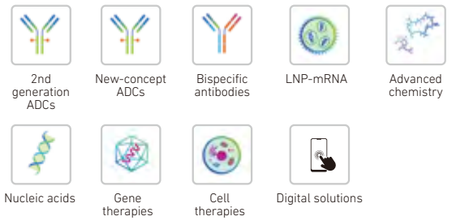
For *DS-6000*, we received interim analysis data suggesting early efficacy signals in ovarian cancer and renal cell cancer in the phase 1 trial.

Given the heightened potential of both products, we have accelerated their development in a variety of cancer types, and updated our R&D strategy from "3 and Alpha" to "5DXd-ADCs and Next Wave" from April 2023 onward.

Furthermore, we are making steady progress in selecting post DXd-ADC modalities, such as initiating a phase 1 trial of a next-generation Daiichi Sankyo ADC, *DS-9606*, for the treatment of solid tumors. (Figure 4).

▶ For more information on 5DXd-ADCs and Next Wave, please refer to P23

Figure 4 Diverse modalities



Strategic Pillar 4

Create shared value with stakeholders

- Patients: Contributing to patients through patient centric mindset
- Shareholders: Balanced investment for growth and shareholder returns
- Society: Environmental load reduction across the value chain, and actions against pandemic risks
- Employees: Create One DS Culture through fostering our Core Behavior

To promote ESG management from a long-term perspective, we are engaging to create shared value with our stakeholders, including patients, shareholders, investors, the society and environment, and employees. In terms of co-creating with society, we are making progress in addressing pandemic risk with *DS-5670*, an mRNA vaccine we are developing to prevent COVID-19. The research and development of *DS-5670* has been supported by the Project for Promotion of Vaccine Research and Development of the Japan Agency for Medical Research and Development (AMED) and the Emergency Project for Vaccine Development and Production System Improvement*2 of the Ministry of Health, Labour and Welfare. In August 2023 we received approval of the original strain booster vaccination, and in May 2023 we started phase 3 trials of the mutant strain vaccine. Based on the trial results, we aim to obtain approval for Omicron strain vaccines and supply mRNA vaccines for new variant strains in Japan.

*2 Project aimed at developing a production system for biopharmaceuticals, including vaccines, in order to produce vaccines as quickly as possible and to secure them for the people of Japan in order to prevent the spread of unforeseen infectious diseases and to prevent serious illnesses.

For more information on creation of shared value with patients, society, and employees, please refer to P37
For more information on creation of shared value with shareholders, please refer to P45