

Round-table Discussion with Outside Directors

Fulfill a highly effective supervisory role to realize the Daiichi Sankyo Group's Purpose and support its growth toward globalization.

We asked our Outside Directors for their opinions about how the Board's oversight functions could help achieve sustainable growth and realize our Purpose.



Outside Director (Independent Director) Yasuhiro Komatsu

Possesses a wealth of experience and an expansive breadth of expertise in healthcare in general, as well as clinical governance, public health, drug safety, risk management, human resources management and development. These capacities have been developed through a career as a medical scientist, with titles of PhD, MD, and MPH. Appointed as an Outside Director of the Company in June 2022 and appointed as a member of the Nomination Committee and the Compensation Committee in June 2022.

Outside Director (Independent Director) Kazuaki Kama

Possesses a wealth of experience and wide-ranging knowledge of corporate management, as well as finance and accounting, based on his experience as a business executive at a comprehensive heavy industry manufacturer. Appointed as an Outside Director of the Company in June 2019. Appointed as the chairperson of the Compensation Committee from June 2019. Appointed as the chairperson of the Nomination Committee in June 2022. Appointed as the chairperson of the Board of Directors in June 2023.

Outside Director (Independent Director) Sawako Nohara

Possesses a wealth of experience and wide-ranging knowledge of corporate management, as well as IT, business strategy, and marketing, based on her experience as the founder and the manager of a digital business company. Appointed as an Outside Director of the Company in June 2019. Appointed the chairperson of the Compensation Committee in June 2022.

Outside Director (Independent Director) Takaaki Nishii

Possesses a wealth of experience and wide-ranging knowledge of corporate management, as well as international business and human capital strategy, based on his experience as a business executive of a food and amino acid material manufacturer. Appointed as an Outside Director of the Company and the chairperson of the Nomination Committee in June 2023.

The Board of Directors has been renewed. Looking back over the past year, what were the challenges to improve the effectiveness of the Board of Directors and your aspirations?

Kama

I was newly appointed as the Chairperson of the Board in June 2023. Both the effectiveness evaluation conducted by Directors and Audit & Supervisory Board Members in FY2022 and the third-party evaluation conducted in FY2021 showed that the Board has been functioning effectively, with discussions in a free

and open-minded manner. I believe the reasons for this evaluation stem from the fact that the execution and supervision of the Management are clearly separated due to the appointment an Outside Director as the Chairperson of the Board, and that detailed discussions were done with the executive side regarding the selection of agenda items and other operational aspects of the Board of Directors under the leadership of the former Chairperson of the Board. I would like to build on the positive features of the past and continue maintaining close communication with the execution team within the operations of the Board



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— Outside Director Kama

of Directors. The role of the Board of Directors, which is to enrich discussions aimed at sustainable growth and steadily fulfilling a supervisory role to realize the Daiichi Sankyo Group's Purpose, will remain unchanged. I would like to continue facilitating communication among members of the Board of Directors, as well as exclusively among Outside Directors and Outside Audit & Supervisory Board Members, while also raising the weight of resolutions and deliberations in the discussions at the Board meetings. With new members joining us, I would also like to elicit vibrant opinions from not only Outside Directors but also Inside Directors to encourage active discussions overall.

How have you used your experience and expertise to help the Board of Directors fulfill its functions and enhance corporate governance?

Nohara

I strongly support the Company's innovative management strategy centered on developing new medicines and its attitude of continuously taking on challenges, and have spoken up on R&D strategy, DX strategy, globalization, corporate branding, etc. In addition, leveraging my experience as the Outside Director of eight listed companies, and considering the importance of the environment surrounding corporate governance, I&D, ESG management, etc., which changes year by year, I believe that to speak up my opinions in light of the above has helped the Board of Directors fulfill its functions and enhance corporate governance.

Komatsu

To “address diverse medical needs,” as stated in the Daiichi Sankyo Group's Mission, it is important not only to develop the medicines that are required, but also to plan how we deliver these medicines to people and ensure they can easily find the information they need. I made an effort to discuss this point from

the perspective of medicine and public health using my expertise and research.

Mr. Nishii, as a new Outside Director appointed in July of this year, what are your aspirations?

Nishii

I feel a sense of tension and great responsibility in being appointed as the Outside Director of Daiichi Sankyo, a pharmaceutical company that is growing globally. I believe that I can contribute to enhancing the effectiveness of the Board of Directors by using my experience as a business executive at a food and amino acid material manufacturer to enhance the value creation process with stakeholders, to promote ESG Management, to enhance corporate brand value, and to promote globalization.

What are your thoughts on the challenges to the Group's sustainable growth?

Kama

With the rapid expansion of *Enhertu*, we need to further promote globalization as we expand our market around the world and quickly grow our revenues. In particular, we need to closely monitor the progress and issues related to our efforts in the globalization of corporate functions and the establishment of the CxO structure, which we began in FY2023. As an Outside Director, I feel that I still have a relatively minimal understanding of what Daiichi Sankyo's globalization means compared to the Inside Directors. As the Chairperson, I would like to talk deeply with the executive side and promote discussions on what kind of “innovative global healthcare company” Daiichi Sankyo is aiming to become, and I would like to promote discussion on the status of globalizing operations and execution.

Komatsu

Daiichi Sankyo's Core Value include creating new systems and inventions that make a great difference in society and people's lives. Today, the gap between the healthcare that can be provided and the actual healthcare that is delivered is widening, since both patients and medical professionals have difficulty in accessing and utilizing the best available knowledge. I believe that HaaS has the potential to bridge this gap and make transformative changes in our society and people's lives. HaaS cannot be built by Daiichi Sankyo alone, but I believe that we can be a pioneer in this field by offering a model system and working collaboratively with relevant stakeholders for its implementation. Digital transformation is advancing more rapidly than we can imagine at the global level, and I think it is crucial for us to keep up with this trend and take a leadership role in Japan.

Nohara

In the 2025 DX Vision, we set out on “Becoming a Global Pharma Innovator Utilizing Data and Advanced Digital Technology”. We are working to build a global communication platform and core business systems, and also building and maintaining infrastructure for our human resource programs. As DX is essential and strongly promoted for the Company's globalization efforts as well as its push to bolster drug discovery, I would like to make

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sure that we provide our full support.

Looking toward 2030, we have already begun to build a Total Care Ecosystem and the data infrastructure that will serve as the center of that ecosystem, in order to create a seamless HaaS tailored to each individual. As we will be collaborating with various organizations to create a variety of services and solutions useful for health and medical care, and I expect that we will significantly promote working forward as we invest in the necessary skills and human resources and collaborate with startups and venture companies with excellent ideas.

Nishii

From the perspective of geopolitical risk and supply chain management, I believe it is critically important that Daiichi Sankyo's main intellectual properties today come from its Tokyo-based research center. On the other hand, globalizing the head office, especially the corporate functions, requires interaction among people with diverse experiences and perspectives. It is also important to create a situation that attract (not only every employees but also) people from overseas and make them desire to work at Daiichi Sankyo's head office and research centers in Japan, which we believe will help drive the globalization that Daiichi Sankyo should strive for.

Regarding the Nomination Committee and the Compensation Committee, what have you done in the last year and what challenges do you see going forward?

Nohara

The Compensation Committee met 11 times during the last fiscal year to monitor and discuss the operation of the executive compensation system newly introduced in FY2021. In addition, at a joint meeting of the Compensation Committee and the Nomination Committee, CEO Manabe reported on targets for the year, as well as interim and year-end performance assessments,

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which we used to evaluate the CEO's performance.

From this fiscal year, especially since the entire Group will be adopting a global HR system by FY2026, we plan to discuss what kind of compensation system should be suitable for executives as we move toward FY2026. We need to take into account developments in the situation and establishing an executive compensation system that has synergies with the global HR system, while having a perspective on revisions we should make even in the middle of the fiscal year as needed.

Kama

The Nomination Committee also met 11 times, discussing various topics such as the selection of the Chairperson & CEO and the President & COO, the establishment of the CEO/COO structure, the President & CEO succession plan, candidates for the Board of Directors, candidates for Audit & Supervisory Board Members, and the CxO structure, etc.

Furthermore, after several years of discussing the succession plan for the President, we presented Mr. Okuzawa to the Board of Directors as a candidate for President & COO as the most suitable person to lead the mid-to-long-term growth of the Group.

In addition, we have discussed the optimal composition of the Board of Directors with the aim of further enhancing the supervisory function of the Board of Directors. Considering the direction of the Company's strategy and the skills required, we presented Mr. Nishii to the Board of Directors as a new Outside Director candidate. I believe we need to continue discussing the composition of the Board of Directors as well as the selection of candidates whose skills closely meet to our business strategy.

What are your expectations for President & COO Okuzawa.

Kama

There was much discussion regarding the appointment of the President & COO, but we decided that he was the right person

to be entrusted with the management of the Company based on his experience, performance, decisiveness, and high sense of accountability, as well as the trust he has earned from employees. I look forward to watching him actively engage in dialogue with internal and external stakeholders and play a role in making sure we achieve current 5-year business plan and realize our 2030 Vision.

Nohara

When appointing the President & COO, I remember that among the candidates, Mr. Okuzawa had the reputation of being supported and trusted by the people around him. With various Group companies operating around Japan and abroad, I feel it is important that someone who is well respected by all should be the leader to lead the global company. Although the pressure must be intense with the Company attracting more attention around the world, I hope that he will make the entire Group to work together to achieve our targets.

Komatsu

As the Company is rapidly transforming into a global health-care company, we need to hold a long-term vision, while also responding to unexpected circumstances in a timely manner and advancing our business in a pragmatic manner. I appreciate President & COO Okuzawa's ability to balance both a long-term perspective and tackle unexpected challenges. When operating globally, we may encounter many unprecedented challenges. As President & COO Okuzawa has experience in handling and solving various difficult challenges overseas, I believe that he can demonstrate his strength as a leader.

Nishii

President & COO Okuzawa's targets for FY2023 include the following items from the perspective of promoting globalization: examining global HR programs, recruiting and developing core personnel, and promoting personnel exchanges. As chairperson of the Nomination Committee, I would like to offer my full support going forward.

In light of today's roundtable discussion, please tell us about your commitment to sustainably growing Daiichi Sankyo and enhancing its corporate value in the mid-to-long-term.

Nohara

The Company is now at a very important point in expanding its business in the oncology field and globalizing its operations, and there are a wide range of issues that need to be carefully discussed at the Board of Directors meetings. As one of the Outside Directors, I would like to take a long-term perspective as much as possible and lookout for all directions with an outside perspective in order to offer holistic opinions.

Komatsu

I will oversee management policy decisions to ensure that they are in line with the Company's Purpose and Core Value from an external perspective, particularly focusing on a public health standpoint. As an Outside Director, I will consider how the Company's business creates value at various levels, including the individual patient, the organizational level, the community level, and society as a whole.

Nishii

The strong engagement of employees, centered on the Purpose, creates value that improves the lives of patients and their families, and creating shared value with partners will globally expand this value. As a result, shareholder and investor expectations rise, which will be reflected in the Company's market capitalization. This in turn provides incentives for employees. I believe that the value of a company lies in its ability to keep this positive value-creation process going.

As the pharmaceutical business is a highly regulated business, I would like to fulfill my role as a supervisor to create a structure that keeps the value creation process going over the mid-to-long-term by creating shared value with stakeholders, while disclosing negative news when necessary.

In closing, please reflect on today's discussions and leave a message as Chairperson of the Board of Directors.

Kama

Although Outside Directors tend to lean toward defensive governance, I believe it is important to maintain a good balance between offensive and defensive governance, while placing a strong emphasis on offensive governance that supports the executive team.

As the chairperson, I would like to reiterate my commitment to carry out quality discussions from a long-term perspective with the aim of sustainably growing the Company and enhancing its corporate value over the mid-to-long-term. I would like to promote discussions while viewing the value that Daiichi Sankyo provides as a combination of social value, environmental value, and financial value, and keeping in mind the perspective that the corporate value is for all stakeholders, including patients and medical professionals.

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— Outside Director Komatsu

