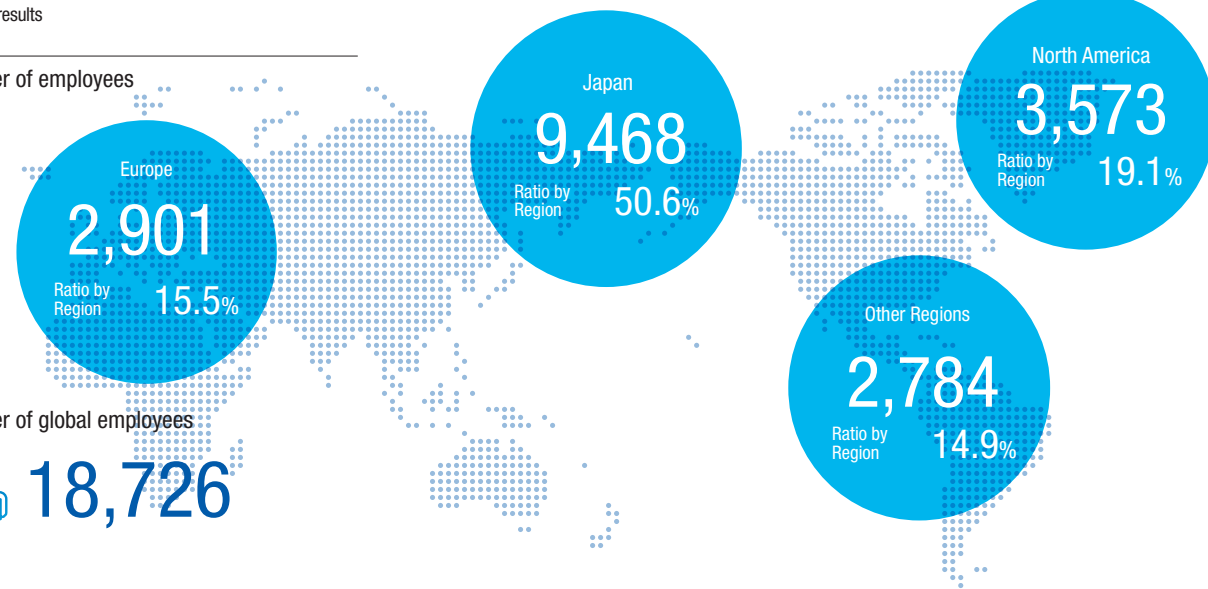


At a Glance

Daiichi Sankyo Overview

FY2023 results

Number of employees



Number of global employees

18,726

Countries/regions with Group presence

30 countries and regions

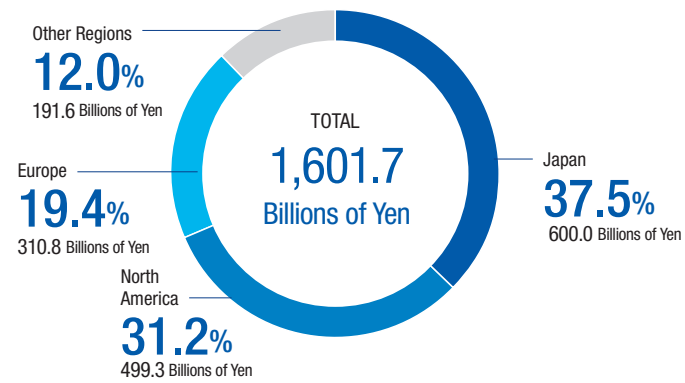
R&D locations

20 sites

Production locations

13 sites

Revenue by Region



Strengths in



Corporate Culture

- A corporate culture in which employees respect each other as a specialist in science, and exchange opinions in a free and open-minded manner, regardless of positions and tenure
- A culture that promotes the transmission of experience and technologies for creating medicines
- Intelligent Failure, a culture to learn from mistakes
- Penetration of Core Behaviors with the aim of fostering One DS Culture



Human Resources

- Diverse range of talents with high levels of expertise
- Scientific assessment capabilities
- Technologies originated from craftsmanship
- High levels of engagement
- Desire for innovation

Core Technologies

- Proprietary ADC technology platform
- Protein engineering, medicinal chemistry
- Pharmacological efficacy, translational research, and research DX infrastructure to support the above

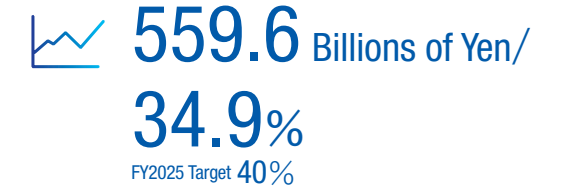
Financial Highlights

FY2023 results

Revenue



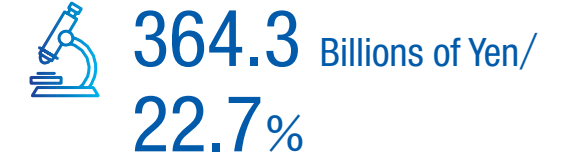
Core Operating Profit (Amount and Ratio before R&D Expense)



Major Products Worldwide (Enhertu® / Lixiana®)



R&D Expenses (Amount and Ratio)



ROE



DOE*



*Dividend on Equity = Total dividend amount / Equity attributable to owners of the Company

Non-Financial Highlights

FY2023 results

CO₂ emissions reduction rate (compared to FY2015 level)



Number of countries and regions where Enhertu has been launched / Number of patients treated



Positive Response Rate in Engagement Survey



Ratio of Female Senior management employees*



*Female employees in the position of division head or equivalent or higher

CEO Message

Moving to the Next Stage, Confident in Becoming a Global Pharma Innovator with Competitive Advantage in Oncology



Representative Director, Executive Chairperson & CEO

Introduction

To our stakeholders, I would like to express my sincere gratitude for your continuing support and understanding of our business.

In FY2023, the third year of our current 5-year Business Plan (FY2021-FY2025), we made significant progress in expanding the sales and obtaining new indications for our main product, Enhertu^{®*1}. The development of Dato-DXd^{*2} and HER3-DXd^{*3}, which will follow Enhertu, has also progressed smoothly towards their market launch. Additionally, we have commenced a strategic alliance with Merck & Co., Inc., Rahway, NJ, USA (Merck) for HER3-DXd, I-DXd^{*4}, and DS-6000^{*5}, of which we have accumulated favorable clinical data, further enhancing the product potential. As a result, the development plans for the three partnered products have been rapidly expanding. With the smooth progress of the current 5-year business plan, we have gained greater confidence in achieving our FY2025 target of becoming a “Global Pharma Innovator with Competitive Advantage in Oncology.” We are now moving towards a new stage to realize our 2030 Vision of becoming an “Innovative Global Healthcare Company Contributing to the Sustainable Development of Society.” While striving to expand our revenue and profit, we are making investments for future growth. We are fully committed as a company to continuously enhancing our corporate value.

The successful establishment of the strategic alliance with Merck can be seen as evidence of the smooth start of the new regime under our new president, Mr. Okuzawa. As our company rapidly transforms into a global healthcare company, leadership that drives both growth strategies and internal transformation with a long-term perspective is crucial, along with effective business execution. President Okuzawa possesses both perspectives and ca-

pabilities, and in FY2023, he has driven further transformation to strengthen the executive structure and expand our global business. As global attention towards our company increases, we should meet the expectations of various global stakeholders and fulfill our corporate responsibilities appropriately. However, we will continue to work together as a group to achieve our Purpose, Mission, and 2030 Vision.

Looking at society, we face various changes and numerous challenges towards a sustainable society, such as the intensification of weather disasters and damage to infrastructure due to climate change, conflicts in various regions including the prolonged Russian invasion of Ukraine, and the acceleration of digital transformation (DX) and changes in life and work due to AI. In particular, the COVID-19 pandemic, which emerged in 2020, has left a significant mark on our lives, reinforcing the recognition that a sustainable society cannot be achieved without the health of its people. We have once again embraced the importance of our purpose, “Contribute to the enrichment of quality of life around the world,” and are committed to practicing purpose-driven management.

*1 anti-HER2 ADC, Trastuzumab Deruxtecan (generic name)

*2 anti-TROP2 ADC, Datopotamab Deruxtecan (generic name)

*3 anti-HER3 ADC, Patritumab Deruxtecan (generic name)

*4 anti-B7-H3 ADC, Ifinatamab Deruxtecan (generic name)

*5 anti-CDH6 ADC, raludotatug deruxtecan (generic name in Japan not yet determined)

CEO Message

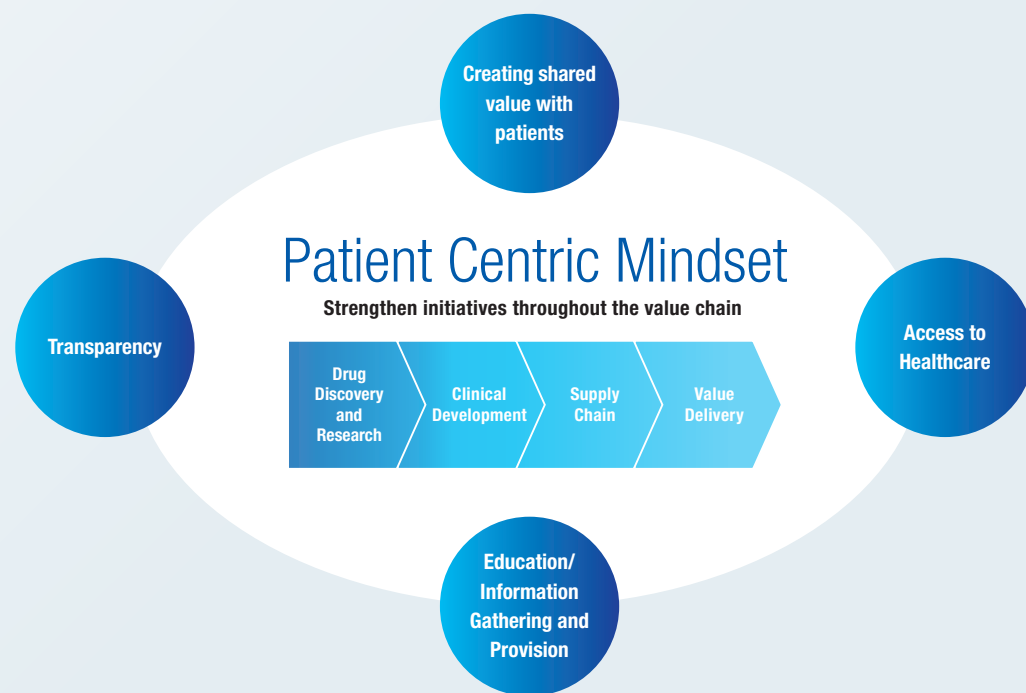
Practicing Purpose-Driven Management

For over 100 years, we have created numerous new drugs and delivered them to patients suffering from illnesses. We always consider what we can do for patients and practice purpose-driven management. When infectious diseases were a social issue, we contributed by introducing antibiotics. As the number of patients with lifestyle-related diseases increased, we released treatments for hypercholesterolemia, hypertension, and anticoagulants, thereby aiding patients. More recently, in response to the medical needs for cancer and emerging and re-emerging infectious diseases, we have launched and provided anti-cancer drugs and COVID-19 vaccines. By continuing the legacy of our founding DNA in drug discovery, we strive to continuously enhance Daiichi Sankyo's commitment to society.

We believe that this DNA of drug discovery is embodied in "Science & Technology", which we position as our greatest strength. The technology of drug development and the successful experiences of drug discovery have been cultivated and passed down within our organization, fostering the *craftsmanship* for creating drugs. Our Group's research institutes have an organizational culture that allows researchers to challenge uncertain and unexplored areas driven by their scientific curiosity and hypotheses. Despite facing numerous

failures, we continue to take on valuable challenges, share the lessons learned, and apply them to future endeavors. The accumulation of this cycle has led to the buildup of unique knowledge and experience, which serves as the source of continuous innovation.

The passion supporting researchers who challenge innovation is driven by a "Patient Centric Mindset." If we can deliver the new drugs we create more quickly and to more patients, providing effective treatments, it will improve their lives and enhance the health of society as a whole. This is the very essence of practicing our Purpose. By positioning "compassion for patients and passion for innovation" at the core of our corporate activities, and ensuring that not only researchers but also individuals across all organizations embrace "Patient Centric Mindset," we will promote Patient Centricity initiatives throughout the entire value chain and practice purpose-driven management.



Towards a Innovative Global Healthcare Company

Last year, we entered into a strategic alliance with Merck for three DXd ADC products, which we believe was the best choice for achieving sustainable growth. For HER3-DXd, I-DXd, and DS-6000, we have accumulated favorable clinical data and have moved to a stage where we plan to maximize the value of these products. In addition, as many oncology companies are focusing on the development of ADCs and the development competition intensifies, the need to enhance capacity, resources, and capabilities to maximize the DXd ADC franchise has increased. Through joint development and co-promotion with Merck, we aim to maximize the value of these products. This alliance will enable us to "deliver innovative drugs to more patients more quickly," which aligns with our group's Purpose, "Contribute to the enrichment of quality of life around the world," and our Mission, "Create innovative pharmaceuticals addressing diverse medical needs." The alliance will accelerate the development of the three DXd ADC products, and by leveraging Merck's sales network, we will expand the countries and regions where they are marketed.

At the same time, we recognize that we are entering a period of rapid business expansion and globalization at an unprecedented level, necessitating the expansion and restructuring of our management foundation in various areas, including human resources and organizational structure. To promote global management, we are transforming our organization from regional management to global cross-functional management. We are building a structure to quickly share success stories and other key information from all organizations globally. Additionally, we are appointing many international talents to the roles of global heads of various functions, thereby strengthening our management foundation to enable rapid decision-making with diverse perspectives and a global outlook. In April of this year, we launched the "DS Academy" as a program to develop future global leaders. To ensure that

Daiichi Sankyo provides value continuously and globally, lectures are given by our own executives in addition to outside experts. The program will focus on understanding the history of the Daiichi Sankyo Group as a century-old company and its DNA of innovation. We plan to develop the next generation of leaders by enhancing advanced management skills and the ability to view the business from a long-term and ultra-long-term perspective.

Amidst such rapid globalization and organizational transformation, the foundation of our group management towards realizing our Purpose and Vision is our "Core Behaviors," consisting of three modes of behaviors: "Be Inclusive & Embrace Diversity," "Collaborate & Trust," and "Develop & Grow." We are fostering a corporate culture where employees around the world, sharing common behaviors, can cooperate and trust each other, aiming to create a comfortable workplace where each individual's abilities and skills can be fully utilized. As part of our efforts to foster these behaviors, we hold discussions at the executive level based on the results of our annual engagement survey, and I communicate our global commitment to all employees. In FY2023, we promoted initiatives under the theme of "Fostering a Culture of Learning" and shared best practices through the Core Behavior Awards, where we recognized employees who exemplify the Core Behaviors. We believe that by having each employee globally collaborate towards common goals, we can continuously create innovative pharmaceuticals and provide better value to our customers.

CEO Message

Value Creation by the Daiichi Sankyo Group

Our Group leverages “Science & Technology” as its greatest strength to continuously create innovative pharmaceuticals and provide medicines that meet diverse needs. We practice long-term management to sustain the value creation model of our Group. Our strength in “Science & Technology” is the source of our sustainable value creation, and our DNA of drug discovery has been continuously passed down throughout the long history of our Group. Since last year, we have been promoting the Innovation Hub concept with the aim of actively incorporating the world’s most advanced technologies. Through the establishment of research centers in the Boston area in the U.S., a center of research innovation in life sciences, and in Europe, we plan to drive innovation in our research activities by leveraging external partnerships and resources.

Human resources are the most important capital driving sustainable value creation based on our strength in “Science & Technology.” To globally expand our oncology business, we believe that acquiring and developing diverse talent and implementing effective talent management are the sources of our competitive advantage. We are currently strengthening our

human resources foundation, including our global organizational structure and human resources systems. In Japan, we are promoting initiatives to transform into a more productive and efficient organization in response to changes in the Japanese business environment. In addition, we are advancing the development of specialized professionals, including global professionals, bio-professionals, and DX professionals.

As a pharmaceutical company conducting business globally, we must address unmet medical needs, improve access to medicines, respond to global environmental issues, maintain high ethical standards as a life science company, and meet various social demands and expectations related to ESG. We must also sincerely address and respond to matters specific to each country and region. Therefore, we are promoting dialogue with stakeholders, including patients and investors, to flexibly respond to new social issues and changes in the social environment and to incorporate external perspectives into our management strategy. Through dialogue, we identify key issues that need to be addressed for sustainable growth as Materiality. We practice initiatives that lead to the sustainable development of society and business opportunities, such as creating innovative pharmaceuticals and expanding access to healthcare. By creating shared value with stakeholders, I believe we can provide them with the social and economic value we generate, and reinvesting it as capital in a circular process will achieve sustainable growth for both the company and society. President Okuzawa often expresses the sustainable growth of the company and society with the term *sanpoyoshi* (Three-Way Good), and I completely agree. Without creation of shared value with stakeholders, sustainable growth of the company cannot be achieved.



CEO Commitment for the Future

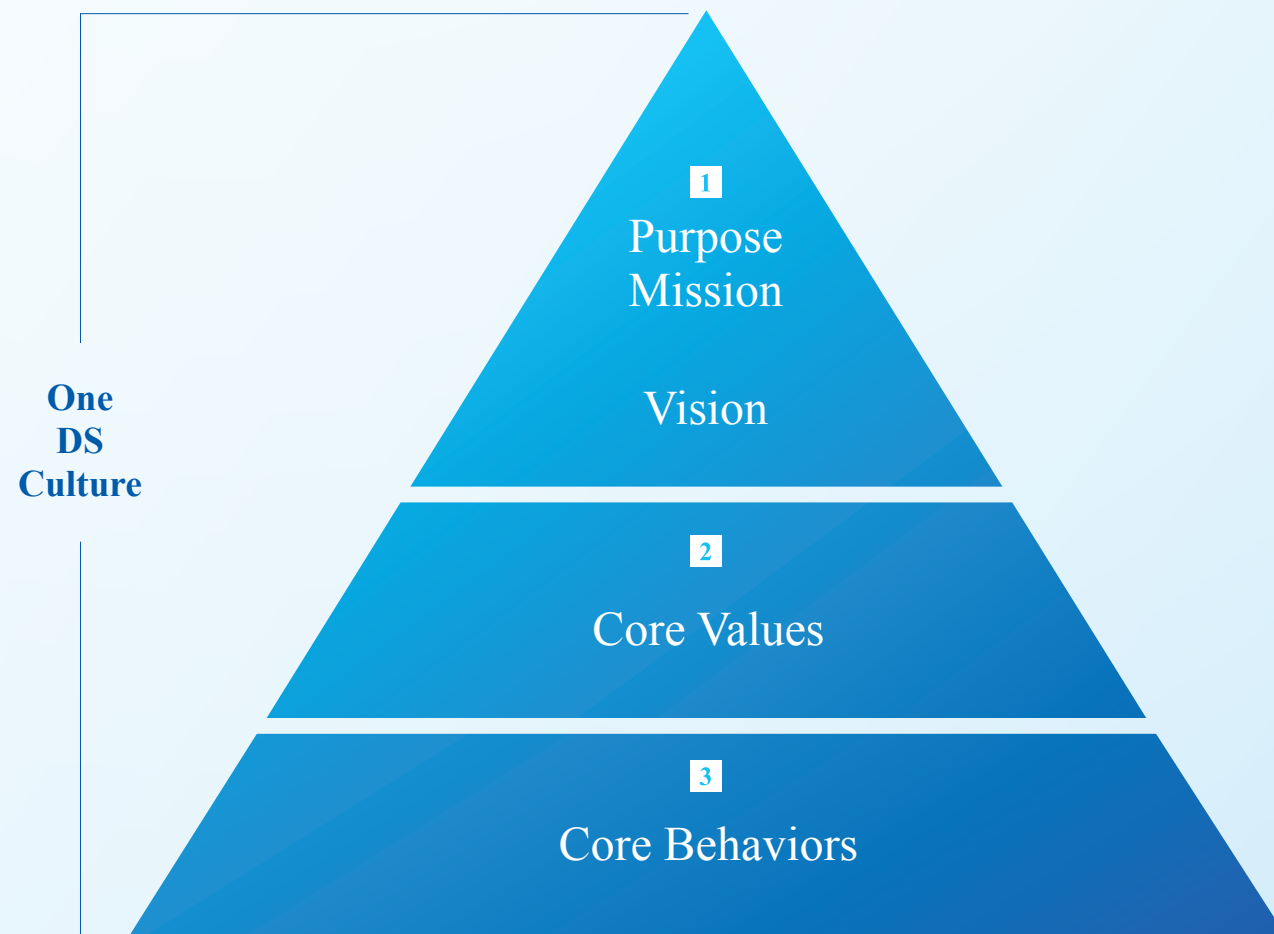
For our sustainable growth towards achieving our Purpose, I believe that enhancing our greatest strength, “Science & Technology,” developing human resources, and fostering “One DS Culture,” which will be the core of our value creation, are of utmost importance. Also linked to the practice of purpose-driven management, the Patient Centric Mindset is the driving force behind the growth of our company and the personal development of employees. I believe it is essential to further strengthen this mindset globally and cross-functionally. When I was young, I had the opportunity to work in a university pathology department, where I realized the importance of a patient-centered approach. In that setting, various departments within the hospital, including pathology, collaborated to ensure that physicians could provide the best diagnosis and treatment. This collaboration in the clinical setting played a crucial role in the diagnosis and treatment of patients. At the center of this collaboration was always the “patient.” As someone who believed that the goal of a pharmaceutical company was to create highly effective and safe drugs, this experience made me strongly recognize that our goal is not merely to manufacture pharmaceuticals, but to contribute to the “patient.”

With the new leadership under President Okuzawa, our company has entered an era of transformation and growth, driven by rapid business expansion and globalization. Additionally, the societal and business environment surrounding our Group is continuously changing, increasing the expectations and responsibilities from all our stakeholders. In such an environment, I am reaffirming the importance of listening to the voices of all our stakeholders, and integrating the various demands and expectations from society into our corporate management, in order to achieve sustainable growth for both the company and society.

For our shareholders and investors, we regularly hold briefings on R&D, Enhertu business, and ESG. We will continue to enhance information disclosure and dialogue in the future. Looking ahead to our 2030 Vision, we will further deepen discussions on the evolution of Materiality, the articulation of social value, and the value we co-create with stakeholders, including patients. As a company, we are united in our efforts to realize our Purpose.



Contribute to the enrichment of quality of life around the world



Daiichi Sankyo Group Philosophy

1	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
2	Core Values	Innovation The introduction of new ideas, methods, or inventions
		Integrity The quality of being honest and of always having high moral principles
		Accountability Being responsible for the effects of your actions and being willing to explain or be criticized for them
3	Core Behaviors	Be Inclusive & Embrace Diversity We value people for who they are as individuals, and welcome diverse perspectives in our work, which enables us to achieve more as Daiichi Sankyo
		Collaborate & Trust We treat each other with respect and build trust through transparency and willingness to listen, which enables us to collaborate simply and productively
		Develop & Grow We learn, experiment, and take initiative, which enables us to grow together every day and strengthen Daiichi Sankyo's capability
	One DS Culture	Aggregate of Purpose, Mission, Vision, Core Value, and Core Behavior

History of the Daiichi Sankyo Group

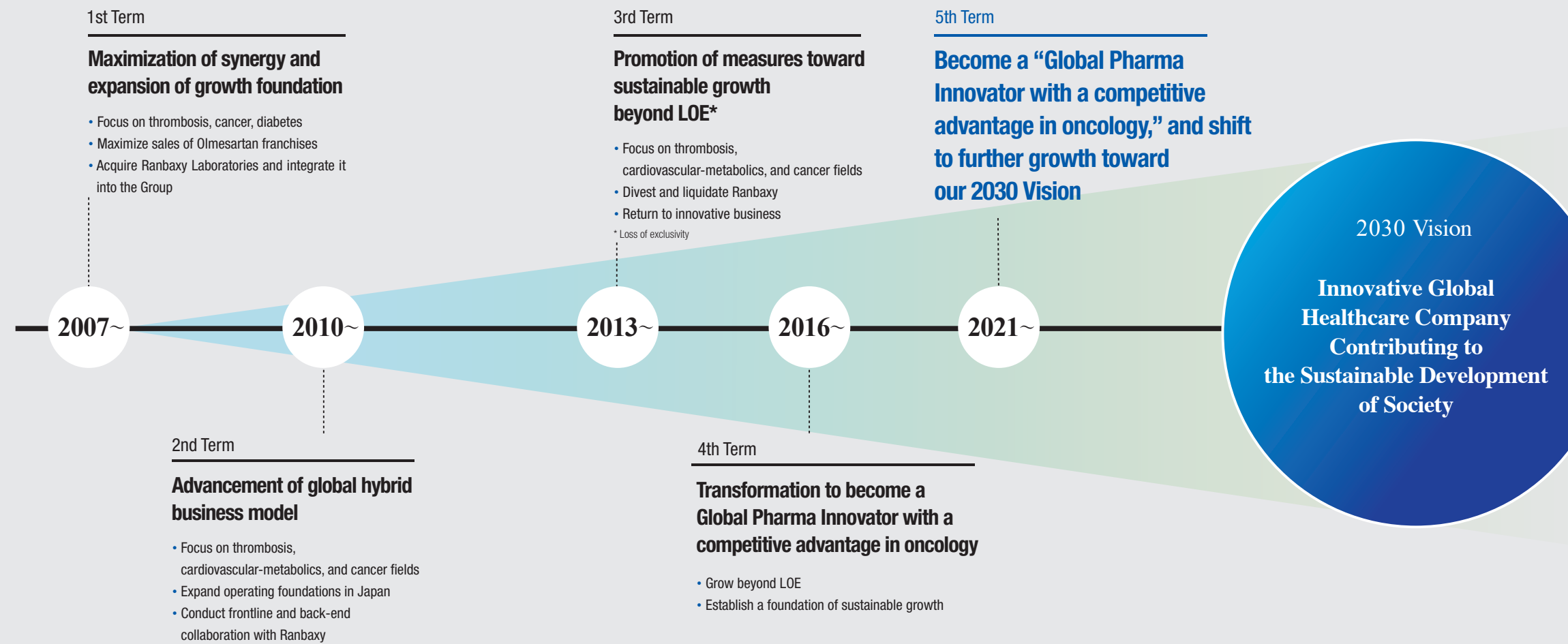
Challenging to continue contributing to patients throughout a history of over 100 years

Daiichi Sankyo continues to challenge the creation of innovative pharmaceuticals by leveraging the strengths of Science & Technology (S&T) that have been passed down over a long period of 100 years. Moving forward, we will continue to create innovative pharmaceuticals sourced from S&T, addressing the unmet medical needs of each era, and “contributing to the enrichment of quality of life around the world” through the realization of our 2030 Vision.

History as a pharma innovator (major products over the years)

- 1899**
Launched Taka-Diastase®, a digestive enzyme agent
- 1902**
Adrenalin, an adrenal cortex hormone agent
- 1915**
Began domestic manufacturing of Salvarsan, a therapeutic drug for syphilis
- 1922**
Began manufacturing of Bosmin®, a vasoconstriction/hemostasis and asthma medicine
- 1951**
Manufactured Chloromycetin®, the first antibiotic produced in Japan
- 1965**
Transamin®, a hemostatic and anti-inflammatory agent
- 1985**
Tarivid®, a broad-spectrum oral antimicrobial agent
- 1986**
Loxonin®, an anti-inflammatory analgesic
- 1989**
Mevalotin®, hypercholesterolemia treatment
- 1993**
Cravit®, a broad-spectrum oral antimicrobial agent
- 2002**
Olmesartan (Olmotec. in Japan and Europe, Benicar. in the United States), an antihypertensive agent

Our 5-year business plan



Breakthrough proprietary products that address “the unmet medical needs” of each era.

Infectious diseases (tuberculosis and pneumonia)

Lifestyle-related diseases

Cancer, dementia, and emerging and re-emerging infectious diseases

- **2009**
Efient®
an antiplatelet agent
- **2010**
Inavir®,
anti-influenza treatment
- **2011**
Lixiana®,
an anticoagulant

- **2019**
Tarlige®,
pain treatment
- **2020**
Enhertu®,
an anti-cancer agent (HER2 directed antibody drug conjugate)
- **2023**
DAICHIRONA®
for intramuscular injection vaccine against COVID-19

Achieving Sustainable Value Creation through Value Co-Creation with Stakeholders

The Daiichi Sankyo Group, as a global pharmaceutical company, is addressing various demands from society, including responding to unmet medical needs. To meet these demands, we invest various forms of capital, including human and intellectual capital, and leverage our strength in Science & Technology—our source of competitive advantage—across the entire value chain. Through the development of pharmaceuticals that address diverse medical needs, the reduction of environmental impact, and the active participation of diverse talents, we provide social and economic value to a wide range of stakeholders, including patients and society at large. We aim to enhance our Group’s sustainable corporate value and contribute to the sustainable development of society by co-creating value with stakeholders and continuously circulating the value creation.

Requirements from Society

- Work environments where a diverse range of people can maximize their potential
- Unmet medical needs
- Improved access to pharmaceuticals
- Corporate management with high ethical standards as a life science company
- Global environmental issues
- ESG initiatives, and other requirements

INPUT

Human capital

- Number of global employees: 18,726 (as of March 31, 2024)
Japan: 9,468, North America: 3,573, Europe: 2,901, Asia, and other regions: 2,784
- Number of new employees (global): 2,840
- Training/development investments: 3.1 billion yen (FY2023)

Intellectual capital

- Oncology and other pipelines
- Technologies and know-how for discovering and delivering new drugs
- Accumulated pharmaceutical information
- Research and development investments: 364.3 billion yen (FY2023)

Manufactured capital

- 13 production sites globally
- Utilization of our collaboration with CMOs (Contract Manufacturing Organizations)
- Capital investments: 89.4 billion yen including CMO investments (FY2023)

Social and relationship capital

- Footprint in 30 countries/regions around the world (FY2023)
- Firm relationship with stakeholders
- Ensuring trust through compliance

Natural capital

- Total energy used: 732,769MWh (FY2023)
- Water consumed: 8,191 kilo m³ (FY2023)

Financial capital

- Equity capital (total equity): 1.6886 trillion yen (as of March 31, 2024)
- Borrowed capital (total liabilities): 1.7725 trillion yen (as of March 31, 2024)

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

Current 5-year business plan (FY2021 to FY2025)

- Maximize 3ADCs**
- Profit growth for current business and products**
- Identify and build pillars for further growth**
- Create shared value with stakeholders**

Sources of Competitive Advantage



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

- Promoting Environmental Management
- Promoting Compliance Management
- Corporate Governance Aimed at Fulfilling Our Mission
- Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages

Core Values / Core Behaviors

OUTPUT

Pharmaceuticals Responding to Diverse Medical Needs

- Innovative pharmaceuticals
- Generic pharmaceuticals
- Vaccines
- Consumer healthcare products

Reducing Environmental Footprint

(Carbon neutrality)

Diverse Range of People

Value Created for Stakeholders



Patients

Reform standard of care
Improve Quality of Life

Example Outcomes

- Expand Enhertu® indications as well as launched countries and regions
- Achieve early launch and expansion of indications of innovative pharmaceuticals
- Create pharmaceutical information in line with medical needs



Shareholders and investors

Enhance corporate value
Improve total shareholder return

Example Outcomes

- Achieve DOE exceeding the cost of equity



Society and the natural environment

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

Example Outcomes

- Decrease CO₂ emissions
- Decrease water consumption



Employees

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

Example Outcomes

- The cultivation of specialized professionals who contribute to the creation of innovation
- Improve engagement

Sustainable enhancement of corporate value through

the value creation cycle

*DOE: Dividend on Equity = Total dividend amount / Equity attributable to owners of the company