

List of Materiality KPIs and Results

	FY2025 KPI Targets	FY2023 results	① Economic value creation ② Social value creation	
Materiality on Business	Creating Innovative Pharmaceuticals <ul style="list-style-type: none"> ① 3ADC: 8 indications launched (as new indications during the mid term plan period) ② Multiple projects to become the new growth driver after 3ADCs are in or above late development or more advanced stage ③ Post DXd-ADC modality is in development stage ④ Number of designations to the priority review system (report the cumulative number) 			
	Providing a Stable Supply of Top-Quality Pharmaceutical Products <p>In house capital investment and CMO investment for the construction of ADC production system and stable supply of top quality pharmaceuticals to patients (including capital expenditure): Maximum 300 billion yen</p>			
	Providing the Highest Quality Medical Information <p>Improvement of evaluation scores from stakeholders including healthcare professionals</p>			
	Improving Access to Healthcare <ul style="list-style-type: none"> ① Increase the number of launched countries through collaboration with partners ② Achievement of supply of COVID-19 vaccine (AZD-1222) of AstraZeneca as planned (FY2021) to contribute to mitigating new risks through cooperation with the regulatory authorities and other companies, Progress in development of DS-5670 as planned 		① Expand R&D pipeline and acquire intellectual property contributing to future revenue and profit ② Contribute to the enrichment of quality of life around the world	
Materiality on Business Foundations	Promoting Environmental Management <ul style="list-style-type: none"> ① Reduction of CO₂ emissions (Scope1 + Scope2)³ by 42% from FY2015 ② • Reduction of CO₂ emissions intensity based on sales (Scope3, Cat.1)³ by 15% from FY2020 <ul style="list-style-type: none"> • At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target)⁴ ③ Renewable electricity utilization rate more than 60% ④ Maintenance of waste plastic recycling rate by over 70% ⑤ Reduction of disposal of hazardous waste by 10% from FY2020 			① Enhance corporate value by improving evaluation of environmental management initiatives (reduction/avoidance of the damage risk to corporate value) ② Contribute to the development of sustainable living infrastructure through the early realization of a decarbonized society, solving of the marine plastic problem, and prevention of environmental pollution
	Promoting Compliance Management <ul style="list-style-type: none"> ① Number of significant compliance violations⁶: 0 ② Number of Notable Industry Code Violations (NICV)⁷: 0 ③ Improvement of periodic employee survey scores on ethical culture following baseline ④ Conduction of continuous compliance and promotional activities monitoring at each company ⑤ Sustainable procurement survey coverage rate 75% ⑥ Internal education and dissemination of our thoughts with business partners, Disclosing the result of education and training ⑦ No case of violation with ILO Core Labour Standards⁸ as a result of human rights risk assessment through DS Group ⑧ Disclosure of results of business partners risk reduction initiatives related to ILO Core Labour Standards⁸ 			① Enhance corporate value by improving trust in our corporate brand (mitigation/prevention of the risks of damage to corporate value) ② Maintain and enhance trust in the pharmaceutical industry, improving social compliance through sustainable procurement
	Corporate Governance Aimed at Fulfilling Our Mission <ul style="list-style-type: none"> ① Complying 100% with all the principles of the revised Corporate Governance Code in Japan ② Evaluating the effectiveness of the Board of Directors and implementing measures for improvement (including third party evaluation, two times by the end of FY2025) ③ Continuously evaluating and improving the effectiveness of the Audit & Supervisory Board ④ Disclosure through various communication materials with improved transparency in order to help stakeholders to understand the company's corporate governance 			① Improve sustainable growth of the company and enhancement of corporate value in the mid-to-long-term ② Total value provided through our business operations, realize management with a high transparency to meet the expectations of shareholders, investors, and other stakeholders
	Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages <ul style="list-style-type: none"> ① Percentage of female in senior managerial employees⁹ to 30% ② Positive response rate (%) on corporate culture & work environment through engagement survey to 80% or more, or 10% or more increase compared to FY2021 ③ Positive response rate (%) on development & growth opportunities through engagement survey to 80% or more, or 10% or more increase compared to FY2021 ④ Disclosure of the result of the amount of training/development investments per employee 			① Enhance corporate value through developing talents to carry out business activities ② Diversity of human resources, respect for human rights, talent development

*1 MR: Feb. 2024, INTAGE Healthcare Inc. (Rep-I), MA: Feb. 2024, INTAGE Healthcare Inc. Product Information Center: Nov. 2023, transcosomes inc. and The Japan Research Institute, Limited

*2 Estimated based on the formula dividing "total sales volume" by the "amount of use required by one patient per year"

*3 Scope1: Direct emissions from the reporting company's factories, offices, vehicles, Combustion of fuels etc.

Scope2: Indirect energy-derived emissions from electric power and other energy consumed by the reporting company

Scope3: Indirect emissions other than Scope1 and Scope2. Category 1 is emissions from activities up to manufacturing of raw materials, parts and containers/packaging materials

*4 Addition of KPI target in FY2023

*5 Subject to the third-party assurance

*6 Compliance violations which occur in domestic and overseas group companies are regarded as significant when disclosure under the relevant laws or regulations is required by the Daiichi Sankyo Group

*7 Cases where there have been healthcare-related findings by the pharmaceutical regulatory authorities and industry-related organizations that may materially discredit or reduce confidence in Daiichi Sankyo Group of companies

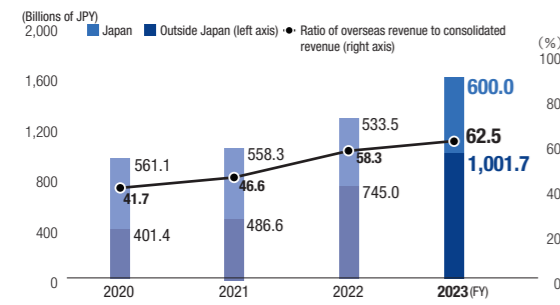
*8 Freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation, occupational safety and health

*9 Senior managerial employees: percentage of women who are in positions equivalent to division heads or higher positions. The definition of senior managerial employees in the Group companies was changed in FY2020.

Financial and Non-Financial Highlights

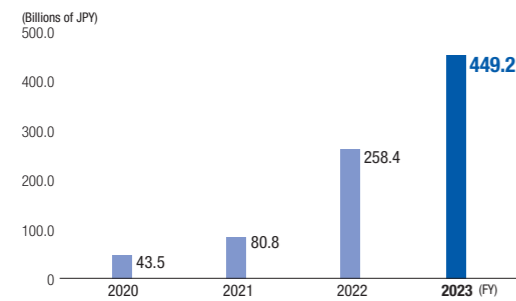
Changes in financial data

Ratio of overseas revenue to consolidated revenue



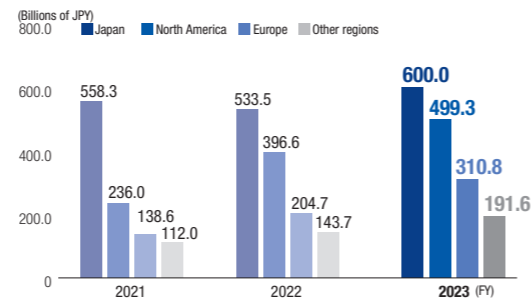
Due to the growth of global key products such as Enhertu and Lixiana, along with increased revenue driven by the depreciation of the yen, the ratio of overseas revenue is rising.

Global revenue / Enhertu®



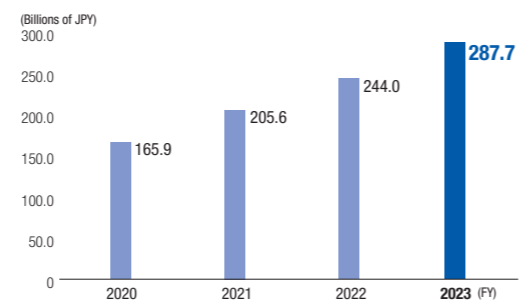
Significant revenue growth was achieved through market penetration in countries and regions where the product is already launched and expansion into new markets.

Revenue by segment



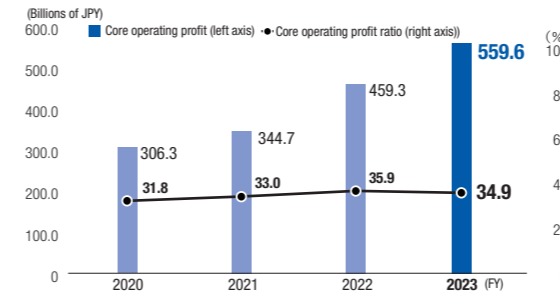
The growth of global key products has led to increased revenue in all countries and regions.

Global revenue / Lixiana®



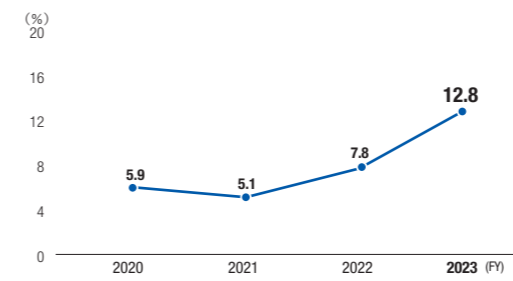
Sales in Japan, Europe, and other regions showed steady growth.

Core operating profit before R&D expenses / Core operating profit ratio



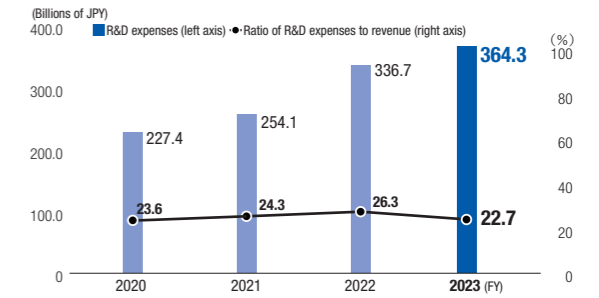
Along with the increase in revenue, core operating profit also grew.

ROE



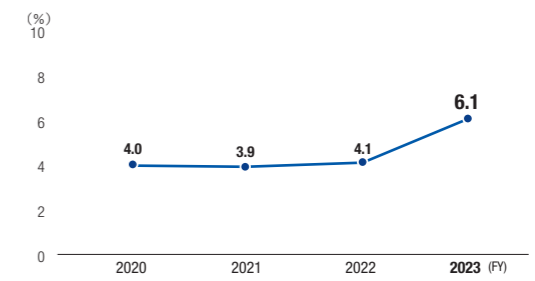
We are working to improve ROE, aiming for over 16%, which is our target for FY2025.

R&D expenses / Ratio of R&D expenses to revenue



R&D expenses increased due to investments aimed at maximizing the product value of 5DXd ADCs and other related initiatives.

DOE

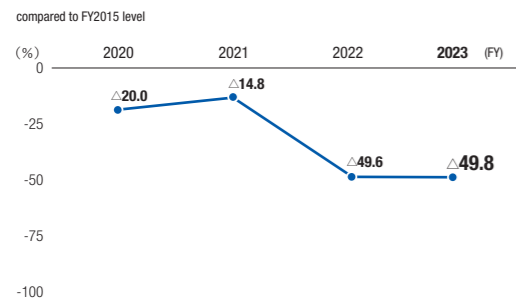


Along with the dividend increase, DOE has risen, and we are striving to maximize shareholder value with a target of over 8% by FY2025.

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

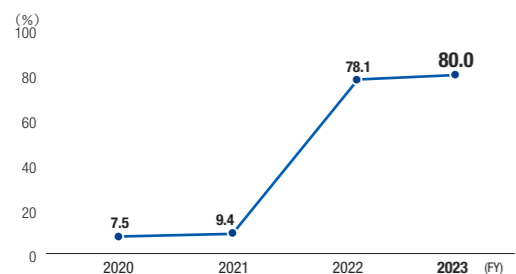
Changes in environmental data

CO₂ emissions (Scope 1 + Scope 2) reduction rate



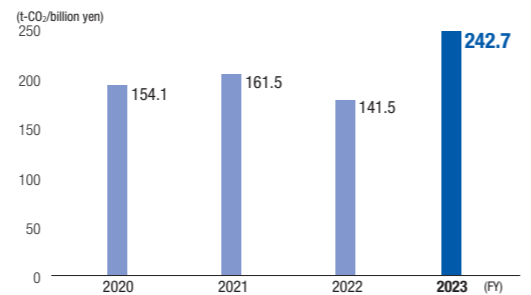
Since FY2022, we have switched to renewable energy for the electricity used at our domestic facilities, significantly reducing Scope 2 CO₂ emissions.

Renewable electricity utilization rate



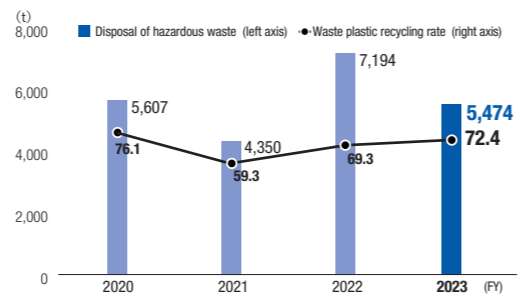
We are actively promoting the transition to renewable energy for electricity use at our domestic facilities.

CO₂ emissions (Scope 3, Cat.1) intensity based on sales (t-CO₂/billion yen)



In FY2023, the intensity increased due to changes in the calculation method and an increase in activity levels. We plan to recalculate the figures for the base year of FY2020 and past years in the future.

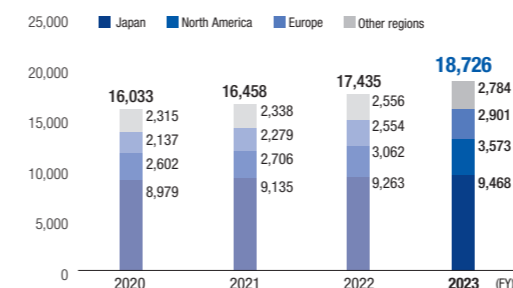
Disposal of hazardous waste, Waste plastic recycling rate



Hazardous waste emissions have been reduced below the baseline of FY2020 due to our ongoing efforts. Additionally, in FY2023, the recycling rate for plastic waste has been achieved at over 70%, meeting our target through continuous recycling initiatives.

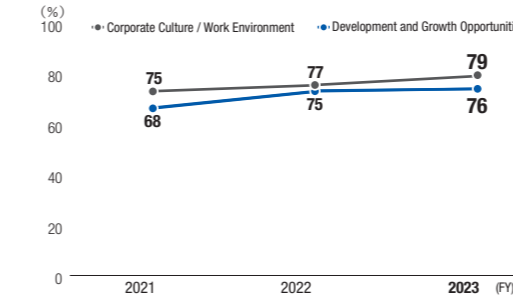
Changes in social data

Number of employees by region



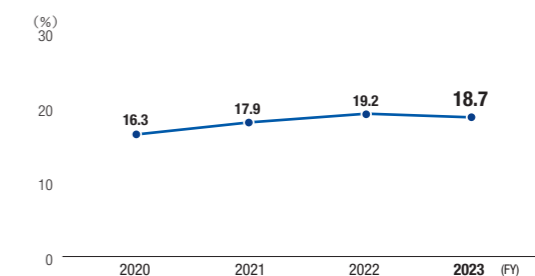
We are strengthening efforts to secure outstanding global talent in response to the expansion of our global operations.

Positive response rate on engagement survey



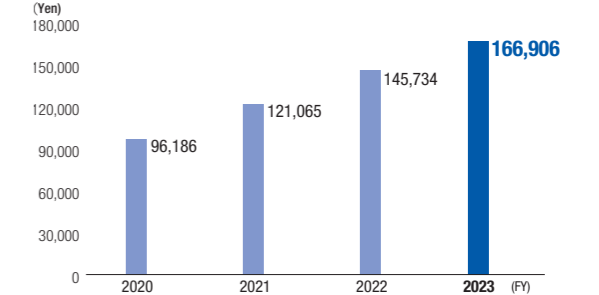
We are implementing analysis and improvement measures based on a global engagement survey to enhance employee engagement.

Percentage of female in senior managerial employees (global)



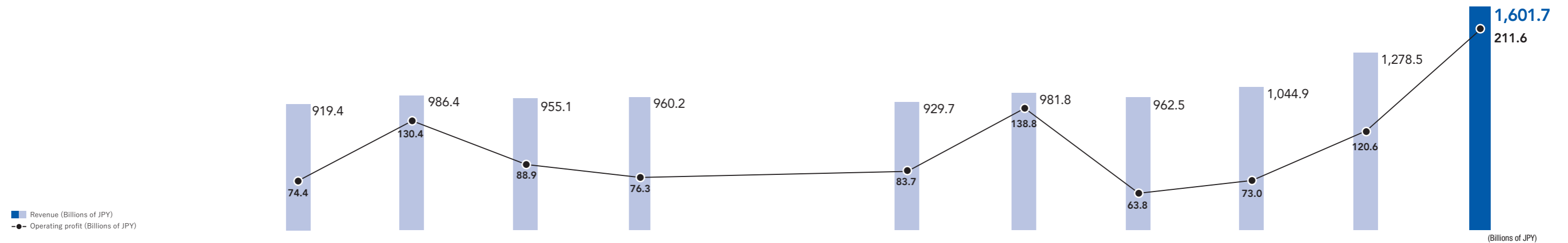
We are committed to promoting women's empowerment to ensure that female employees can build long-term careers and excel in their roles.

Amount of training/development investments per employee



We are focused on developing and strengthening our talents to enhance business competitiveness through various approaches, including internal education programs.

10-Year Financial Summary (IFRS)



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Financial Results										
Revenue	919.4	986.4	955.1	960.2	929.7	981.8	962.5	1,044.9	1,278.5	1,601.7
Overseas revenue	392.4	430.7	375.2	341.9	333.8	374.1	401.8	486.6	745.0	1,001.7
Ratio of overseas revenue to revenue (%)	42.7	43.7	39.3	35.6	35.9	38.1	41.7	46.6	58.3	62.5
Operating profit	74.4	130.4	88.9	76.3	83.7	138.8	63.8	73.0	120.6	211.6
Ratio of operating profit to revenue (%)	8.1	13.2	9.3	7.9	9.0	14.1	6.6	7.0	9.4	13.2
Profit attributable to owners of the Company	322.1	82.3	53.5	60.3	93.4	129.1	76.0	67.0	109.2	200.7
Research and development expenses	190.7	208.7	214.3	236.0	203.7	197.5	227.4	260.3	341.6	365.2
Ratio of research and development expenses to revenue (%)	20.7	21.2	22.4	24.6	21.9	20.1	23.6	24.9	26.7	22.8
Depreciation and amortization	42.0	44.3	47.4	46.7	46.2	52.6	57.4	58.2	67.8	59.6
Capital expenditure	36.3	23.3	23.9	26.9	38.3	29.0	40.1	56.2	71.5	89.4
Financial Position										
Total assets	1,982.3	1,900.5	1,915.0	1,897.8	2,088.1	2,105.6	2,085.2	2,221.4	2,508.9	3,461.1
Total equity	1,307.0	1,233.5	1,171.4	1,133.0	1,249.7	1,306.3	1,272.1	1,350.9	1,445.9	1,688.6
Cash Flows										
Net increase (decrease) in cash and cash equivalents	(10.7)	45.4	24.4	115.2	(116.7)	186.6	(49.5)	265.3	(232.9)	193.1
Free cash flows*1	121.5	168.3	39.4	217.0	(50.5)	278.3	153.0	351.6	(143.3)	316.6
Per Share Information										
Basic earnings per share (JPY)*2	152.52	39.79	26.54	30.44	48.07	66.40	39.17	34.94	56.96	104.69
Equity per share attributable to owners of the Company (JPY)*2	617.43	600.63	591.00	583.11	642.93	671.64	663.85	704.76	754.09	880.40
Annual dividends per share (JPY)*3	60	70	70	70	70	70	27	27	30	50
Main Financial Indicators										
Return on equity attributable to owners of the Company (ROE) (%)	28.2	6.5	4.4	5.2	7.8	10.1	5.9	5.1	7.8	12.8
Ratio of equity attributable to owners of the Company to total assets (%)	65.8	64.8	61.4	59.7	59.8	62.0	61.0	60.8	57.6	48.8
Ratio of dividends to equity attributable to owners of the Company (DOE) (%)	3.7	3.8	3.9	4.0	3.8	3.5	4.0	3.9	4.1	6.1
Price-earnings ratio (PER)	4.2	21.0	31.5	38.6	35.4	37.3	82.3	76.7	84.7	45.6
Stock price at the end of the year (JPY)	1,907	2,502	2,507	3,526	5,100	7,434	3,225	2,680	4,822	4,777
Market capitalization*4	1,342.6	1,710.2	1,662.7	2,283.7	3,304.2	4,817.7	6,179.6	5,137.0	9,244.5	9,159.7
Average exchange rates (USD/JPY)	109.94	120.14	108.42	110.86	110.91	108.75	106.06	112.38	135.48	
(EUR/JPY)	138.78	132.57	118.84	129.70	128.40	120.83	123.70	130.56	140.97	
Number of Employees										
Japan	16,428	15,249	14,670	14,446	14,887	15,348	16,033	16,458	17,435	18,726
North America	8,543	8,589	8,648	8,765	8,865	8,754	8,979	9,135	9,263	9,468
Europe	3,322	2,321	2,464	2,191	2,172	2,380	2,602	2,706	3,062	3,573
Others	2,094	1,997	1,578	1,582	1,778	1,953	2,137	2,279	2,554	2,901
	2,469	2,342	1,980	1,908	2,072	2,261	2,315	2,338	2,556	2,784

*1 Cash flows from operating activities + Cash flows from investing activities

*2 Effective October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares. "Basic earnings per share" and "Equity per share attributable to owners of the Company" are calculated on the assumption that the share split had been implemented the beginning of FY2011.

*3 "Annual dividends per share" of 27 JPY (interim dividend of 13.5 JPY and year-end dividend of 13.5 JPY) is stated on the assumption that the share split had been implemented at the beginning of FY2020.

*4 Market capitalization is calculated excluding treasury stocks.

Major Products

Innovative pharmaceuticals *Major products cited in the text

Brand Name (Generic Name)	Efficacy	Launched	Marketed countries and regions	Remarks
Enhertu® (trastuzumab deruxtecan)	Anti-cancer agent (HER2 directed antibody drug conjugate)	2020	Global	Antibody-drug conjugate which is composed of a humanized monoclonal antibody specifically targeting HER2, one of the Epidermal Growth Factor Receptor (EGFR) family proteins, and a covalently linked drug (payload) via a cleavable linker. Payload is a potent and membrane permeable DNA topoisomerase I inhibitor which enables elimination of both target tumor cells and the surrounding tumor cells.
Lixiana® (edoxaban)	Anticoagulant	2011	Global	Orally active Factor Xa inhibitor. Prevents the formation of blood clots by specifically, reversibly and directly inhibiting the enzyme, Factor Xa, a clotting factor in the blood.
Tarlige® (mirogabalin)	Pain treatment	2019	Japan	An $\alpha 2 \delta$ ligand. The pain therapy agent to reduce the neurotransmitter release from nerve terminals.
Venofer® (iron sucrose injection)	Iron deficiency anemia treatment	2000	America	Iron replacement product. Effective for treatment of iron deficiency anemia in dialysis patients, etc.
Nilemdo®/ Nustendi® (bempedoic acid or combination tablet of bempedoic acid and ezetimibe)	Cholesterol-lowering treatment	2020	EU	Bempedoic acid is an oral treatment which lowers cholesterol. It inhibits ATP Citrate Lyase, an enzyme which is involved in the production of cholesterol in the liver. Bempedoic acid/ ezetimibe reduces absorption of dietary cholesterol in the gut; it is an oral treatment which combines two complementary ways of reducing blood cholesterol levels.



Enhertu



Lixiana

OTC drug



Lulu



Minon

Shareholders' Information

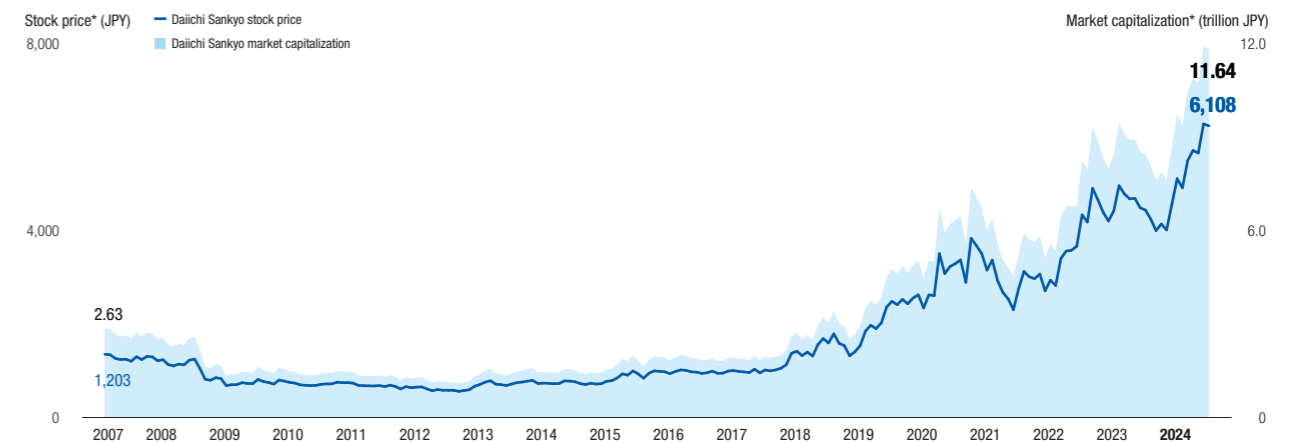
Common Stock (As of March 31, 2024)

Number of shares authorized	8,400,000,000
Number of shares issued	1,947,034,029 (including 29,531,339 treasury shares)
Number of shareholders	92,038

Major Shareholders (As of March 31, 2024)

Name	Number of Shares Held (Thousands of shares)	Ratio(%)
The Master Trust Bank of Japan, Ltd. (trust account)	320,049	16.69
Custody Bank of Japan, Ltd. (trust account)	163,473	8.53
JP MORGAN CHASE BANK 385632	117,255	6.11
Nippon Life Insurance Company	85,863	4.48
STATE STREET BANK AND TRUST COMPANY 505001	53,230	2.78
SSBTC CLIENT OMNIBUS ACCOUNT	52,935	2.76
STATE STREET BANK WEST CLIENT-TREATY 505234	36,407	1.90
GOVERNMENT OF NORWAY	29,150	1.52
JP MORGAN CHASE BANK 385781	26,213	1.37
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	25,014	1.30

Market Capitalization and Changes in Stock Price



*Stock prices and market capitalization are based on closing price at the end of month from March 2008 to August 2024. Stock price is post-share split base (Effective October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares). Market capitalization is calculated excluding treasury stocks.

Share Registrar

Mitsubishi UFJ Trust and Banking Corporation

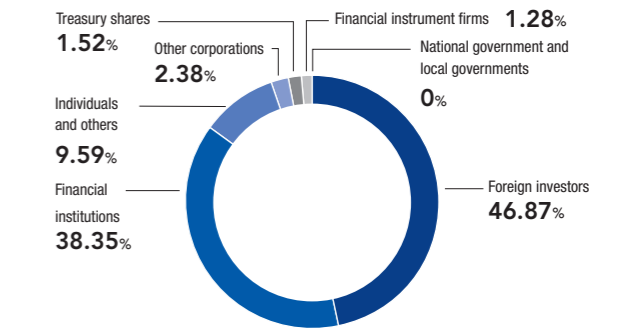
Mailing address and telephone number

Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division

Shin-TOKYO Post Office post office box No.29, 137-8081, Japan

Tel: 0120-232-711 (toll free within Japan)

Distribution of Shareholders (As of March 31, 2024)



Trends in Total Shareholder Return

