

About Daiichi Sankyo

01





| | |
|---|-----------|
| Introduction | 5 |
| CEO Message | 9 |
| Financial and Pre-Financial Highlights | 15 |
| Daiichi Sankyo Group Philosophy | 17 |
| History of the Daiichi Sankyo Group | 18 |
| Value Creation Model Underpinned by our Strength in Science & Technology | 19 |
| Materiality | 21 |
| List of Materiality KPIs and Results | 23 |

Where We Are

We create innovations that bring hope to each individual patient and deliver value globally.

Enhertu treated patients

Cumulative total of approximately
94,650 patients

Our products are delivered to cancer patients worldwide, serving as a treatment option in 69 countries and regions.

Revenue

¥1,886.3 billion

Our sales have grown approximately twofold over the past three years. With overseas sales accounting for over 60%, we are expanding our business globally.

R&D expenses

¥432.9 billion

We are actively pursuing strategic investments in our research and development infrastructure to continuously generate innovations, focusing on maximizing the value of our key pipeline including 5 DXd ADCs and creating next-generation innovative pharmaceuticals.

ROE

17.9%

We maintain a high level of ROE (Return on Equity) within the industry, and with a core operating profit margin before R&D expenses of 39.5%, we ensure high profitability.

Number of employees

19,765

Employees dedicated to creating and delivering medicines for patients. We operate globally across 32 countries and regions.

* The five figures presented are based on data as of fiscal year 2024.

Where We Came from

We have continuously created innovative pharmaceuticals and responded to the unmet medical needs of each era.

1899

■ Digestive enzyme preparation
Takadiastase®

1989

■ Hypercholesterolemia treatment
Mevalotin®

1993

■ Broad-spectrum oral antibacterial agent
Cravit®

2002

■ Antihypertensive drug
Olmetec®

2009

■ Antiplatelet agent
Effient®

2010

■ Anti-influenza drug
Inavir®

2011

■ Anticoagulant
Lixiana®

2019

■ Pain management drug
Tarlige®

Hypertension treatment
Minnebro®

2020

■ Anticancer drug
Enhertu®

2022

■ Anticancer drug
Ezharmia®

2023

■ COVID-19 vaccine
DAICHIRONA®
Intramuscular Injection

2024

■ Anticancer drug
Datroway®

What Makes Us Grow

We have key growth drivers that will enable us to realize our 2030 Vision.

Science & Technology (S&T)

Drug discovery capabilities that create innovation, and a DNA that inherits challenges

P 27

We create breakthrough innovations centered on our R&D DNA and culture inherited as a drug discovery company, and unique technological capabilities, exemplified by DXd ADC technology.

Human Resources

People grow, the organization thrive

P 33

Positioning “people” as the source of value creation, we develop competitive talent and promote building a strong global organization through strengthening human capital.

Patient Centricity

Value creation starting from patients

P 39

We place Patient Centricity at the foundation of all corporate activities, with all employees united by shared values to contribute to more patients more quickly.

Where We Go

2030 Vision

An Innovative Global Healthcare Company Contributing to the Sustainable Development of Society

- 1 Deliver “hope” to patients
- 2 Aim to be a Global Top 10 Oncology company, bringing innovation from Japan to the world
- 3 Contribute to sustainable social development together with diverse stakeholders

We will continue to take on challenges to contribute to the enrichment of quality of life around the world.

CEO Message



As a Global Pharma Innovator with Competitive Advantage in Oncology, We Continue to Take on New Challenges by Leveraging Our Excellence in Science and Technology and the Power of Our Human Resources.

Representative Director,
Executive Chairperson & CEO

A handwritten signature in blue ink, appearing to be 'A. Q.', written over a blurred background of an office chair and plant.

The Challenge of Sustainable Growth with Our Purpose at the Core

First and foremost, I would like to extend my sincere gratitude to all our stakeholders for your continued support and understanding of our management.

Our company is accelerating efforts toward sustainable growth, to realize our purpose of contributing to the enrichment of quality of life around the world. Looking ahead to 2030, we have set forth a vision to become an "Innovative Global Healthcare Company Contributing to the Sustainable Development of Society." This fiscal year marks the final year of our current 5-year Business Plan (FY2021-FY2025), and all our employees are working together as one to deliver outcomes that exceed the targets we set at its launch. In parallel, we are advancing discussions on our 2035 Vision and our next 5-year Business Plan (FY2026-FY2030) as a roadmap for our next stage of growth. Taking on the significant responsibility of serving as CEO of Daiichi Sankyo at such a pivotal juncture in our journey, I feel a profound sense of mission and renewed determination to lead the company forward.

Under our current 5-year Business Plan, we have accelerated growth in oncology with the goal of becoming a "global pharma innovator with competitive advantage in oncology" as a FY2025 target. In FY2024, we achieved numerous remarkable results, particularly with our DXd ADC products. Enhertu®, our strongest growth driver, continues to transform cancer treatment by acquiring new indications primarily in breast cancer and providing new therapeutic options for patients for whom conventional therapies had limited efficacy. In recognition of its global innovation, Enhertu was awarded the Prix Galien USA the equivalent of the most prestigious award in the pharmaceutical industry, in November 2024. Datroway®, our second DXd ADC product, has also obtained regulatory approval in Japan, the United States, and Europe, expanding access to new treatment options for more patients. We are accelerating development for our five late-stage DXd ADCs, through strategic partnerships with AstraZeneca and Merck & Co., Inc., Rahway, NJ, USA, so that we can deliver these innovations to as many patients around the world and as quickly as possible.

I have placed great value on the Japanese management philosophy of "sanpoyoshi" (Three-Way Good). This philosophy embodies the idea that the revenues and profits generated through Daiichi Sankyo's business activities, conducted in line with our Purpose, should be distributed fairly and in a well-balanced manner to all stakeholders. It reflects our fundamental belief in the importance of value co-creation with multiple

stakeholders. The world today is experiencing an extraordinary level of uncertainty and complexity, brought about by factors such as multipolarity of the international order, shifts in trade policies. In such an environment, companies are required not only to respond swiftly and flexibly to immediate changes, but also to take a long-term view of risks and opportunities, and to adapt with resilience and agility. Precisely because we are navigating such an era, we are more committed than ever to genuine, open dialogue with all our stakeholders. By actively listening to their voices and engaging with them to create value, we aim to build relationships rooted in trust and collaboration, and to co-create value that benefits all. Through our business activities, we will continue to contribute to solving social issues and remain firmly dedicated to realizing sustainability management that delivers both, social and economic value.

And to remain a company that all our stakeholders can truly say they are glad it exists, I wholeheartedly reaffirm our unwavering commitment to continuously creating new value for the future.



Q What kind of leadership style and organization are you aiming for as a top leader?

A I place great importance on a "coaching-style leadership" —one that trusts in people and draws out their potential through open dialogue, along with fostering a company-wide quality culture. Under my leadership, I will continue to build a trustworthy organization that earns trust from within and outside the company.

To realize our Purpose through our business activities and to build an organization that earns the trust of society, I am focusing on two essential pillars in my daily leadership: people and quality. These two elements form the foundation of how I approach management on the ground each day.

First, regarding the "people" front, I view the enhancement of talent as a key management priority. I have placed a strong emphasis on respecting the diverse potential and empowerment of our employees, and encouraging them to use their talents through meaningful dialogue. As our Group continues to grow at an unprecedented speed and scale, I am convinced that the key to sustaining this momentum lies in how we can unlock the strengths of each individual and unite them as the collective power of the organization. This is the essence of what we call "coaching-style leadership," not only leading from the front, but also running alongside, offering support, and at times leaning on others, all while mutually elevating each other. By nurturing each employee to be a true protagonist in achieving our goals, we aim to build an organization where team building and sustainable value creation are driven from within.

Since FY2024, I have been working with Chief Human Resources Officer (CHRO) Matsumoto on "CEO & CHRO's Visit," visiting our Group companies around the world to engage in direct dialogue with employees. This initiative is aimed at enhancing employee engagement and strengthening organizational cohesion, with the goal of reaching all approximately 20,000 employees across the Daiichi Sankyo Group by the end of FY2025. At each site, I engage in dialogue about the company's direction and my own thoughts while sincerely listening to employees' voice and encouraging open and lively exchanges. What I feel through these interactions is that the sense of unity within the Daiichi Sankyo Group has grown even stronger through dialogue, and there are moments when employees reframe the company's goals and challenges as their own. This represents an accountable mindset - the awareness that they too are part of the change - and this

mindset is what serves as a wellspring of strength for our organization.

The other pillar I value is "quality." Through my past experience of confronting serious issues related to quality and integrity at a generic pharmaceutical company we had acquired, I came to deeply understand that "quality is trust itself." I believe that, no matter the situation, if we return to this foundational principle of quality, we will always be guided to make the right decisions.

People use Daiichi Sankyo's products with confidence because they can trust the quality. Maintaining this unwavering stance in all processes related to products and services leads to Daiichi Sankyo's credibility and continued growth. What embodies this philosophy is the value of "Patient First, Quality Always" declared by our Chief Quality Officer (CQO) Shimizu. We aim to embed this value as a quality culture, enabling employees to naturally act in alignment with it.

Furthermore, by fostering a workplace culture where employees feel empowered to speak up and openly share on-the-ground issues and insights, we aim to further strengthen our commitment to compliance—making the trust placed in us even more unshakable.

Both leadership and our commitment to quality are ultimately about earning and maintaining trust as an organization. As I continue to learn and grow myself, I aspire to build an organization that embraces change and takes on challenges together with my colleagues.



A Moment from the CEO & CHRO's Visit

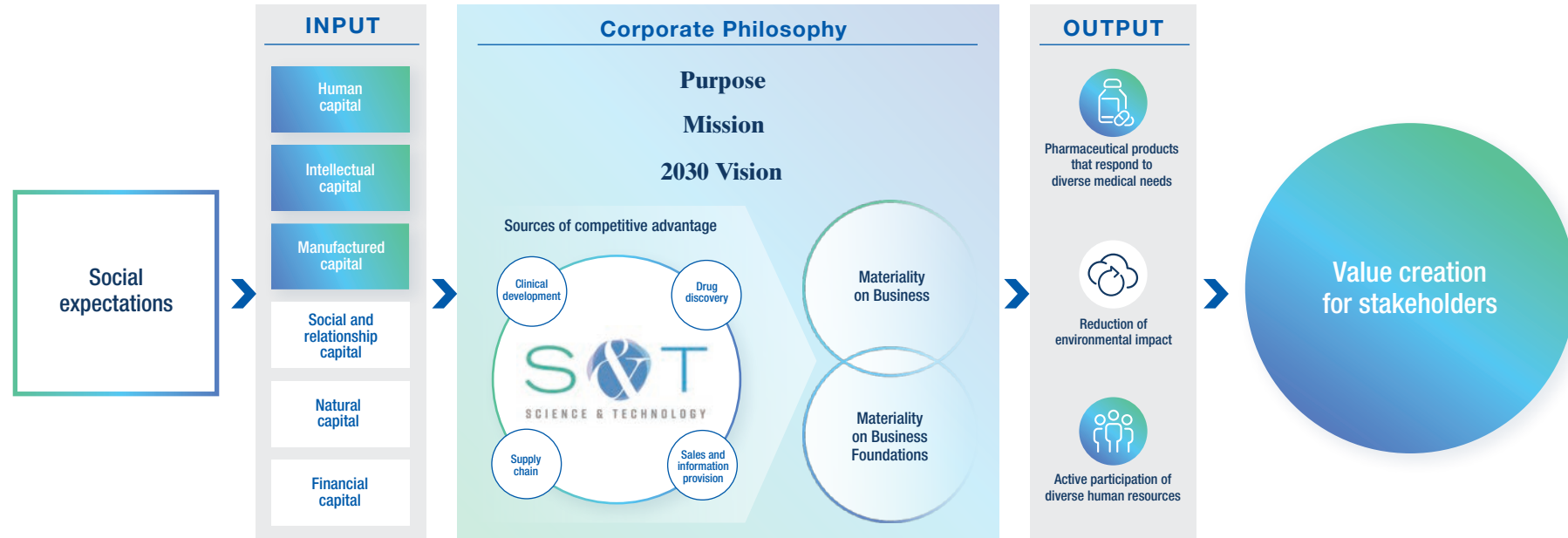
Q Please tell us about Daiichi Sankyo's unique competitive advantages, strengths, and related initiatives in driving value creation.

A Excellence in Science & Technology that we have cultivated over many years, the people of Daiichi Sankyo who are the driving force behind that excellence, and our deeply rooted patient-centric corporate culture. These three elements form the solid foundation of our competitive advantage.

Our Group has created numerous innovative pharmaceuticals through our advanced research and development capabilities, leveraging our strengths in Science & Technology. As an innovative pharmaceutical company, we are united in addressing even the most difficult challenges by putting patients first and basing our decisions on sound science.

Daiichi Sankyo's Uniqueness - Bringing Japanese Innovation to the World with Science & Technology at its Core

Daiichi Sankyo has a proven track record of creating global products such as olmesartan and edoxaban, as well as, more recently, innovative oncology drugs like Enhertu and Datroway. All of these products originated from our research laboratories in Japan, which demonstrates our world-class drug discovery capabilities. What underpins this high level of drug discovery capability is our strength in Science & Technology namely, exceptional talent with a deep understanding of and curiosity about science, as well as a robust R&D culture that has been cultivated over many years as a pharmaceutical company. This culture embodies the following concepts: Scientific Freedom, which encourages researchers to engage in open and active discussions regardless of their role or level of experience and to propose their own research themes, and craftsmanship, which represents our dedication to quality and careful coordination of techniques and attention to detail. Furthermore, there is the attitude of Learning from success and failure, which is, recognizing that research is a continuous journey



of challenges, where both successes and failures are valuable learning opportunities.

While science remains our foundation, we place strong emphasis on cross-functional and cross-disciplinary collaboration, driving integrated, company-wide efforts across discovery, development, manufacturing, and supply. For example, in drug discovery research that creates seeds for future medicines, we actively challenge ourselves with modality diversification. Additionally, through early information sharing and close collaboration with our Technology Unit, our ability to globally design and build optimal production technology, manufacturing systems, and supply frameworks for products from the early research stage is also a unique strength of Daiichi Sankyo.

To further strengthen these capabilities in a sustainable manner, we are expanding our global research innovation hubs, and in 2025, we established a cutting-edge smart research laboratory in San Diego, USA.

We will continue to value the perspective of "from Japan to the world" as we strive to create innovative pharmaceuticals. Backed by our global organizational capabilities, we aim to become a unique global pharmaceutical company originating from Japan that consistently executes the entire value chain - from drug discovery and clinical trials to manufacturing, supply, and information provision.

For more information about our Science & Technology strengths, please see [P27](#)

"People" as the Driving Force of Value Creation —Aiming for an Organization Where People and Business Grow Together

The uniqueness of Daiichi Sankyo and the strength of our R&D are supported by the power of our people. Since becoming President, I have been deeply committed to strengthening our human capital. Based on the belief that "people are the source of Daiichi Sankyo's value creation," I have focused on this as an important theme while aligning our human resources strategy with our overall management strategy. Currently, we are advancing large-scale investments in three areas: R&D, facilities, and human resources. A common thread running through all of these is the vital role of people. It is people who conduct research, and it is people who operate and manage sophisticated facilities - everything relies on human capabilities. I believe these investments will bring new challenges and growth opportunities to each employee, helping them expand their expertise and deepen their experience.

As part of our human resource development, we are advancing the training and strengthening of specialized talent globally—particularly in priority areas such as



biopharmaceuticals—centered on enhancing our competitive advantage in Science & Technology. In addition, in FY2024 we launched the "DS Academy," a two-year development program for approximately 30 next-generation leader candidates selected from around the world, who are expected to drive our future global growth. This program not only strengthens leadership but also cultivates a company-wide strategic perspective. Participants are also given opportunities to elevate their viewpoint through direct dialogue with Executive Management Committee members, helping them elevate their leadership mindset. Feedback from participants has been highly positive and encouraging.

For specific initiatives regarding human capital, please see [P33](#)

Starting with the Patient: Company-wide Implementation of Patient Centricity

By bringing together the power of people and organizations, we are advancing all of our business activities based on the shared value of for patients.

Patient Centricity is the very reason for our existence as a drug discovery company and our greatest motivation. With our corporate slogan "Passion for Innovation, Compassion for Patients.®" in our hearts, approximately 20,000 employees around the world embrace patient centricity as a shared value. With a deep sense of purpose—knowing why we work and why we exist—each of us approaches our daily responsibilities with commitment and care. As employees with diverse roles collaborate across borders and languages, this shared value binds us together and strengthens our sense of cohesion as an organization.

Furthermore, in April 2024, we newly established a Special Assignment on Patient

Centricity role, strengthening our ability to oversee and promote initiatives across our entire group in a global and cross-functional manner. By consistently engaging with patients in an open and sincere manner and listening carefully to their voices, we are elevating innovation even more meaningful.

No matter what challenges lie ahead, I will continue to lead with determination so that all employees can continue to move forward together with pride in contributing to patients.

For specific Patient Centricity initiatives, please see **P39**

Q Please tell us about your initiatives for achieving sustainable growth and the current status of discussions on the next 5-year Business Plan.

A Even amid an uncertain market environment, we plan to develop a robust strategy together with all EMC* members to drive growth over the short, medium, long, and extended time horizons.

*Executive Management Committee

We have been striving to achieve sustainable growth by strengthening our R&D capabilities and accelerating global product launches through strategic partnerships with external partners.

At the core of our efforts lies the R&D of DXd ADCs, an area in which we possess world-class competitiveness. We are steadily advancing initiatives toward the market launch of products following Enhertu and Datroway. At the same time, with a view toward the maturity phase of the DXd ADC franchise, we are focusing on the research and development of next-generation ADCs, as well as exploring novel modalities beyond ADCs. These efforts are aimed at continuously generating technologies and products that underpin sustainable growth.

In the area of clinical development, we have strengthened our ability to deliver innovative drugs more rapidly to more patients through strategic alliances with global partners such as AstraZeneca and Merck & Co., Inc., Rahway, NJ, USA. Alliances themselves are one of our key investment areas; however, we recognize the critical importance of optimizing R&D expenditures through appropriate partnership management based on clear prioritization, while maintaining a comprehensive view of Daiichi Sankyo's asset portfolio.

Looking ahead, we will further accelerate our global expansion and evolve into an even more resilient organization—one that not only builds on the organizational strength cultivated through these alliances but is also capable of pursuing development and commercialization independently.

During the next 5-year Business Plan period, several of our key products, including Lixiana®, which has supported our business and oncology investments, will reach important milestones in their product life cycles. In order to secure short-term earnings while continuing to invest for the future, it is increasingly important to reassess and optimize our business and organizational structure, set clear priorities for areas of focus, and make timely and accurate decisions.

To define our future direction, we have been engaging in deep discussions at the EMC since April 2024 such themes as: What do our stakeholders expect from Daiichi Sankyo? What should our 2035 Vision and the next 5-year Business Plan look like? What should we prioritize, and what should we not pursue? Through this process, each member of the management team has come to strongly embrace an enterprise mindset, taking responsibility as a leader for the entire Group. We are working together as one, with the mindset that we are an “EMT (Team)” rather than an “EMC (Committee)” to make decisions with a forward-looking view.

Our discussions are still ongoing, but we aim to present our 2035 Vision and our goals and strategies through 2030 in the early part of the next fiscal year. We sincerely hope you look forward to these updates.

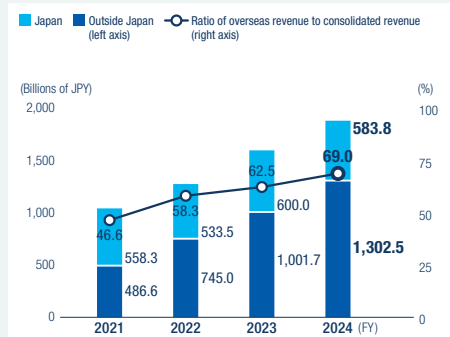
Financial and Pre-Financial* Highlights

*This term is used to illustrate the enhancement of capital that will generate cash ow and contribute to future financial performance as our company strengthens its investments, aiming to more clearly demonstrate the connectivity to financial outcomes

For changes in revenue and other financial data, please see [P65](#)
For more information on Daiichi Sankyo's pipeline, click [here](#)

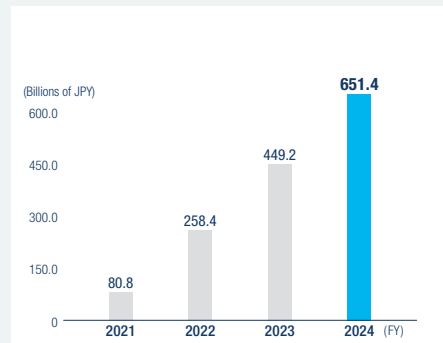
Changes in financial data

Ratio of overseas revenue to consolidated revenue



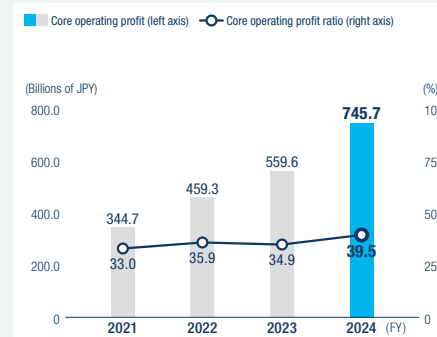
Due to the growth of global key products such as Enhertu and Lixiana, along with increased revenue driven by the depreciation of the yen, the ratio of overseas revenue is rising.

Global revenue / Enhertu



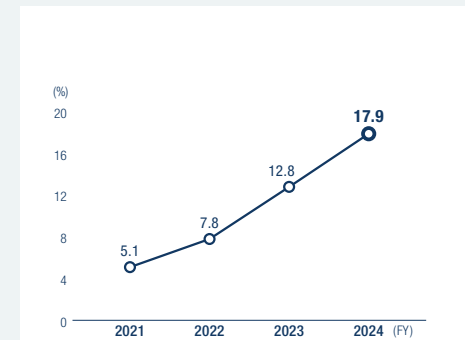
Significant revenue growth was achieved through market penetration in countries and regions where the product is already launched and expansion into new markets.

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



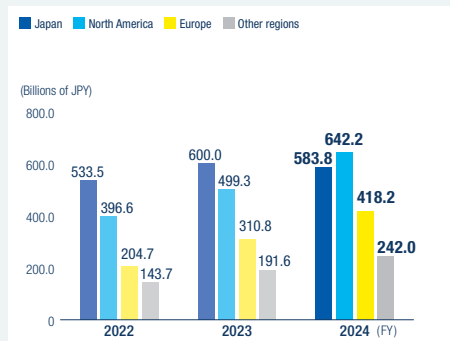
Along with the increase in revenue, core operating profit also grew.

ROE



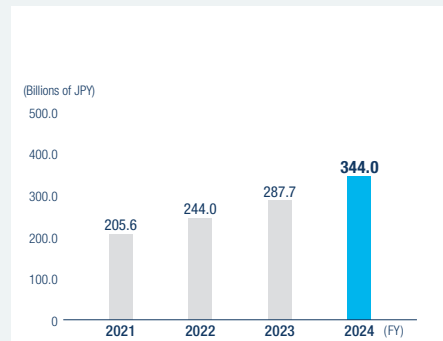
We achieved 17.9% in FY2024, exceeding our FY2025 target of 16% or more.

Revenue by segment



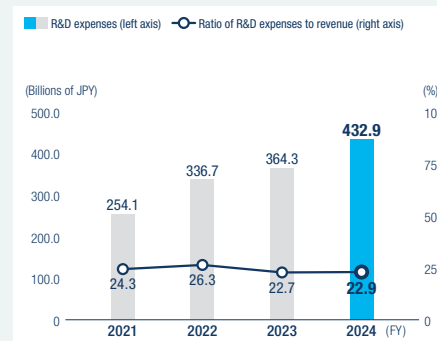
Revenue increased across all regions except Japan, primarily driven by sales growth of global key products.

Global revenue / Edoxaban



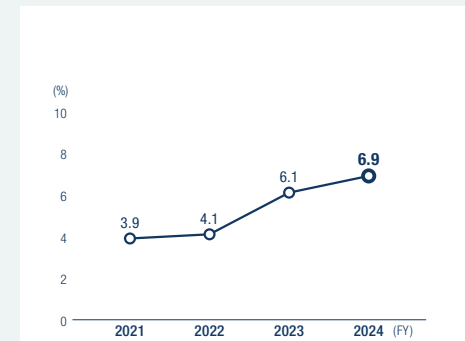
Sales in Japan, Europe, and other regions showed steady growth.

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 FY2025 target.

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

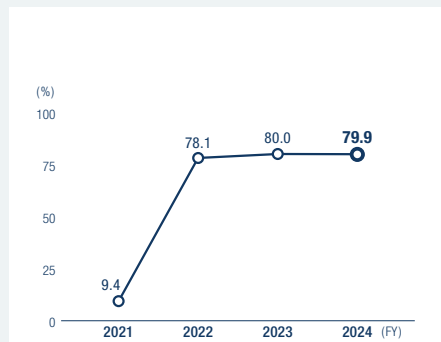
Changes in environmental data

CO₂ emissions (Scope 1 + Scope 2) reduction rate



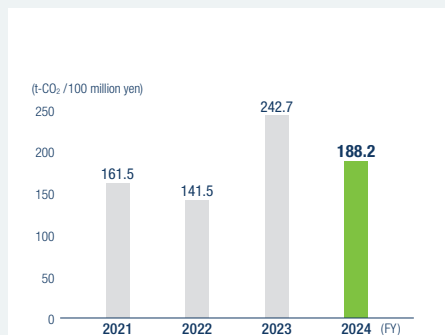
Since FY2022, we have switched to renewable energy for the electricity used at our domestic facilities, significantly reducing Scope 2 CO₂ emissions.

Renewable electricity utilization rate



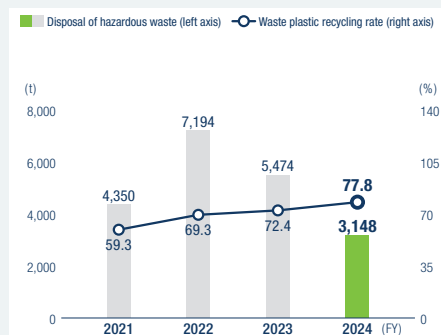
We are actively promoting the transition to renewable energy for electricity use at our domestic facilities.

CO₂ emissions (Scope 3, Cat.1) intensity based on sales



Due to increased revenue and the sale of a consolidated subsidiary, CO₂ emissions intensity based on sales decreased. Moving forward, we will consider introducing a calculation method that reflects actual emissions based on the activity volume of our suppliers.

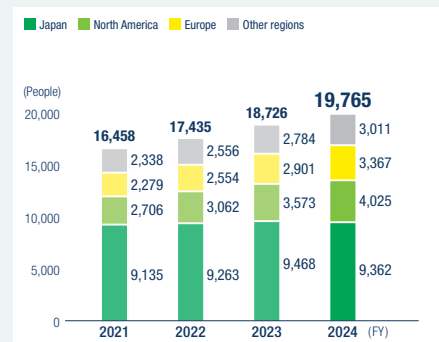
Disposal of hazardous waste, Waste plastic recycling rate



As a result of our reduction efforts, disposal of hazardous waste fell below the baseline year level of FY2020 (5,607 tons). Additionally, our waste plastic recycling rate has achieved the target of 70% or more by advancing resource recovery.

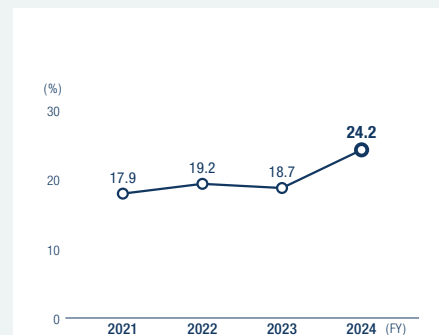
Changes in social data

Number of employees by region



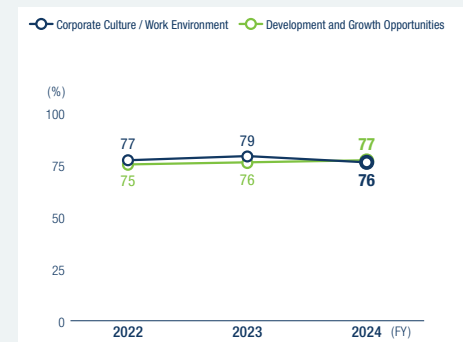
We are strengthening efforts to secure outstanding global talent in response to the expansion of our global operations.

Percentage of female in senior managerial employees (global)



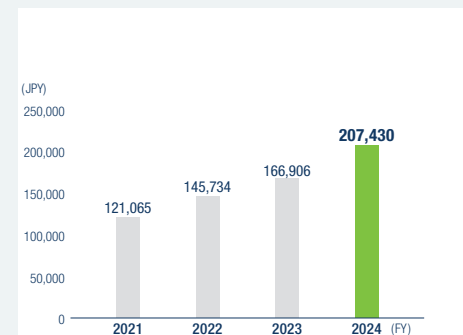
We are committed to promoting women's empowerment to ensure that female employees can build long-term careers and excel in their roles.

Positive response rate on engagement survey



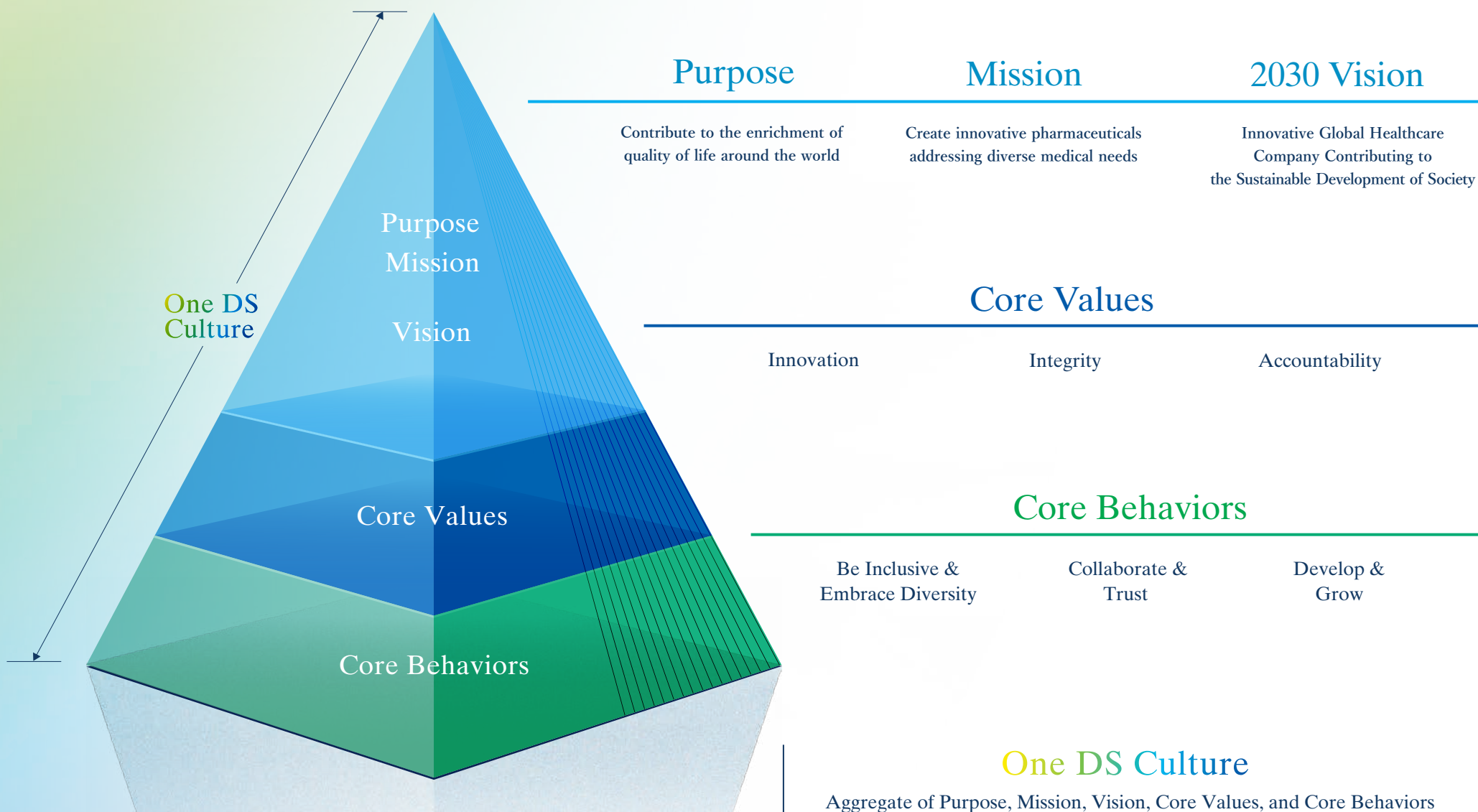
We are implementing analysis and improvement measures based on a global engagement survey to enhance employee engagement.

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.

Daiichi Sankyo Group Philosophy

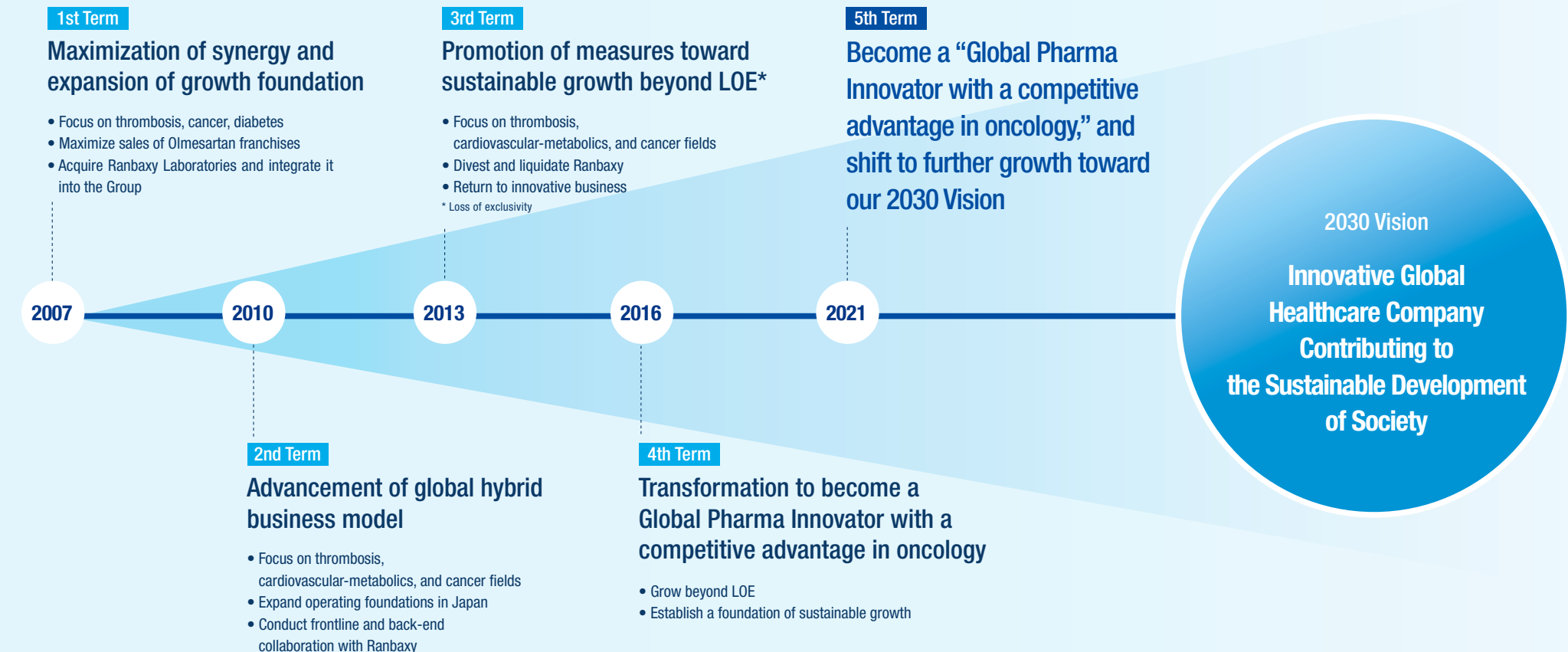


History of the Daiichi Sankyo Group

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

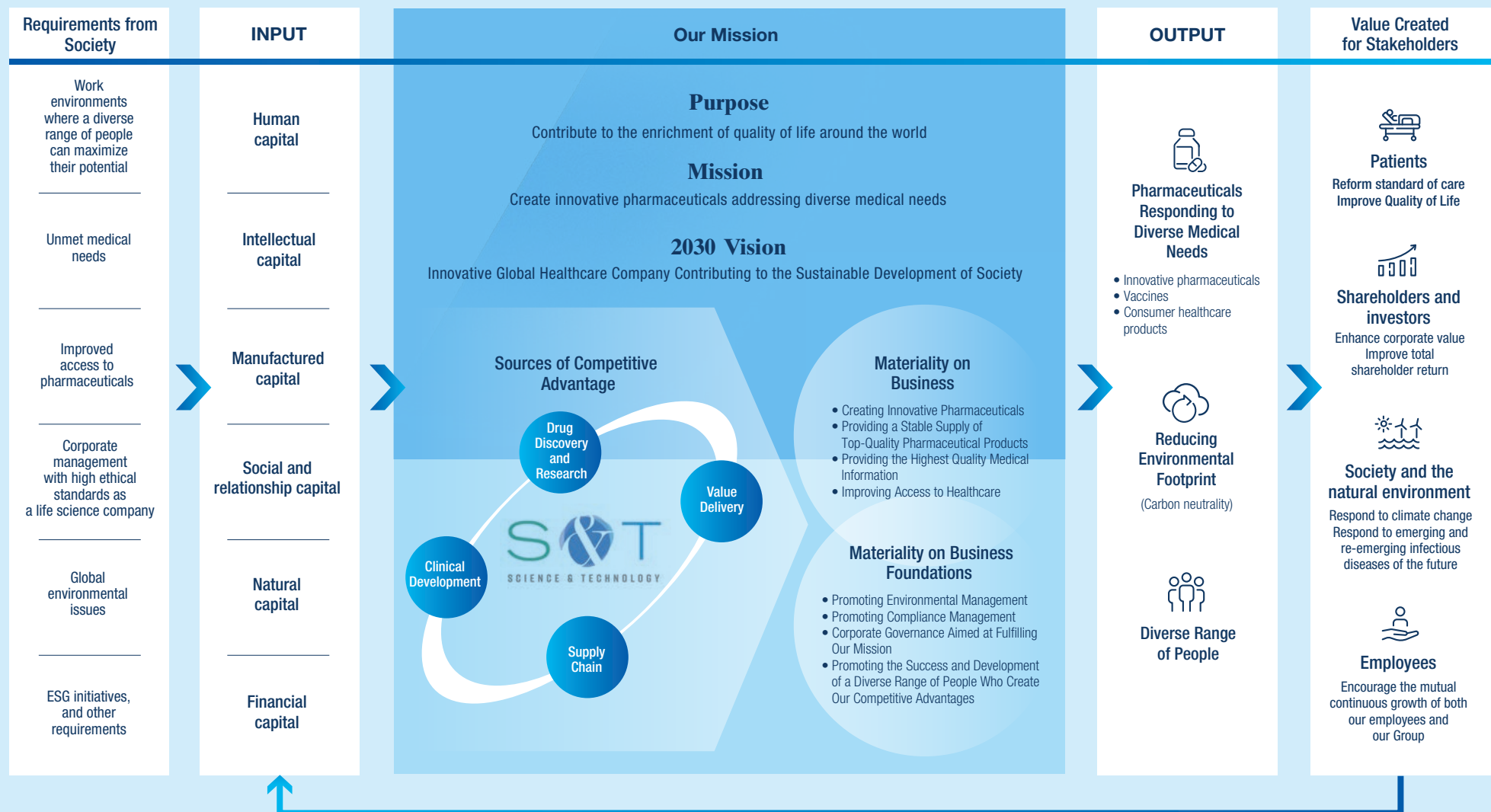
Daiichi Sankyo continues to take on the challenge of continuously creating innovative pharmaceuticals, leveraging our strengths in Science & Technology cultivated over more than 100 years of history. In our current 5-year Business Plan starting from 2021, we have clearly positioned “Global Pharma Innovator with Competitive Advantage in Oncology” as our 2025 Goal and have been accelerating our growth. Looking ahead, we aim to further contribute to the health and enrichment of people’s lives around the world, with our 2030 Vision of becoming “Innovative Global Healthcare Company Contributing to the Sustainable Development of Society.”

Our 5-year Business Plan

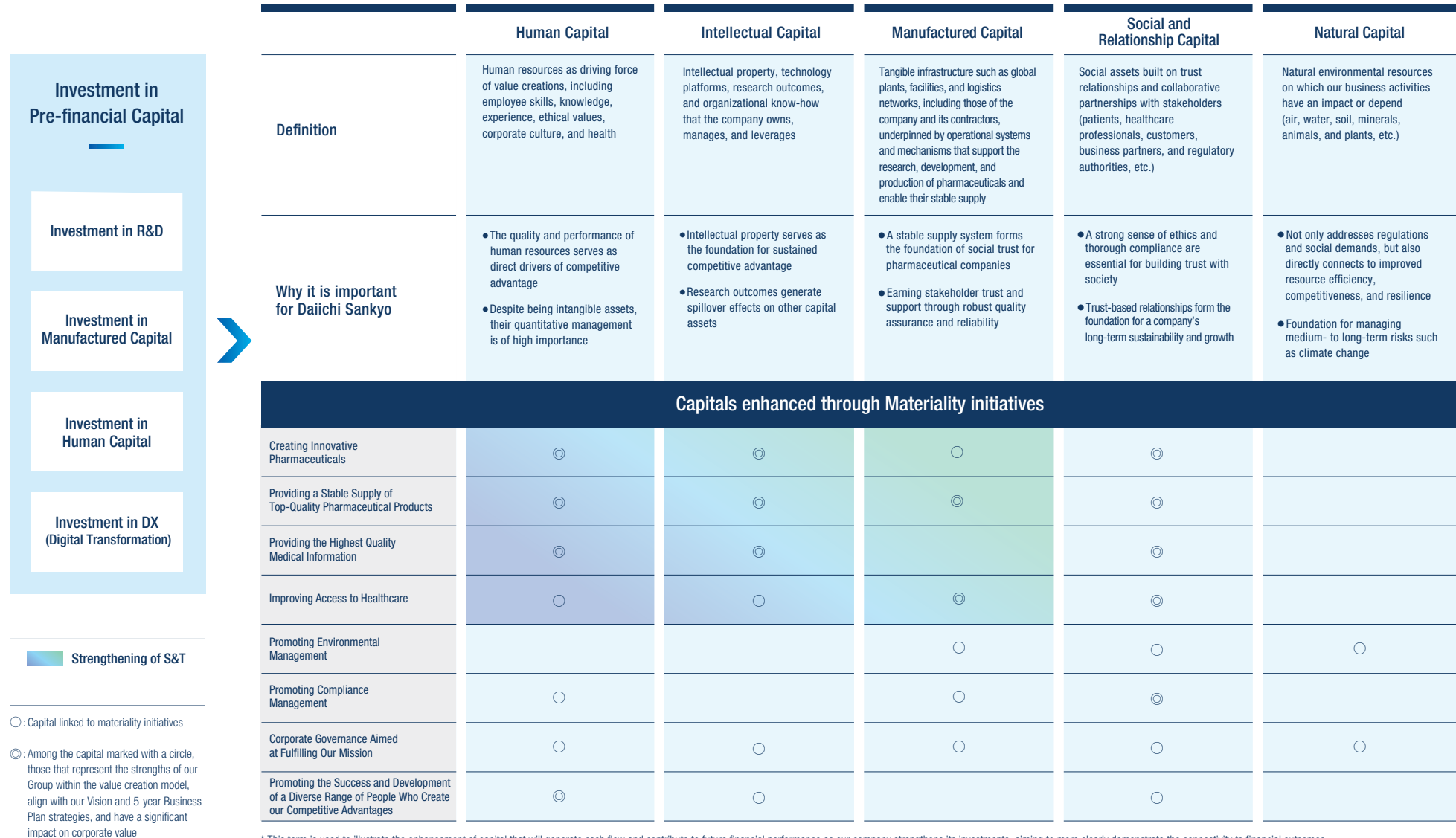


Achieving Sustainable Value Creation through Value Co-Creation with Stakeholders

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.



Approach to Pre-financial Capital*



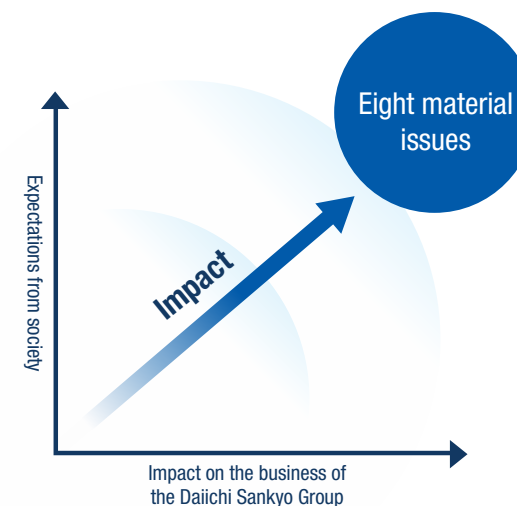
* This term is used to illustrate the enhancement of capital that will generate cash flow and contribute to future financial performance as our company strengthens its investments, aiming to more clearly demonstrate the connectivity to financial outcomes

Materiality

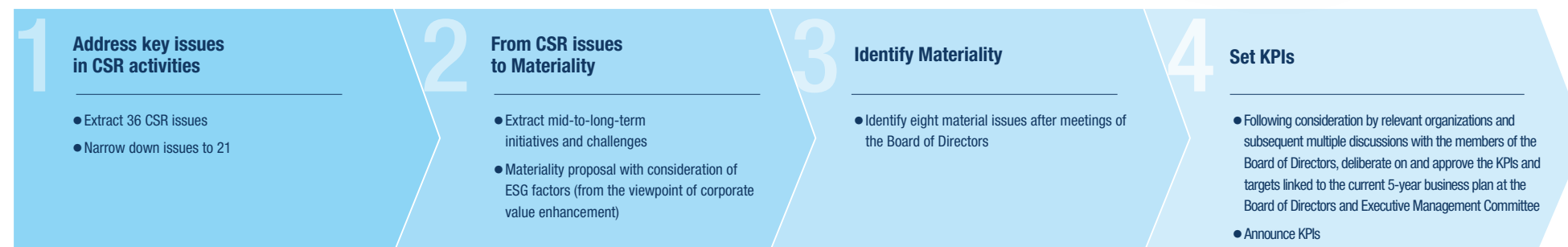
We identified eight material issues to be addressed to sustain growth based on the impact on the Group's mid-to-long-term corporate value enhancement and expectations from society. We then sorted these issues into two groups: Materiality on business and Materiality on business foundations. Upon formulating our current 5-year Business Plan, in addition to long-term targets and challenges for each Materiality, we set Materiality key performance indicators (KPIs) as initiative indicators.

Materiality Identification and KPIs Setting Process

In identifying and sorting material issues, 36 issues were selected from the corporate social responsibility (CSR) perspective in FY2015. In March 2020, we identified eight material issues based on several reviews and active discussions at Executive Management Committee and Board of Directors, and dialogue with our stakeholders. Subsequently, we announced KPIs, indicators of initiatives for each Materiality in April 2021. Our Materiality identification and KPI setting process is shown in the figure below.



Materiality identification and KPI setting process (FY2015 to FY2021)



Sustainability Management

Under the direction of the CEO, the Head of Global Corporate Strategy is responsible for establishing and operating a global promotion system addressing sustainability issues including human rights, Environment, Health and Safety (EHS), sustainability information disclosure, and social contribution. This system integrates measures in each organization and region into company-wide strategy. We have established a dedicated Sustainability Committee (Chair: Head of Global Corporate Strategy), which convenes at least twice a year in principle. As an advisory body to the Executive Management Committee (EMC), it deliberates on company-wide strategies and policies while monitoring annual and semi-annual plans and results. The strategies, policies, and material issues discussed and reported at the Sustainability Committee are then deliberated and reported at the EMC.

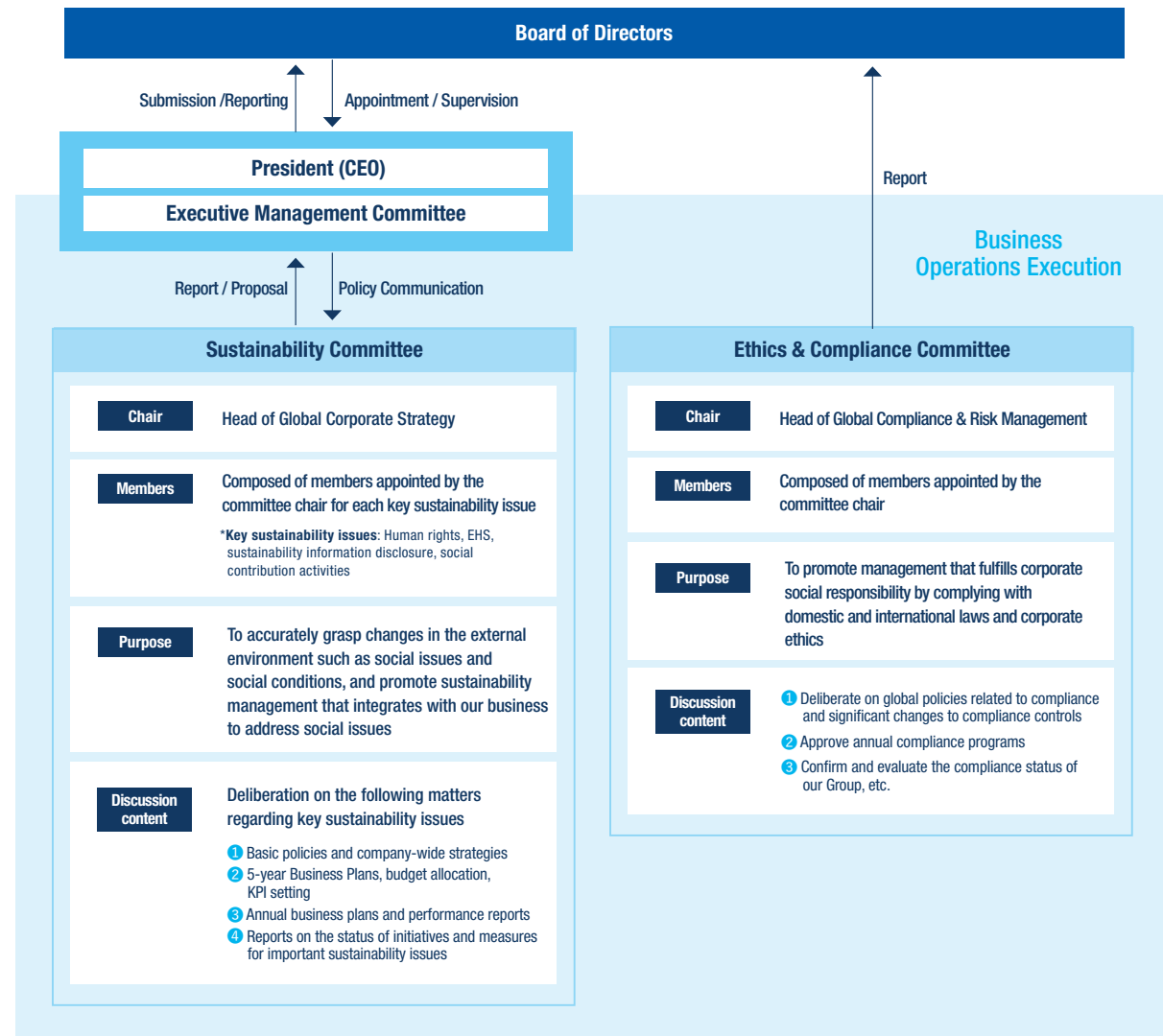
Corporate ethics and compliance promotion activities are deliberated and reported at the Ethics & Compliance Committee (which convenes at least once a year in principle), and then reported to the Board of Directors.

The Sustainability Committee met in January and March of FY2024. Discussions include the FY2025 plan and the status of net-zero transition plan for EHS, response plans for new SSBJ^{*1} and CSRD^{*2} standards for sustainability information disclosure, and human rights assessment results. Subsequently, matters related to EHS and sustainability information disclosure were reported to the EMC.

^{*1} Sustainability Standards Board of Japan

^{*2} Corporate Sustainability Reporting Directive

Sustainability Management System



List of Materiality KPIs and Results

Materiality on Business

| | FY2025 KPI Targets | FY2024 results | ① Economic value creation ② Social value creation |
|--|--|---|---|
| Creating Innovative Pharmaceuticals | 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) ^{*1} | ① Enhertu <ul style="list-style-type: none"> •Approval for HER2 positive solid tumors (US: Apr. 2024) •Approval for HER2 Low BC without prior chemotherapy (US: Jan. 2025, EU: Mar. 2025) •Top line result for Ph3 study in HER2 positive GC 2L (Feb. 2025) Datroway <ul style="list-style-type: none"> •Application for NSCLC w/EGFRmut/Voluntary withdrawal of application for NSCLC 2L/3L (US: Nov. 2024) •Approval for HR+/HER2- mBC (US: Jan. 2025, JP: Dec. 2024), HER3-DXd •Approval for EGFR mut NSCLC 3L CRL received (US:Jun. 2024) •Data read-out for EGFR mut NSCLC 2L (Sep. 2024) ② •Ezharmia Approval for Peripheral T-cell lymphoma (JP:Jun. 2024) <ul style="list-style-type: none"> •DS-7300 First subject dosed in small cell lung cancer (Ph3) (Jul. 2024) •DS-6000 First subject dosed in Ph2/3 study in Platinum Resistant Ovarian Cancer (Apr. 2024) •DS-3939 Ph1/2 study in several types of advanced solid tumors in progress ③ •DS-9606 Ph 1 in progress <ul style="list-style-type: none"> •DS-2325 Ph1b/2 in progress ④ FY2024 12 cases (Cumulative 25 from FY2023) | 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 |
| Providing a Stable Supply of Top-Quality Pharmaceutical Products | 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 | <ul style="list-style-type: none"> •Expansion of supply capacity in response to demand forecast (Decision made to invest approx. 226 billion yen FY2024 (cumulative total since FY2021, approx. 522 billion yen))^{*2} •Stable inventory secured for current commitments | |
| Providing the Highest Quality Medical Information | Improvement of evaluation scores from stakeholders including healthcare professionals | Japan Business Unit MR: 1st in all markets, Product Information Center: 1st both in health insurance pharmacy pharmacists and hospital pharmacists ^{*3} | ① Increase revenue and profit, reduce/prevent the risk of declining corporate value ② Contribute to the enrichment of quality of life around the world |
| Improving Access to Healthcare | 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 to contribute to mitigating new risks through cooperation with the regulatory authorities and other companies, Progress in development of DS-5670 as planned | ① Enhertu launched: 69 countries and regions (FY2024: 17 countries and regions), Number of patients treated: Appx. 94,650 patient ^{*4} ② DS-5670 Launched Omicron JN.1-adapted mRNA vaccine in Japan (Sep. 2024) | |

*1 Addition of KPI target in FY2023

*2 Recalculate the total investment amount up to 2023

*3 MR: Aug. 2024, INTAGE Healthcare Inc. , Product Information Center: Nov. 2024, transcosmos inc. and The Japan Research Institute, Limited

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

Materiality on Business Foundations

| | FY2025 KPI Targets | FY2024 results | ① Economic value creation ② Social value creation |
|--|---|--|---|
| Promoting Environmental Management | ① Reduction of CO ₂ emissions (Scope1 + Scope2) ^{*5} by 42% from FY2015 ② •Reduction of CO ₂ emissions intensity based on sales (Scope3, Cat1) ^{*5} by 15% from FY2020 •At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target) ^{*1} 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 42.7% reduction from FY2015 (116,312 t-CO ₂ ^{*9}) ② 2.4% reduction from FY2020 (188.2 (t-CO ₂ /100 million yen) Business partners with 1.5°C level targets: 43.1% ③ 79.9% ^{*6} ④ 77.8% ^{*6} ⑤ 43.9% reduction from FY2020 (3,148t ^{*9}) | 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 | ① Number of significant compliance violations ^{*7} : 0 ② Number of Notable Industry Code Violations (NICV) ^{*8} : 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 Standards ^{*9} 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 Standards ^{*9} | ① 0 ② 3 ③ 93% of positive response rate(+7 YoY) ④ Conducted monitoring at each company ⑤ Currently conducting the 3rd sustainable procurement survey globally ⑥ Conducted the 2nd external training session on the theme of health management for approximately 20 companies (approximately 100 participants) ⑦ Conducted the 2nd internal risk assessment and analyzed the result ⑧ Currently conducting the 3rd sustainable procurement survey globally | 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 | ① Complying 100% with all the principles of the revised Corporate Governance Code in Japan ② Evaluating the Board of Directors and implementing measures for improvement (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 Confirmed 100% compliance with the revised Corporate Governance Code ② •Continued to optimize the operation of Board of Directors Meeting based on the agenda selection rules •Continued to discuss priority themes, as priority measures to address challenges identified in the Board Evaluation for FY2023 •Conducted self-assessment of the Board Evaluation for FY2024. Discussed priority themes for FY2025 and proposed disclosure content related to the Board Evaluation at the Board of Directors meeting ③ •Implemented improvement measures to address issues identified in the FY2023 effectiveness evaluation •Conducted self-evaluation on the FY2024 effectiveness evaluation of the Audit & Supervisory Board and identified challenges to be addressed in FY2025 ④ •Enhanced the disclosure of corporate governance information in various media •Participation of the Chairpersons of the Nomination Committee and Compensation Committee at the Discussion Meeting on Sustainability in December 2024 | 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 | ① Percentage of female in senior managerial employees ^{*10} 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 24.2%(+5.5pt YoY) ② 76% of positive response rate(- 3pt YoY) ③ 77% of positive response rate(+1pt YoY) ④ ¥207,430 (+¥40,524 YoY) | ① Enhance corporate value through developing talents to carry out business activities ② Diversity of human resources, respect for human rights, talent development |

*5 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

*6 Subject to the third-party assurance

*7 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 DS group

*8 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

*9 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

*10 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.