



From left to right in photo

Outside Director (Independent Director)
Reiko Kinoshita

Outside Director (Independent Director)
Yasuhiro Komatsu

Outside Director (Independent Director)
Chairperson of the Board
Takaaki Nishii

Outside Director (Independent Director)
Chairperson of the Compensation Committee
Yo Honma

Outside Director (Independent Director)
Chairperson of the Nomination Committee
Akihiro Watanabe

Outside Director Interviews

Toward Sustainable Value Creation at Daiichi Sankyo

- From the Perspective of Outside Directors with Diverse Expertise and Experience -

First, I would like to ask Outside Director Nishii, who has recently assumed the role of Chairperson of the Board. With Mr. Okuzawa's appointment as CEO and significant changes in the Board's composition, please share your aspirations and expectations for the new structure, considering the skills and experience of the members.

Nishii The company has entered a turning point with the appointment of CEO Okuzawa. At the same time, four directors have been newly appointed, marking a significant change in the Board's composition. This includes our first-ever female director from within the company, a U.S. national who leads our oncology business, as well as two new outside directors with diverse experience and knowledge—a founding executive of an M&A advisory firm and an executive from an investment fund management company—

substantially strengthens the skills matrix of our Board of Directors. Under the new leadership structure of CEO Okuzawa, I look forward to seeing more global and multidimensional management decision-making through the incorporation of a broader range of perspectives.

Next, I would like to ask our two newly appointed Outside Directors. Could you share your aspirations upon joining Daiichi Sankyo as Outside Directors, and how you perceive the roles and expectations placed on you by both internal and external stakeholders?

Watanabe I took the company I founded public within two years, invested the funds obtained into overseas acquisitions to grow it into a global enterprise. Ultimately, I merged with a U.S. competitor to establish a top-tier independent M&A advisory firm. Later, I

served as Chairperson of the Board at an electronics manufacturer whose management was in turmoil due to activist issues. There, I led its privatization and spearheaded the company's management revitalization. I believe I am expected to contribute to Daiichi Sankyo's Board by leveraging the insights gained from these various experiences. Through the sale of the company I founded and the 2 trillion yen privatization of another with 120,000 employees, I have come to deeply recognize the immense responsibility that management carries.

Investors make money do a "job", executives make people do a "job". However, executives/CEOs of publicly listed companies are different. They must not only manage people (as implied in the original meaning of "keiei" from the Analects), but also manage money (as in "money-gement," or financial stewardship)). At Daiichi Sankyo, this means that one half of the CEO's mind must always be focused on employees and patients, while the other half must keep in mind of investors and shareholders. In other words, "ambidextrous" management is required. My job, as someone entrusted by shareholders, is to earnestly and seriously monitor whether this is truly being achieved.

Kinoshita I feel a great sense of responsibility in taking on the role of Outside Director at Daiichi Sankyo, a company that is making meaningful contributions to the world. I work at an investment fund, and while people sometimes assume we evaluate companies by their financial value, but I believe that a company's financial value is enhanced when it contributes to society. Our company contributes to the health of people around the world through drug discovery, particularly by developing innovative pharmaceuticals in the field of oncology. Through my involvement in the Board of Directors and other means, I hope to help ensure that the value we create is widely recognized and delivered not only to patients but also to all our stakeholders.

Next, I would like to hear from each of the three individuals who participated in the Board of Directors meetings last year. One of the priority initiatives for the Board of Directors in FY2024 was “enhancing discussions on key matters such as long-term strategy, 5-year business plan (hereinafter referred to as “5-year plan”), and globalization to further strengthen the supervisory function of the Board of Directors.” Could you each share your insights on the specific discussions that took place, as well as any themes you believe will be particularly important moving forward?

Nishii Toward our 2030 Vision, the expansion of indications for Enhertu®, which is expected to drive the company's long-term growth, and our ADC pipeline represent exceptionally valuable assets that are unparalleled by other companies. To maximize the long-term revenue potential generated from these assets, the Board of Directors has reviewed and strongly endorsed a series of proposals for proactive strategic investments in research and development, capital expenditures, DX infrastructure, and human resources. In the current business environment, concerns remain regarding tariffs and potential drug pricing reforms in the United States, our largest market. Given the lack of clarity surrounding the policy direction of the new administration, we cannot rule out the possibility that such developments could impact our financial performance. In such circumstances, it is essential that management demonstrates strong leadership in navigating these dynamics by carefully evaluating all available strategic options and executing the most optimal course of action. I am confident that Daiichi Sankyo will meet the challenges of this era and achieve further sustainable growth by leveraging the global business development expertise cultivated through our alliance with AstraZeneca and Merck in the U.S., and, above all, by transitioning to a global management structure and harnessing the unity fostered by our group-wide corporate culture—One DS Culture.

Komatsu I expect Daiichi Sankyo to further enhance its exceptional technological capabilities in the field of ADC. While significant improvements in cancer treatment outcomes through innovations such as optimized target antigen selection and novel payloads are naturally anticipated, I also look forward to broader applications beyond oncology, including autoimmune and other intractable diseases over the long term. While the company is promoting Patient Centricity and engaging in Patient Advocacy initiatives, in recent years, evidence has shown that patient engagement contributes to both improved treatment outcomes and healthcare economics, and organizations such as WHO and professional societies have emphasized its potential. Moving forward, I believe that more than just raising awareness among employees, it will become increasingly important to establish mechanisms that enable collaboration with patients throughout the entire value chain—from drug discovery and development to commercialization and information provision. I highly appreciate the company's approach of positioning Patient Centricity as the very heart of its corporate activities and promoting it company-wide through the Board of Directors and training programs, as this approach aligns well with the demands of our times.

Honma The company has established a DX Vision toward 2030 and aims digital transformation across the entire pharmaceutical value chain. In April 2025, we were selected as a DX Brand for the third consecutive year, and we have approximately 2,000 personnel with IT Passport qualifications. Additionally, active introduction of DX and generative AI is progressing, particularly in drug discovery and clinical development divisions. Regarding AI, moving forward, utilization across the entire pharmaceutical value chain will be required while a balanced approach to governance and promotion. At the Board of Directors, I have proposed DX promotion and AI utilization across the entire pharmaceutical value chain. Particularly regarding AI utilization, I advised that both governance and promotion are important. I appreciate that the executive side has been engaging in active dialogue on this matter. The company is also promoting data-driven management and is currently upgrading and developing core systems. At the Board level, I requested thorough implementation of management methods to ensure compliance with cost, schedule, and quality requirements. The executive side has also been appropriately addressing this management. I expect that data-driven management will further accelerate with the completion of this system.

Next, I would like to continue asking the three individuals who attended the Board of Directors meetings last year. Regarding one of the priority

initiatives for the Board of Directors in FY2024, “Enhancement in terms of operation for further strengthening of the decision-making functions and oversight functions of the Board of Directors,” please share any initiatives or approaches you have taken to overcome the difficulty of monitoring the highly specialized business of prescription pharmaceuticals and how you have addressed this challenge. Additionally, please let us know if there are any specific areas you believe should be prioritized for monitoring moving forward, or that you intend to focus on.

Nishii I believe that what the Board of Directors should monitor (supervise) under an uncertain business environment must be clarified precisely because we are dealing with the management (execution) of a pharmaceutical company that requires high levels of expertise. In particular, I would like to be able to provide clearer explanations to shareholders and investors about whether we are achieving balanced portfolio management from the perspectives of growth investment and asset management. The company is a leading pharmaceutical company with science and technology as its core competencies, and the disclosure of information about our medium- to long-term development pipeline is well-regarded by the market. On the other hand, the possibility that necessary growth investments may increase is a matter of concern for stakeholders, and I believe this has also affected our stock price over the past year. The company is currently formulating its next 5-year plan and plans to announce it around spring next year. I expect that the cash balance (income, strategic investment, shareholder returns) for 5 and 10 years ahead will be shared with stakeholders through this plan.



Komatsu The pace of scientific advancement is astonishing. For example, PubMed, the U.S. National Library of Medicine database, contains approximately 30,000 breast cancer-related articles from 2024. Even for experts, it is difficult to keep up with the latest developments, and thus monitoring business in such a rapidly evolving field is particularly challenging. However, several initiatives have proven effective, including individual pre-briefings for Outside Directors, the sharing of questions and responses from those sessions, observer participation in Executive Management Committee (EMC) meetings, business site visits, ongoing information sharing, and opinion exchange meetings among Outside Directors. The items I would like to focus on monitoring moving forward are Patient Centricity, global functions, and DX utilization. As globalization progresses, we will increasingly face unexpected cultural and institutional barriers as well as governance challenges. I believe that gaining experience in addressing these issues will ultimately contribute to the company's further growth and development.

Honma As Director Komatsu mentioned, at our company, explanations of Board of Directors agenda items in advance by the Board secretariat and preliminary questions from each officer arising from those sessions are shared. These advance explanations deepen our understanding of the content of each matter. Personally, the science and technology field has always been an area of great interest to me, and learning new knowledge in this field is something that raises my expectations. I make sure to read pharmaceutical, drug discovery, and biotechnology-related articles in newspapers, magazines, and on the web—making a conscious effort to interpret them in the context of our company's business. Moving forward, I



Yasuhiro Komatsu

Outside Director
(Independent Director)

believe that technologies such as DX, AI, and quantum will evolve further and be utilized in drug discovery and clinical development more than ever before. These technologies will also need to be applied more broadly across the entire pharmaceutical value chain. Accordingly, I intend to closely monitor how these technologies are being introduced and utilized throughout the organization. Additionally, our company is currently upgrading and developing core systems, and I expect that data-driven management will accelerate further with the completion of this system, which I will also monitor closely.

Next, I would like to ask Outside Director Watanabe, who has newly assumed the position of Chairperson of the Nomination Committee. Do you have any plans to further enhance the supervisory function of the Board of Directors? For example, please share your thoughts on organizational design or points that the Board of Directors should consider for the future.

Watanabe Just as I have never seen an example of a company suddenly improving simply by adjusting its organization, I am not aware of any cases where governance was strengthened merely by changing institutional design. What is more important than the necessity of institutional design is that the Board of Directors' mission is to avoid conflicts of interest between shareholders and the CEO. And the most significant of such conflicts is management's self-preservation. Executives often lead in solitude—and they are, after all, only human. As a CEO of a publicly listed company, I myself have fallen into situations multiple times where I could not take the risks that should have been taken, causing the company's growth to stagnate. Each time, it was the outside directors who challenged me, encouraged me, and pushed me forward. Moreover, executives are rarely able to recognize their own peaks or when to step down. That is why an external perspective is critical for effective succession. Managing a pharmaceutical company that creates value over the long term is, in a sense, like an Ekiden long distance race. I believe that the most important thing is to create an institutional design that attracts outstanding coaches and a strong support team.

Next, I would like to ask Outside Director Honma, who has newly assumed the position of Chairperson of the Compensation Committee. Please share your opinions on Daiichi Sankyo's current executive compensation system.

Honma The company is currently competing with mega pharma companies at a global level, and in order to secure and retain excellent



Yo Honma

Outside Director
(Independent Director)
Chairperson of the
Compensation Committee

executives, I believe we need to continue considering “appropriate compensation.” We need an appropriate compensation system that serves as motivation for sustainable growth over the medium to long term and contributes to enhancing corporate value and shareholder value. At the same time, it must be transparent, fair, and rational — capable of fulfilling our accountability to stakeholders. We plan to engage in thorough discussions and examine this during this fiscal year, and revise the executive compensation system by next fiscal year, aligned with the launch of next 5-year plan.

Next, I would like to ask Outside Director Kinoshita. Based on your experience at an investment fund management company and in the financial industry, please share your opinions on Daiichi Sankyo's future sustainability information disclosure.

Kinoshita I am deeply impressed by how the company has embodied E (Environment), S (Social), and G (Governance) aspects of sustainability in its corporate management. Strengthening corporate governance leads to transparent and comprehensible management from a third-party perspective. In my past management experience, I have strived for management that is understandable to anyone. ESG and corporate value enhancement should be compatible, and I believe we should strengthen our future disclosures to show that contributing to society does not come at the expense of shareholders and investors, but rather that both grow together.

Outside Directors are placed in a unique position where they can represent stakeholders such as shareholders and investors, take a bird's-eye view of the company, and provide input to the company

when necessary. Insights and discoveries from the perspectives of Outside Directors rooted in their specialized expertise and diverse experience are of great interest to external stakeholders. From this standpoint, I would first like to ask Outside Directors Watanabe and Kinoshita. Please share your impressions of Daiichi Sankyo currently and your expectations for the future.

Watanabe In the past, I assisted with the management integration of former Daiichi Pharmaceutical and Sankyo, as well as the integration of Ranbaxy and Sun Pharma. When I was involved with Daiichi Sankyo, the company was always facing difficulties, but each time it confronted crises, Daiichi Sankyo became stronger. Now, the company is succeeding with ADC, but I hope it will not become complacent for the current position and aim to become number one in the world. A company that held the top spot in market capitalization in the pharmaceutical industry 20 years ago has now fallen out the top 10, while conversely, companies that were outside the top 10 have risen to the top. Some companies even appeared like comets during this period. This industry is evaluated based on future potential rather than past performance, we have ample opportunity to become number one in the world. Growth is everything for a company. Only growing companies can attract top talent and investors and contribute meaningfully to solving societal challenges. The moment a company abandons its hunger for growth and thinks “this is good enough,” it begins to stagnate. By setting an ambitious goal of becoming the best in the world, the company can continue to evolve and thrive.

Kinoshita The company’s Purpose—“Contribute to the enrichment of quality of life around the world”—resonates deeply with me. Enabling



people globally to live healthier and fulfilling lives is an inspiring ideal, and I was impressed by how Daiichi Sankyo is turning that ideal into reality through drug discovery. I also expect that the company has the potential to create a virtuous cycle in which, by helping people recover from illness, it enables them to reengage with society and the economy through work and consumption. I also would like to participate in Board of Directors discussions from such a perspective in mind.

Finally, I would like to ask Outside Directors Honma, Komatsu, and Nishii. If you were to deliberately identify any areas where you believe Daiichi Sankyo has challenges or significant room for improvement, what would they be? Also, please share your expectations for the company moving forward.

Honma As for our company’s strengths, I believe we should continue to refine our unwavering principles: valuing trust-based relationships with stakeholders, maintaining an open corporate culture, conducting business with care and integrity, and fostering an innovative culture that embraces new challenges. Additionally, our Purpose, Mission, Vision, Core Values, and Core Behaviors are outstanding, and I feel that our greatest strength lies in how all employees share, empathize with, and resonate with this collective “One DS Culture,” working together as one team with excellent teamwork. On the other hand, I also believe we should boldly and swiftly change what needs to be changed. We need to proactively promote the introduction of DX, AI, and other technologies throughout the entire pharmaceutical value chain. Furthermore, our company has set forth in our 2030 Vision a transformation from “Global Pharma Innovator with a competitive advantage in oncology” to “Innovative Global Healthcare Company.” This requires us to envision our future with a broad perspective that considers many stakeholders, while executing boldly and swiftly with focused, detailed implementation. As a leading company among Japanese pharmaceutical enterprises, I believe we need to strongly drive forward these initiatives.

Komatsu Traditionally, pharmaceutical companies have operated on the basic model of “drug discovery → development → prescription through physicians,” where patients, even as end consumers, were not positioned as customers. However, in recent years, this structure is undergoing significant transformation due to factors such as the tightening of healthcare economics, advances in personalized medicine, the widespread adoption of digital technology, expanded patient participation, and changes in the regulatory environment.



While drug discovery will remain our core business, we need to deepen Patient Centricity and consider building comprehensive healthcare platforms that include diagnosis, prevention, monitoring, and life support, as well as dialogue and co-creation with patients and society. This requires nationwide DX infrastructure development and institutional reforms as prerequisites. We should prepare to establish a pioneering position in anticipation of environmental changes in the near future. Additionally, to enhance our competitiveness in the global market, I expect each employee to cultivate both “mindset of competing globally” and the “confidence to succeed globally.”

Nishii In my experience engaging with institutional investors and shareholders, key monitoring points include the progress and results of our R&D pipeline, investment status in new businesses and technologies, external collaborations and partnerships, ROI analysis, profitability and efficiency of core businesses, status of non-core assets, financial soundness, overall portfolio balance, and the balance between short-term profitability and long-term growth. At the same time, I believe that becoming a company supported by investors who place value on social outcomes, as well as individual shareholders, will be a significant force supporting our sustainable growth. I clearly recall receiving feedback from an institutional investor at the discussion meeting on sustainability last December, requesting that we clarify the connection and impact pathway between human capital investment and corporate value enhancement. Under our global management structure, our company is also focusing on activities to foster One DS Culture, and I hope we can address this theme in our next 5-year Business Plan.