

Passion for Innovation.  
Compassion for Patients.™



# FY2024 Discussion Meeting on Sustainability

December 23, 2024

**DAIICHI SANKYO CO., LTD.**

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# About Today's Discussion Meeting

**We will engage in discussions regarding our sustainability management and strategic initiatives, and incorporate the valuable feedback received into our future management policies and the next Business Plan.**

## ◆ Value Report 2024



- Publication Date: September 13, 2024 (Japanese Ver.), September 30, 2024 (English Ver.)
- Structure: A **two-part composition** focusing on the value creation story and sustainability information disclosure.
  - ✓ **Value Creation Story**  
Through top messages, panel discussions, and other contents, we disclose our commitment to corporate value, strategies, and initiatives for strengthening human and intellectual capital.
  - ✓ **Sustainability Information Disclosure**  
Disclosing ESG-focused initiatives with an eye on CSRD\* compliance
- Key Message : Sharing a **Value Creation Story Unique to Daiichi Sankyo**  
As we strive to realize our 2030 Vision, our oncology business continues to expand globally. This growth is driven by our strengths in Science & Technology (S&T), human capital, and initiatives supporting globalization.  
Together as one team, we are dedicated to contributing to patients worldwide.

# Agenda

① **Towards Daiichi Sankyo's Sustainable Growth**

② **Human Capital Driving Global Business Expansion**

- **Q&A** (Okuzawa, COO; Matsumoto, CHRO) -

③ **Daiichi Sankyo as Seen by External Directors**

- **Q&A** (Nohara, Outside Director; Nishii, Outside Director; Okuzawa, COO; Matsumoto, CHRO) -



# Agenda

## 1 Towards Daiichi Sankyo's Sustainable Growth

**We aim for sustainable growth by promoting initiatives such as reinforcing our strength in Science & Technology (S&T) and building a robust organization through value co-creation with multiple stakeholders.**



Representative Director,  
President & COO  
Hiroyuki Okuzawa

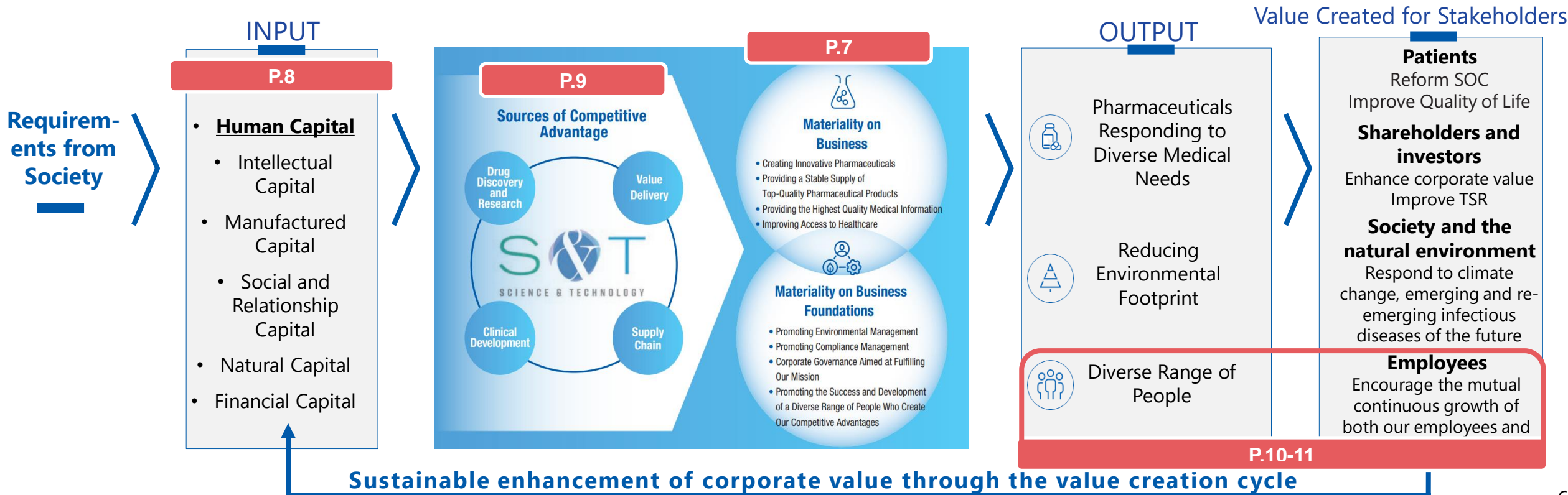




# Towards Realizing Daiichi Sankyo's Sustainable Value Creation Story

To realize our Purpose, contribute to the enrichment of quality of life around the world, we will enhance our strengths in S&T, optimize human capital to align with business environments, and globalize our organization, aiming to realize our sustainable value creation story.

<b>Purpose</b>	Contribute to the enrichment of quality of life around the world
<b>Mission</b>	Create innovative pharmaceuticals addressing diverse medical needs
<b>2030 Vision</b>	Innovative Global Healthcare Company Contributing to the Sustainable Development of Society



# Materiality Initiatives

➤ KPI targets for FY2025 and the actual results for FY2023 can be found on page 13.

Based on expectations and demands from society, as well as the importance within our Group, we have identified eight Materiality. We conduct an annual cycle of monitoring, goal-setting, reviewing KPIs, and reporting to management. Through these efforts, we aim to achieve sustainable growth by creating both social and economic value.

## ◆ Progress on Materiality

➤ Progress toward achieving Materiality KPI is generally on track as planned.

## ◆ Recognized Challenges in Materiality KPIs

➤ We acknowledge challenges in certain Materiality KPIs, which will require focused efforts moving forward.

Materiality on Business Foundations	FY2025 KPI Targets	FY2023 Results	Reasons and Challenges in Initiatives
Promoting Environmental Management	Reduction of CO2 emissions intensity based on sales (Scope3,Cat.1) by 15% from FY2020	25.9% increase from FY2020	【Reason】 Increase observed alongside increased activity levels 【Challenges】 Acquisition of primary data and establishment of calculation methods
	At least 70% of business partners(BPs) (as procurement amount) set targets at the SBT level (1.5°C target)	Approximately 43.1% of BPs have been set	【Reason】 Engagement initiated from FY2023 【Challenges】 Further engagement with and strengthening of support measures for BPs with high transaction volumes that have not set SBT targets
Promoting the Success and Development of a Diverse Range of People	Percentage of female in senior managerial employees to 30%	18.7%	【Reason】 In Japan, the percentage has increased from 4% (as of March 2021) to 11% (as of September 2024), but a high target value of 20% has been set 【Challenges】 Further strengthening of initiatives to promote women's participation and advancement

◆ In preparation for the formulation of the next 5-year business plan, a **Materiality Assessment** is currently underway. To strengthen the global sustainability promotion framework, we plan to establish a **Sustainability Committee** in April 2025.

# Strengthening Pre-financial Capital ※ for Mid- to Long-Term Growth

※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.

**In addition to further enhancing our strengths in S&T, we are committed to reinforcing pre-financial capital, including the strengthening of our global organizational structure, to improve sustainable competitiveness and achieve our mid- to long-term strategies.**

## **Enhancing Sustainable Competitiveness and Aiming to Achieve Mid- to Long-Term Strategic Goals**

### **Strengthening Efforts Toward Pre-financial Capital**



**We will focus on driving the following initiatives to promote sustainable growth alongside rapid global business expansion** ※The corresponding capital being enhanced is indicated in ( )

- **Further strengthening of S&T** (Intellectual, Human, and Social & Relationship capital) → **See Page9**
- **Strengthening the global organizational structure** (Human capital) → **See Page10, 11**
- Accelerating global development (Intellectual, Human capital)
- Expanding global production and supply systems (Manufactured, Intellectual, Human, and Social & Relationship capital)
- Enhancing quality initiatives in the value chain (Human and Social & Relationship capital)

**R&D Expenses:** Approximately ¥1.95 trillion, **CAPEX:** Approximately ¥800 billion during the 5-year business plan (FY2021-2025), Investments in DX and Human Capital



# Strengthening S&T for Sustainable Growth

Building on R&D culture that drives S&T innovation, we will maximize the value of our current pipeline through partnerships and networks while continuously generating new innovations.

## ◆ The culture of the Tokyo research and development hub as the foundation for our proprietary drug discovery

### 1 Scientific Freedom

A research culture where individuals, regardless of their position, can freely discuss and propose ideas based on their own thinking.



### 2 Intelligent Failure

A culture of hypothesizing boldly, embracing challenges without fear of failure, and accumulating valuable insights from experiences to drive future successes.

### 3 Craftsperson-ship

The spirit of meticulous *craftspersonship* that has been passed down for over 120 years.

## ◆ Initiatives to Further Strengthen S&T

- 5DXd strategic alliances on ADC products with AstraZeneca and Merck US ※
- Establishment of Research Institutes to actively incorporate world-class technologies through the utilization of global networks
- Enhancement of research capabilities through the establishment of new research facilities at Shinagawa R&D Center

※Merck & Co., Inc., Rahway, NJ, USA



- (Left) Establishment of Research Institutes in Boston, USA, and Munich, Germany; (Right) Anew research building at Shinagawa R&D Center(final image)

# Strengthening the Global Organization

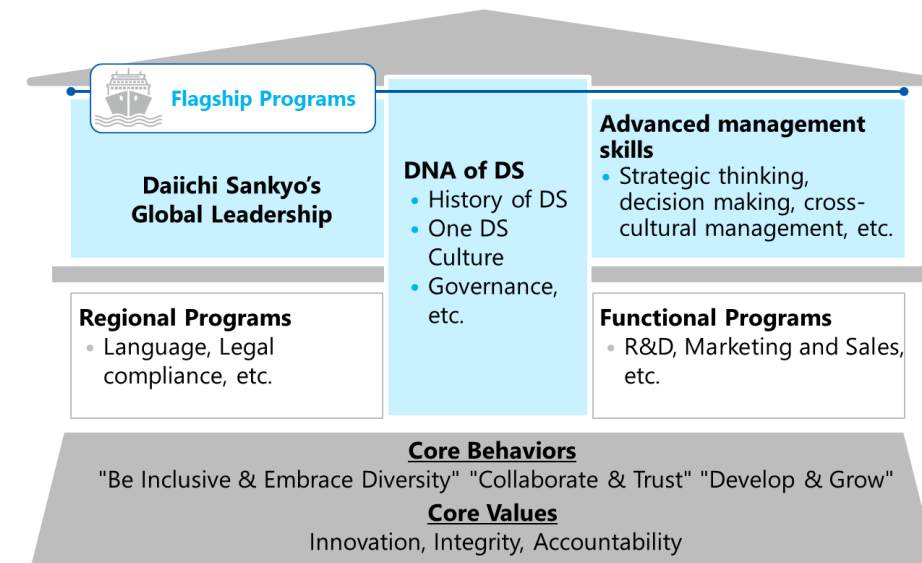
By nurturing global leaders who inherit the DNA of Daiichi Sankyo, we aim to further embed our corporate culture and build a strong global organization where diverse talent thrives with high engagement.

## ◆ Example of Strengthening the Global Organization

- Through the “**DS Academy**,” a program for developing the next generation of global leaders both in Japan and overseas, participants not only acquire leadership and management skills, but also deepen their understanding of Daiichi Sankyo’s history and One DS Culture, ensuring the continuation of **the company’s DNA**.

## ◆ Details of DS Academy

<b>Period</b>	1st Session: From April 2024 for two years (to be conducted as a pilot program, with full-scale implementation planned from 2026)
<b>Method</b>	<ul style="list-style-type: none"> <li>• In-person training sessions held in spring and autumn</li> <li>• Additional activities include group discussions and mentoring sessions with EMC members</li> </ul>
<b>Participants</b>	30 people (Vice President level, by nomination)
<b>Contents</b>	<ul style="list-style-type: none"> <li>✓ Core Skill Development (e.g., entrepreneurship, leadership, industry environment, vision, and strategy)</li> <li>✓ Understanding DNA of DS (e.g., DS history, Core Values &amp; Behaviors, Patient Centricity)</li> </ul>



# Enhancing Employee Engagement

In addition to the "President's Caravan," targeting all locations in Japan, the "COO & CHRO's Visits," to Group companies outside Japan is being conducted. These dialogues with employees aim to strengthen engagement and reinforce the global organizational structure.

## ◆ Details of President's Caravan · COO&CHRO's Visit

<b>Target</b>	39 companies / approximately 19,000 employees
<b>Visits Completed</b>	<b>20 companies</b> / approximately 17,000 employees <b>(88% of the total)</b> Visited Japan, parts of Europe, the United States, and Asia ※as of December 2024

※Conducted COO & CHRO's Visits at 13 group companies outside of Japan. In fiscal year 2023, all domestic sites in Japan were visited directly, and a total of 31 dialogues were conducted



## Contents of the COO's Message

- Communicating **the company's management policies and personal thoughts**
- Encouraging each employee to adopt an "**Accountable Mindset**"—a proactive approach to taking initiative—and to find alignment between the company's Purpose and their own personal purpose

## Q&A / Dialogue Content (Examples)

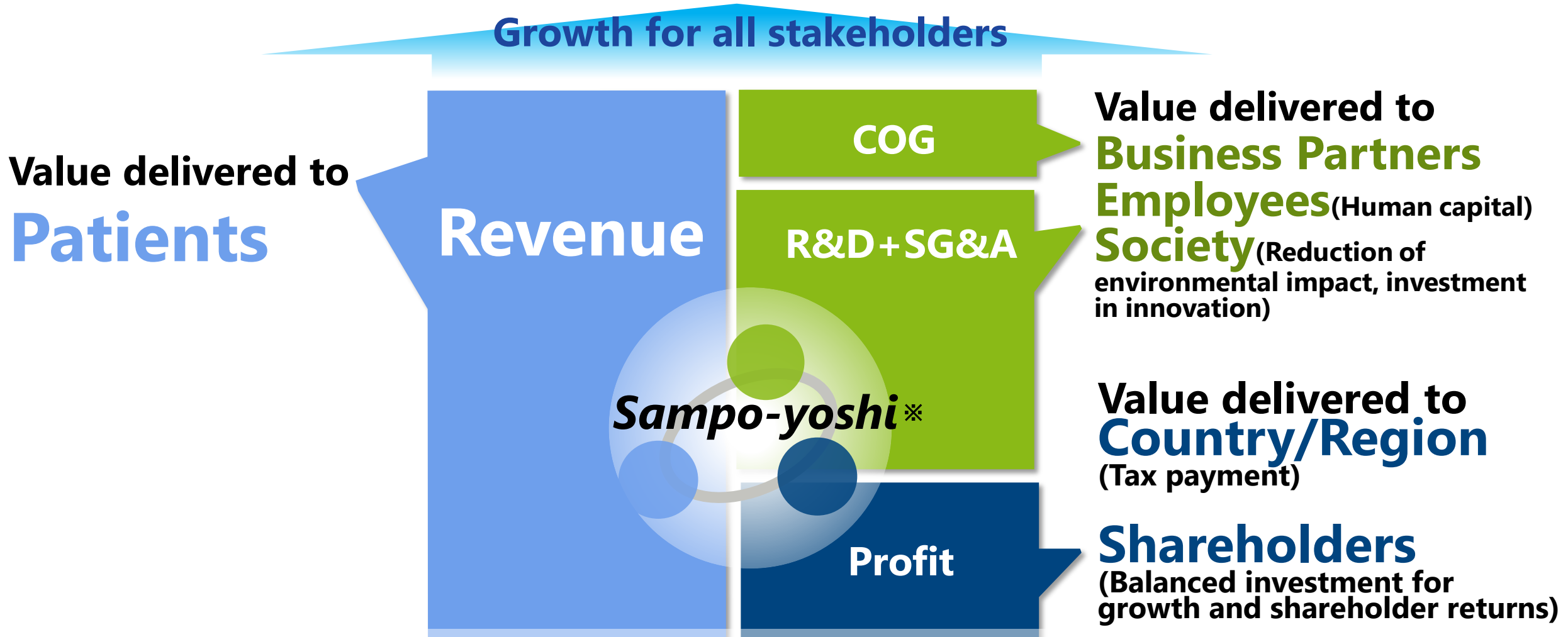
- Progress of Globalization and Future Plans
- Effectiveness of Embedding One DS Culture
- Global Career Development and Training Opportunities
- Compliance First

## Discoveries Through Dialogue

- Active efforts to foster the One DS Culture
- High motivation and commitment toward realizing Purpose

# Daiichi Sankyo Management's Approach for all Stakeholders

Through our business activities, we aim to share the value we create with all stakeholders, working together to achieve the sustainable growth of our Group.



※ The purpose of a company is to engage all its stakeholders in shared and sustained value creation(Davos Manifesto 2020)

# (Reference) Progress of Materiality

## Materiality on Business

Materiality	FY2025 KPI Targets	FY2023 Results
<b>Creating Innovative pharmaceuticals</b>	<ul style="list-style-type: none"> <li>3ADC : 8 indications launched</li> <li>Multiple projects to become the new growth driver after 3ADCs are in or above late development or more advanced stage</li> <li>Post DXd ADC modality is in development stage</li> <li>Number of designations to be priority review system</li> </ul>	<ul style="list-style-type: none"> <li>Development is progressing as planned, including the application for new indications for ADC</li> <li>Cumulative 30 cases designated under the priority review system (FY21 to FY23).</li> </ul>
<b>Providing a stable supply of top-quality pharmaceutical products</b>	<ul style="list-style-type: none"> <li>In house capital investment and CMO investment for the construction of ADC production system and stable supply of top quality pharmaceuticals to patients: Maximum 300 billion yen</li> </ul>	<ul style="list-style-type: none"> <li>Investments made to expand supply capacity in response to demand forecasts (approximately 266 billion yen cumulatively from FY21 to FY23)</li> </ul>
<b>Providing the highest quality medical information</b>	<ul style="list-style-type: none"> <li>Improvement of evaluation scores from stakeholders including healthcare professionals</li> </ul>	<ul style="list-style-type: none"> <li>Received a certain level of recognition for our medical information provision stance, primarily in Japan</li> </ul>
<b>Improving access to healthcare</b>	<ul style="list-style-type: none"> <li>Increase the number of launched countries/regions through collaboration with partners</li> <li>Progress in development of DAICHIRONA® as planned</li> </ul>	<ul style="list-style-type: none"> <li>Enhertu® launched in 53 countries/regions, providing access to approximately 52,400 people.</li> <li>Launched DAICHIRONA</li> </ul>

## Materiality on Business Foundations

Materiality	FY2025 KPI Targets	FY2023 Results
<b>Promoting environmental management</b>	<ol style="list-style-type: none"> <li>Reduction of CO2 emissions(Scope1+2) by 42% from FY2015</li> <li>Reduction of CO2 emissions intensity based on sales(Scope3, Cat1) by 15% from FY2020</li> <li>At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target)</li> <li>Renewable electricity utilization rate more than 60%</li> <li>Maintenance of waste plastic recycling rate by over 70%</li> <li>Reduction of disposal of hazardous waste by 10% from FY2020</li> </ol>	<ol style="list-style-type: none"> <li>49.8% reduction from FY2015</li> <li>25.9% increase from FY2020</li> <li>Conducted engagement with 10 BP in Japan</li> <li>80.0%</li> <li>72.4%</li> <li>2.4% reduction from FY2020</li> </ol>
<b>Promoting compliance management</b>	<ul style="list-style-type: none"> <li>Improvement of periodic employee survey scores on ethical culture following baseline</li> </ul>	<ul style="list-style-type: none"> <li>86% of positive response rate</li> </ul>
<b>Corporate governance aimed at fulfilling our mission</b>	<ul style="list-style-type: none"> <li>Evaluating the effectiveness of the Board of Directors and implementing measures for improvement</li> </ul>	<ul style="list-style-type: none"> <li>Optimize the themes for discussion and reporting at the Board of Directors meetings</li> </ul>
<b>Promoting the success and development of a diverse range of people who create our competitive advantages</b>	<ol style="list-style-type: none"> <li>Percentage of female in senior managerial employees to 30%</li> <li>Positive response rate(%) through engagement survey to 80% or more, or 10% or more increase compared to FY2021               <ol style="list-style-type: none"> <li>Corporate culture &amp; work environment</li> <li>Development &amp; growth opportunities</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>18.7%</li> <li>Positive response rate               <ol style="list-style-type: none"> <li>79%</li> <li>76%</li> </ol> </li> </ol>



# Agenda

## ② Human Capital Driving Global Business Expansion

**To achieve our Purpose, we promote the enhancement of human capital, our most important asset, through talent strategies aligned with our management strategies.**



Director  
Executive Officer  
Head of Global HR, CHRO  
Takashi Matsumoto

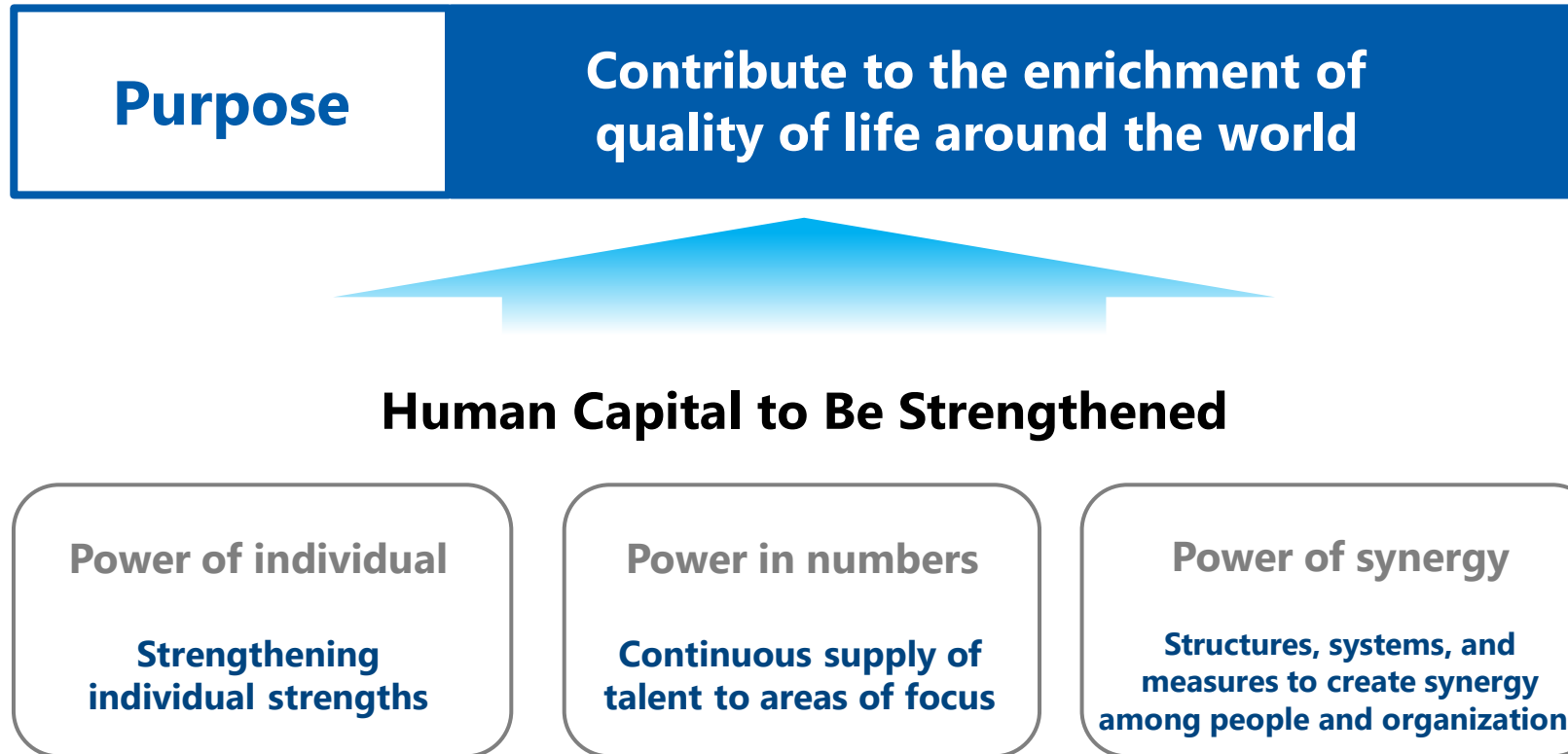




# Human Capital, Our Most Important Capital

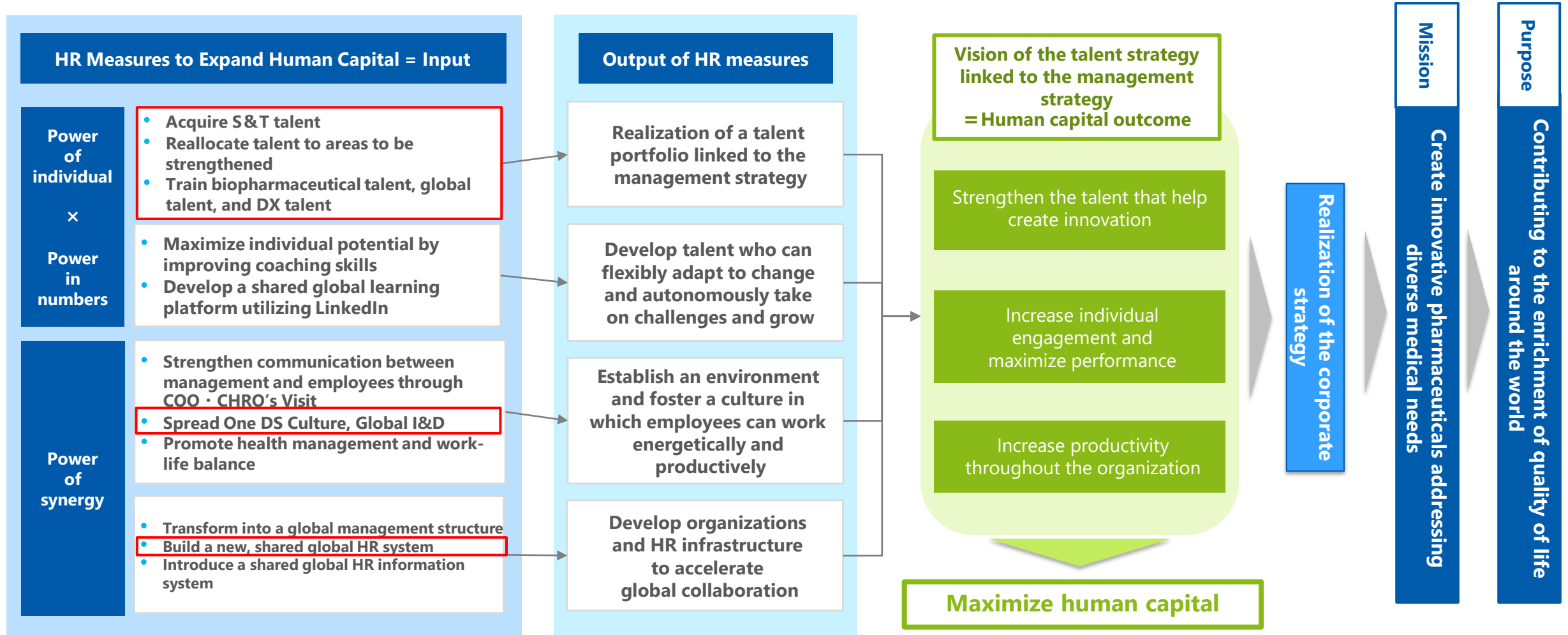
We position human capital as the most important capital for generating our strengths and are advancing transformation and expansion related to human capital.

As an executive officer in charge of human resources, I promote talent strategies with the aim of building a company where human capital attracts new talent.



# Human Resource Measures Driving Global Business Expansion

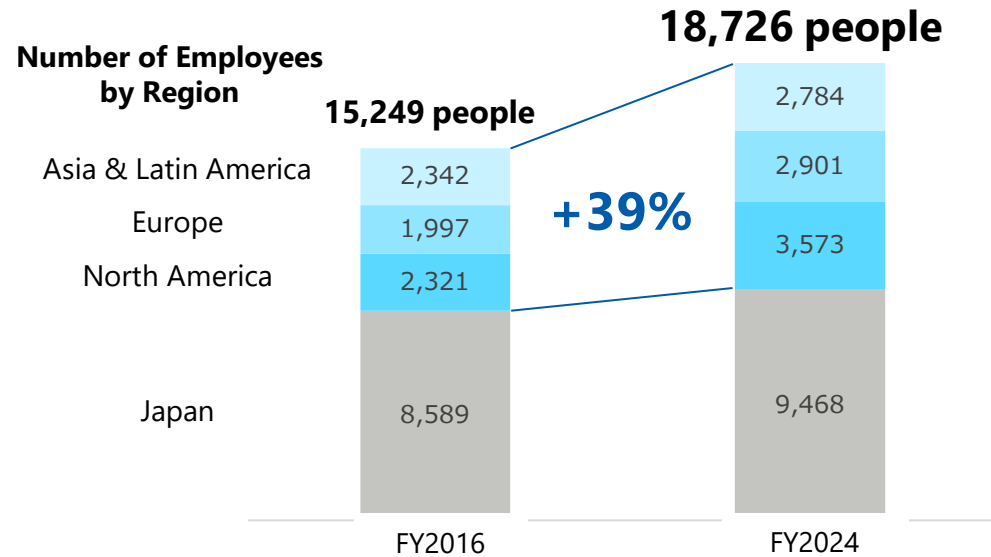
In global business development, securing diverse talent and implementing effective talent management are key sources of competitiveness. To achieve our Purpose, we will execute talent strategies aligned with management strategies and work on advancing measures to enhance human capital.



# Initiatives for Acquiring and Developing Specialized Professionals

To maximize the value of our products, we define “specialized professionals” as individuals particularly essential for strengthening key areas. We are committed to acquiring and developing such talent, reallocating them to areas of focus, and providing opportunities for new challenges.

## ◆ Strengthening Overseas Talent to Drive Global Business Expansion



- Strengthening acquirement for clinical development and technology talent
- Further enhancing talent through the implementation of a global unified HR system

## ◆ Acquirement and Development of Specialized Professionals in Japan※1

Specialized Professional ※2	Biopharmaceutical		Global	DX
	Antibody Manufacturing Process Development	Quality Control/ Assurance, Regulatory Affairs, Manufacturing		
<b>Desired Talent Profile</b>	Individuals capable of contributing to drug discovery research for biopharmaceuticals, cost reduction of 5DXd ADCs	Individuals capable of leveraging expertise across the value chain to advance bi-pharmaceutical-related operations	Individuals who can rapidly and equitably share information and decision-making globally, and capable of performing tasks regardless of their location	Individuals driving digital transformation (DX) initiatives to revolutionize existing business operations and processes
<b>Talent Acquisition Goals for FY2026</b>	100 members (65 person as of 2023)	under consideration	50 people	110 people
<b>Achievements in FY2023</b>	16 people	26 people	22 people	35 people
<b>Investment Amount for Talent Development</b>	930 million yen (including facility investment)		130 million yen	10 million yen
<b>Measures for Development and Acquisition</b>	<ul style="list-style-type: none"> <li>• Internal recruitment system (Career Challenge Program) to strengthen specialized professionals</li> <li>• Development of systematic HR programs, such as trainer-trainee training, to foster a “culture of learning and training”</li> </ul>			

※1 New measures initiated in FY2023

※2 For the definition of specialized professionals, please refer to Value Report 2024, p.30.

# Initiatives to Foster the One DS Culture

All management members discuss the Survey results and identify priority issues (Global Commitments). By implementing shared and consistent company-wide activities to address these issues, we aim to foster the One DS Culture and drive innovation.

## ◆ Global Commitments and Key Initiatives for FY2024

### ► FY2023 Global Engagement Survey Results

Conducted for all global employees, featuring 24 survey questions

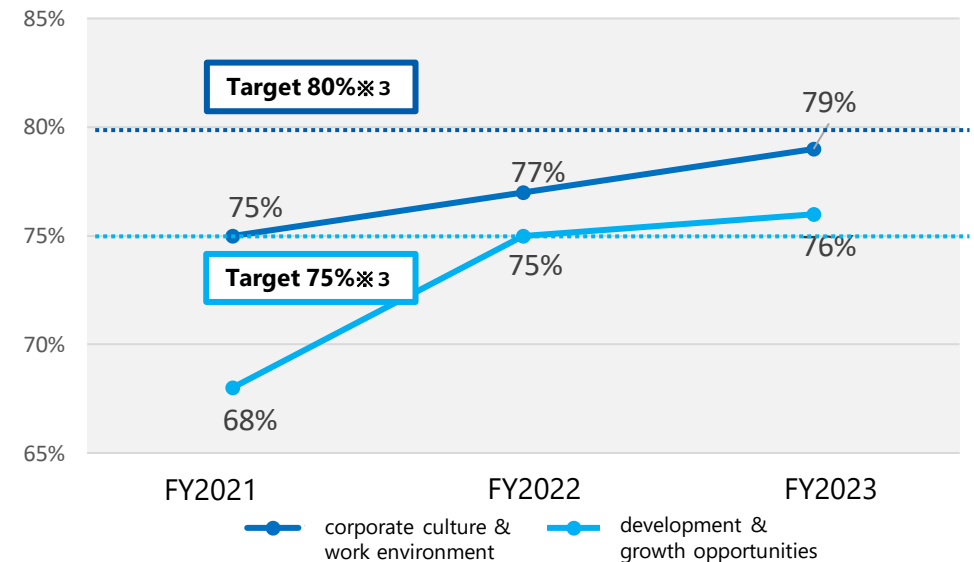
	Category	Items	Score	Difference from Benchmark	Comparison with FY2022
Core Behaviors	Be Inclusive & Embrace Diversity	Belonging	76	+3	+1
		Opinions Count	69	±0	+1
		Equal Opportunity	70	+4	+2
	Collaborate & Trust	Trust-Team	80	±0	+1
		Transparency	70	-1	+2
		Collaboration	66	-2	+2
	Develop & Grow	Learning from failure	62	-1	+3
		Feedback	75	-2	+1
		Growth Opportunities* <sup>1</sup>	76	+4	+1
Engagement Index* <sup>2</sup>	Satisfaction	78	+4	+1	
	Workplace Recommendation	77	+3	+2	

### FY2024 Global Commitment

#### “Fostering a Culture Where Employees Learn from Each Other”

- Conducted workshops for global leaders and Culture Ambassadors
- Produced videos to promote understanding of specific actions related to Collaborate & Trust
- Added a new award category to the Core Behavior Awards to recognize Culture Ambassadors

## ◆ Improving the Positive Response Rate in the Global Engagement Survey (Materiality KPI)



- Annual discussion of survey results by all management members to establish “Global Commitments”
- Development and implementation of unified messaging and activities globally
- Embedding the practice of “management listening to employees and driving concrete actions” throughout the organization

\*<sup>1</sup> Positive response rate for the same question as “Development and Growth Opportunities”  
 \*<sup>2</sup> Positive response rate for the same question as “Corporate Culture and Work Environment”  
 \*<sup>3</sup> Target: Positive Response Rate of 80% or a 10% Improvement Compared to FY2021

# Global Initiatives for Promoting Women's Empowerment

We have established the People Philosophy and Global I&D Statement, emphasizing the value of each individual and actively promoting the acceptance of diverse perspectives.

## ◆ Membership in Healthcare Businesswomen's Association (HBA)

- A nonprofit organization dedicated to supporting women working in the healthcare industry to succeed and demonstrate leadership in the field



## ◆ BERG<sup>※1</sup> Activities Across Regions and Global Collaboration

### - Global Connection Through "Gender Equality" -

- From September 2024, DS Group's BERG members have been sharing and discussing challenges and initiatives related to promoting gender parity

※1 Business Employee Resource Group. Volunteer groups of employees who are committed to addressing specific themes

※2 Science, Technology, Engineering and Mathematics

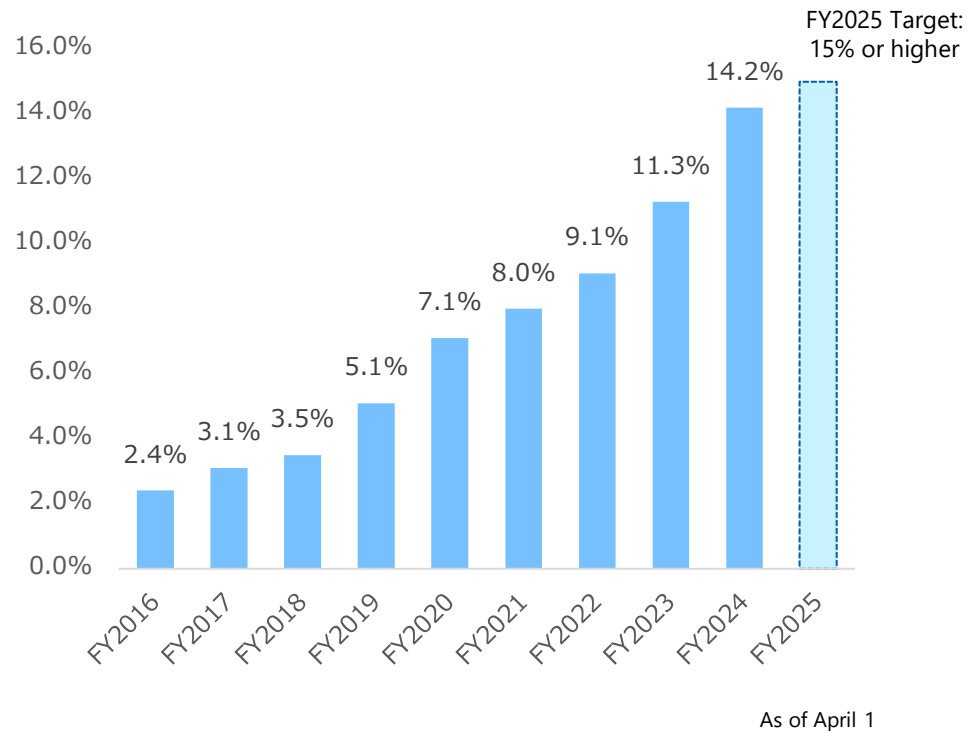


Women's Forum	Women@DSE	Gender Leader Power	Women in STEM
Daiichi Sankyo, Inc.	Daiichi Sankyo Europe GmbH	Daiichi Sankyo Brazil	American Regent, Inc
<ul style="list-style-type: none"> <li>• Activities focused on networking, mentoring, and career development</li> <li>• As of the end of FY2023, more than 300 employees have participated</li> </ul>	<ul style="list-style-type: none"> <li>• Activities Focused on Raising Awareness of Gender Equality</li> <li>• Organized lectures featuring speakers from inside and outside the company</li> </ul>	<ul style="list-style-type: none"> <li>• Support to achieve the goal of women in leadership</li> <li>• Literacy activities and discussions on gender equality, participation of men in group meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Career building and leadership development in STEM<sup>※2</sup> fields</li> <li>• Since 2018, organized lectures and facilitated discussions within the company to share successes and overcome barriers</li> </ul>

# Initiatives to Promote Women's Empowerment in Japan

To achieve a target of female in senior managerial employees ※<sup>1</sup>, efforts are underway to improve the percentage of women in management positions in Japan ※<sup>2</sup>. These efforts include driving awareness transformation through dialogue with top management and promotion activities led by female empowerment leaders.

## ◆ Improving the Percentage of Women in Management Positions at Daiichi Sankyo



## ◆ Key Initiatives for Promoting Women's Empowerment in Japan

- Sharing the current status and challenges of appointing women to management positions through 1on1 discussions between CStO, Fukuoka and each division head
- Developing female leaders through mentoring, proactive nominations for selective training programs, and the women's management network "SWAN"
- Recruiting female management candidates through mid-career hiring



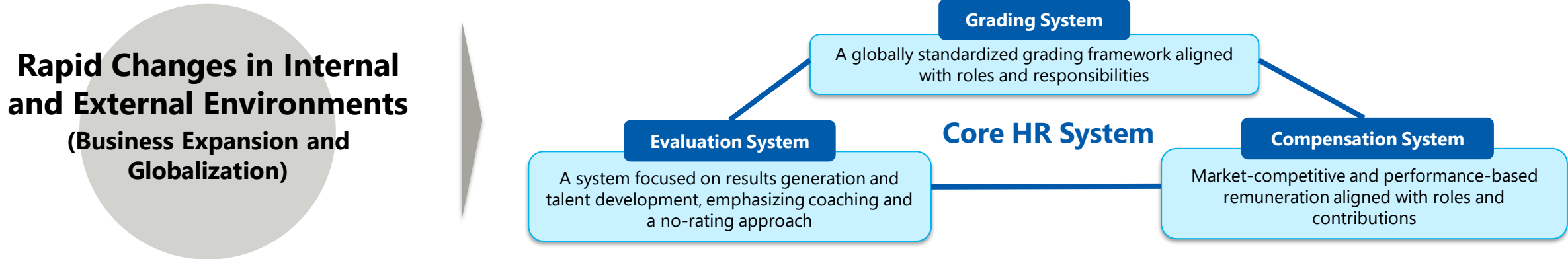
- Highlights from the networking event between EMC members and SWAN(FY2023)

※<sup>1</sup> Senior managerial employees: percentage of women who are in positions equivalent to division heads or higher positions  
 ※<sup>2</sup> Leaders responsible for managing organizational performance and talent, such as headquarters directors, division heads, or group leaders



# Establishing an HR Foundation to Promote Global Collaboration

Through the introduction and utilization of a unified global HR system, we aim to enhance employee performance across all regions and drive greater organizational outcomes.



## ◆ Global Implementation Status and Plans for the New HR System

	Evaluation System	Grading System	Compensation System
Japan	FY2024	FY2025	FY2025
US			
EU			
ASCA	Thailand, Singapore : FY2024 Other regions : FY2025	FY2026	FY2026

## ◆ Initiatives Following the Implementation of the New Evaluation System

- Development and deployment of globally unified training materials aimed at enhancing skills in evaluation, coaching, and feedback
- Support for Cross-Cultural communication for managers with subordinates from different countries.

# Agenda

- **Q&A** (Okuzawa, COO; Matsumoto, CHRO) -



# Agenda

3

## Daiichi Sankyo as Seen by External Directors



Outside Director  
(Independent Director)  
Chairperson of the  
Compensation Committee  
Sawako Nohara



Outside Director  
(Independent Director)  
Chairperson of the  
Nomination Committee  
Takaaki Nishii





# Sawako Nohara, Outside Director (Independent Director), Chairperson of the Compensation Committee

## Career Summary, Positions, and Assignments

- Apr. 1980    Joined Mitsubishi Petrochemical Co., Ltd. (currently, Mitsubishi Chemical Corporation)
- Dec. 1988    Joined Life Science Institute Co., Ltd.
- Jul. 1995    Joined InfoCom Research, Inc.
- Jul. 1998    Head of the E-Commerce Business Development Group of InfoCom Research, Inc.
- Dec. 2001    President of IPSe Marketing, Inc. (to present)
- Jun. 2006    Outside Director of the Board of NEC Corporation
- Oct. 2009    Project Professor of the Graduate School of Media and Governance, Keio University
- Jun. 2012    Audit & Supervisory Board Member of Sompo Japan Insurance Inc.
- Jun. 2013    Outside Director of the Board of NKSJ Holdings, Inc. (currently, Sompo Holdings, Inc.)
- Jun. 2014    Outside Director of the Board of Nissha Printing Co., Ltd. (currently, Nissha Co., Ltd.)  
Outside Director of the Board of JAPAN POST BANK Co., Ltd.
- Jun. 2018    Outside Audit & Supervisory Board Member of Tokyo Gas Co., Ltd.
- Jun. 2019    Outside Director of the Company (to present)
- Jun. 2021    Outside Director of Tokyo Gas Co., Ltd.  
Outside Director of Keikyu Corporation (to present)
- Jun. 2022    Outside Director of Resona Holdings, Inc. (to present)

※Also served as a member of various councils and study groups for numerous central government agencies, including the Industrial Structure Council of the Ministry of Economy, Trade and Industry, the IT Strategy Headquarters, and the Cybersecurity Strategy Headquarters.

### (Material Concurrent Positions)

- President of IPSe Marketing, Inc.
- Outside Director of Keikyu Corporation
- Outside Director of Resona Holdings, Inc.



**1**

**Corporate Culture of Daiichi Sankyo**

**2**

**Challenges Toward Becoming a Global Healthcare Company**

**3**

**Comments as the Chairperson of the Compensation Committee**

## An Innovative Corporate Culture Built on the Strengths of Science & Technology

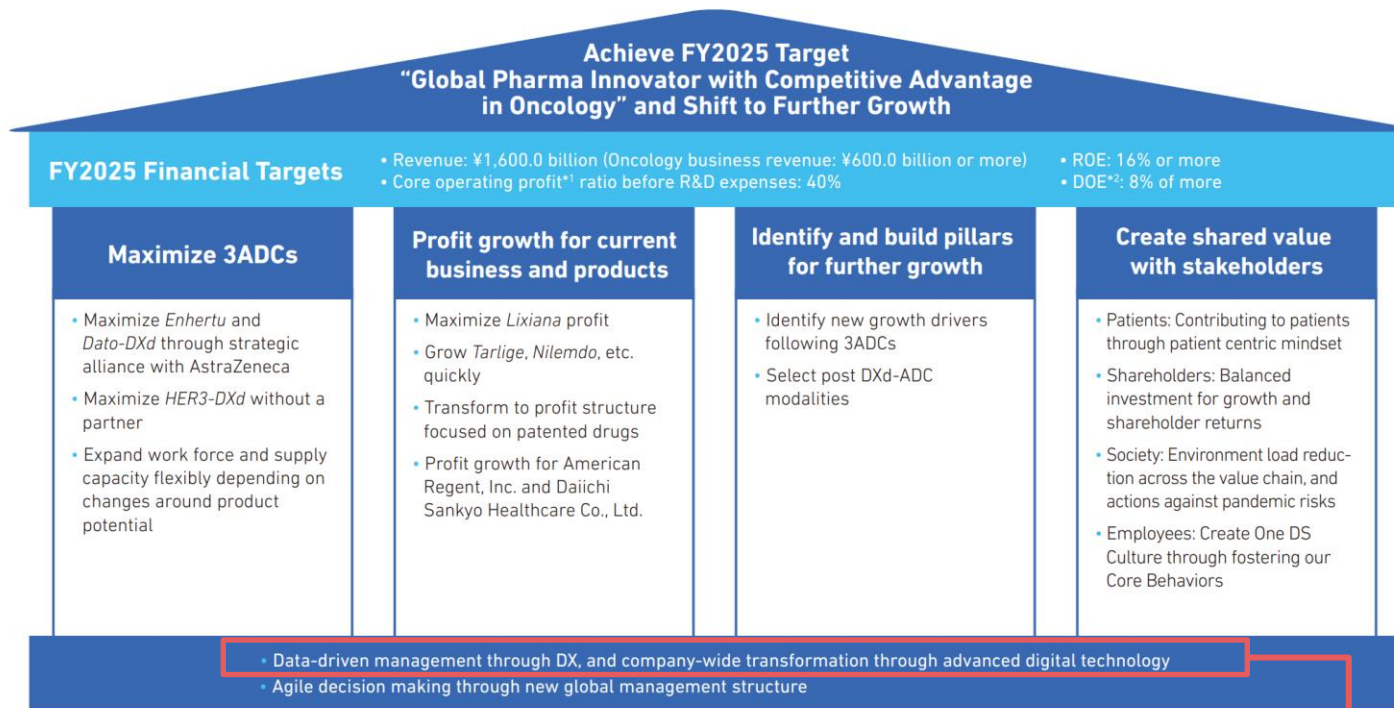


- Creating a unique DS culture that strengths in Science and Technology drive global expansion
- Fostering "One DS Culture" through an approach that integrates the best aspects and differences of workplace cultures in Japan and abroad
- Cultivating an environment that generates diverse ideas and innovation by bringing together members with different backgrounds



# Challenges Toward Becoming a Global Healthcare Company

## Leveraging DX/IT to Further Strengthen Global Competitiveness



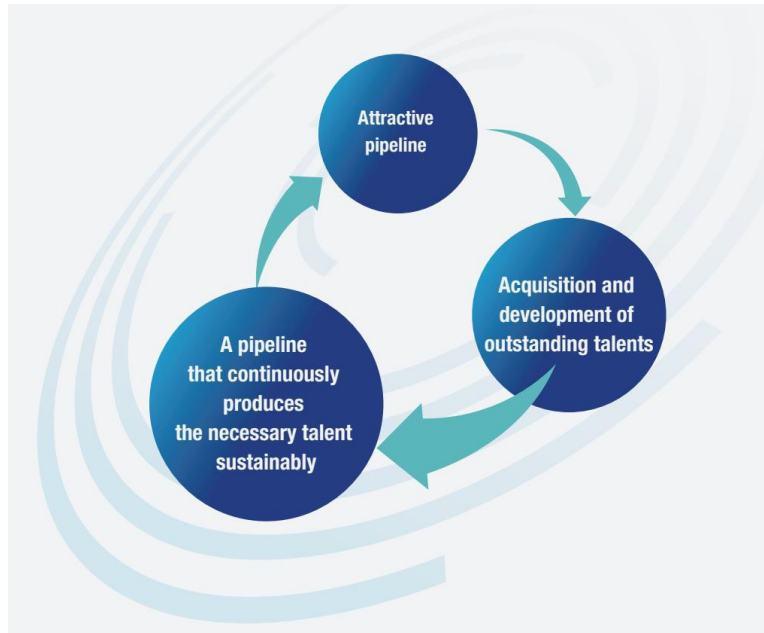
- Building a company-wide data platform, Integrated Data Analytics Platform (IDAP)
- Advancing Project 4D (Daiichi Sankyo Data-Driven Decision Making)
- Data Driven Drug Discovery
- Smart lab implementation and utilization of image AI (including the signing of a comprehensive basic agreement with LPIXEL Inc.)
- Providing Healthcare as a Service through the utilization of digital technology (Contributing to the enhancement of well-being for cancer patients)

\*1 Excluding temporary income and expenses (gains/losses related to sales of fixed assets etc.) from operating income

\*2 DOE: Dividend on Equity = Total dividend amount / Equity attributable to owners of the company

# Challenges Toward Becoming a Global Healthcare Company

## Enhancing Employer Branding and Promoting Global Inclusion & Diversity (I&D)



### "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

We are committed to creating a culture of inclusion and embracing the diversity of all, which enables our employees to realize their full potential in the workplace and create innovative treatments that impact our patients around the world.

#### Our Focus

Respect and appreciate people with diverse backgrounds and strive to create a working environment where everyone feels safe, heard, and valued, building a sense of belonging.

Encourage inclusive and diverse thinking and actions through the active collaboration across the global organization.

Ensure that all employees have equal opportunities to succeed, regardless of their gender, race, religion, sexual orientation, age, disability or other dimensions of diversity.

- Acquisition of S&T expertise
- Development of Biopharmaceutical, Global, and DX professionals

- Strengthening global discussions

## About Our Compensation Committee

Chairperson: Outside Director, Sawako Nohara

Members: Outside Directors, Kazuaki Kama, Yasuhiro Komatsu,  
Takaaki Nishii and Yo Honma

Observer: Outside Audit & Supervisory Board Member, Yukiko Imazu

- It has been established to deliberate matters required for a policy on compensation of Directors as well as the individual amounts of compensation at the request of the Board and contribute to the enhancement of management transparency and oversight functions.
- A total of 7 meetings were held in the fiscal year 2024, and all committee member and observer attended all meetings

※Of the Compensation Committee held in FY2024, Yo Honma attended only those meetings held after his appointment on June 17, 2024.

### 【Specific Consideration Items】

- Individual compensation amounts, bonus payment amounts, and calculation criteria for Directors  
(Joint meetings of the Nomination Committee and Compensation Committee were held: In September and March, the progress and achievement of CEO and COO goals were reviewed, and compensation amounts were determined)
- Individual compensation amounts, bonus payment amounts, and calculation criteria for Corporate Officers
- Fiscal 2023 Evaluation coefficients for Medium-term performance-based share compensation
- Allocation of restricted shares
- Decision Policy regarding the Content of Individual Compensations of Directors
- Verification of the compensation level for Directors and other officers
- Issues regarding the compensation system

# As the Chairperson of the Compensation Committee

## Advancing Discussions on the Executive Compensation System

- In 2021, the executive remuneration system was revised, and the operational status during the 5-year business plan was reviewed by the Compensation Committee.
- Taking into account management issues and internal and external environments, discussions on challenges and considerations for the company's executive remuneration system were advanced.  
(Initiated discussions on compensation policies, levels, and structures)

### Changes in the Corporate Governance Structure

	2007	2014	2016	2017	2018	2019	2020	2021	2022	2023	2024
Chairperson of the Board	Chairman	CEO				Chairman		Outside Directors			
Directors	Outside	4 persons				4 persons, including 1 female member				5 persons, including 1 female member	
	Inside	6 persons			5 persons						
Audit & Supervisory Board Members	Outside	2 persons	2 persons, including 1 female member	3 persons, including 2 female members							
	Inside	2 persons								2 persons, including 1 female member	
Nomination Committee	2 Outside persons and 1 Inside person	4 Outside persons	4 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)							5 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)	
Compensation Committee	2 Outside persons and 1 Inside person	4 Outside persons	4 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)							5 Outside persons, 1 Outside Audit & Supervisory Board Member (Observer)	
Compensation System (Incentives)	Short term: Annual performance-based bonus						Clawback provision				
	Long term: Share remuneration-type stock option			Long term: Restricted share-based compensation			Long term: Medium-term performance-based share compensation				
Corporate Governance Code		Explained about 3 items immediately after applying the Code	Complied with all the items		Explained about 1 item after revision	Complied with all the items					

Revision of the Executive Compensation System (2021)

# Takaaki Nishii, Outside Director (Independent Director), Chairperson of the Nomination Committee



## Career Summary, Positions, and Assignments

Apr. 1982	Joined Ajinomoto Co., Inc.
Jul. 2004	Member of the Board, Ajinomoto Frozen Foods Co., Inc.
Jun. 2007	Corporate Vice President, Ajinomoto Frozen Foods Co., Inc.
Jun. 2011	Corporate Executive Officer, Ajinomoto Co., Inc.
Jun. 2013	Member of the Board & Corporate Vice President, Ajinomoto Co., Inc.
Aug. 2013	President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.
Jun. 2015	Representative Director, President & Chief Executive Officer, Ajinomoto Co., Inc.
Jun. 2021	Director, Representative Executive Officer, President & CEO, Ajinomoto Co., Inc.
Apr. 2022	Director, Executive Officer, Ajinomoto Co., Inc.
Jun. 2022	Senior Corporate Advisor, Ajinomoto Co., Inc. (to present)
Jun. 2023	Outside Director of the Company (to present)

## (Material Concurrent Positions)

- Senior Corporate Advisor of Ajinomoto Co., Inc.
- Outside Director of Kao Corporation

**1**

**Corporate Culture of Daiichi Sankyo**

**2**

**Challenges Toward Becoming a Global Healthcare Company**

**3**

**Comments as the Chairperson of the Nomination Committee**



# Corporate Culture of Daiichi Sankyo

## Strengths in Science & Technology and the Inherited DNA of Research and Development



The launch of digestive enzyme Taka-Diastase which also appeared in *I Am a Cat*, a novel by Soseki Natsume



Newspaper advertisement of Orizinin(vitamin B1) and Dr. Umetaro Suzuki

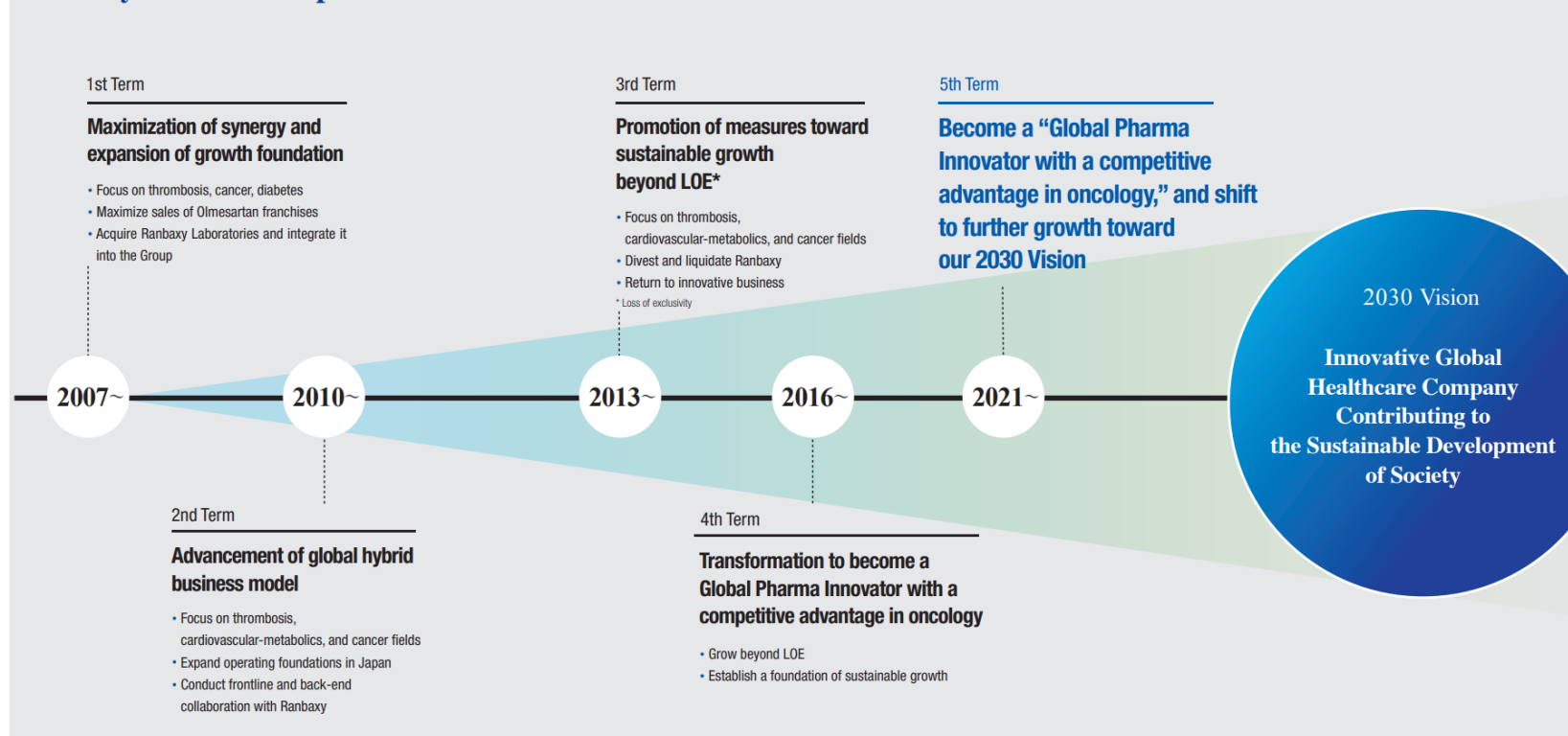


The Adrenalin vial, crystallized successfully for the first time in the world by AA and others



## A Corporate Culture with the Flexibility and Strength to Adapt to Changes in the Business Environment

### Our 5-year business plan



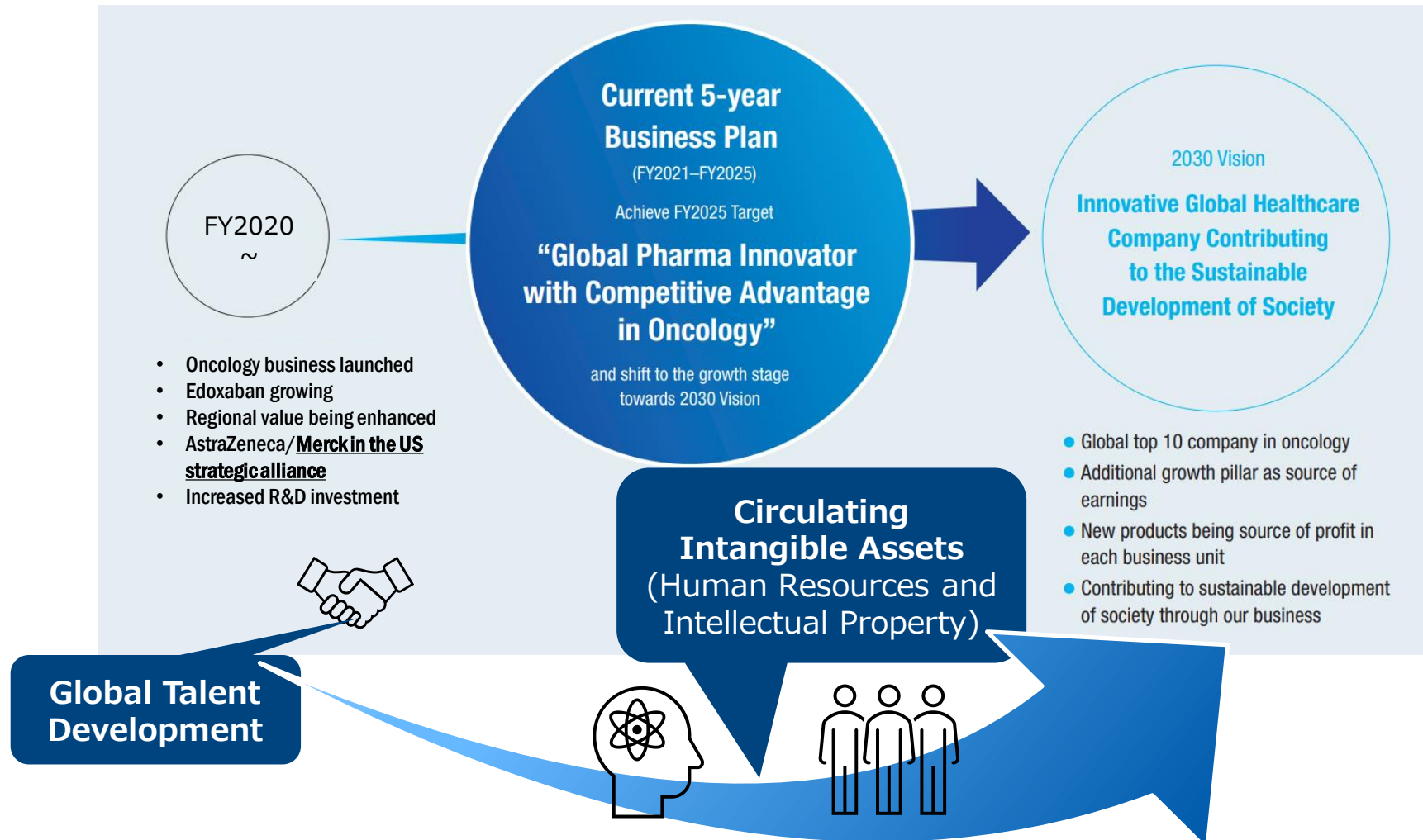
### Examples

- A long-term commitment to "For the patients of the future" is shared across the company. Although the increase in R&D expenses and budget discrepancies became a challenge during the preparation of the FY2024 budget, adjustments were swiftly made within a short period.
- It was also confirmed that discussions regarding DX investments and HaaS (Healthcare as a Service) were aligned in a way that reflects Daiichi Sankyo's unique approach.



# Challenges Toward Becoming a Global Healthcare Company

## Sustainable Growth Leveraging the Strengths of a Global Pharma Innovator



## About Our Nomination Committee

Chairperson: Outside Director, Takaaki Nishii

Members: Outside Directors, Kazuaki Kama, Sawako Nohara,  
Yasuhiro Komatsu and Yo Honma

Observer: Outside Audit & Supervisory Board Member,  
Mitsuhiro Matsumoto

- It has been established to deliberate matters required for selection and dismissal of the CEO/COO, successor plan of the CEO, and selection of candidates for Directors, at the request of the Board, and contribute to the enhancement of management transparency and oversight functions.
- A total of 8 meetings were held in fiscal 2024, and all committee members and observer attended all meetings.

※Of the Nomination Committee held in FY2024, Yo Honma attended only those meetings held after his appointment on June 17, 2024.

### 【Specific Consideration Items】

- Selection, dismissal, and reelection of CEO/COO (Joint meetings of the Nomination Committee and Compensation Committee were held: In September and March, the progress and achievement of CEO and COO goals were reviewed, with decisions made through a process that ensures objectivity and transparency)
- Selection of candidates for Directors and Audit & Supervisory Board Members
- Selection of CxO, unit heads, and head of global corporate function in Global Management structure
- Selection of Corporate Officers
- Selection of candidate representatives of major Group companies
- Deliberation and reporting items for the Nomination Committee
- Skill Matrix of the Board

# As the Chairperson of the Nomination Committee

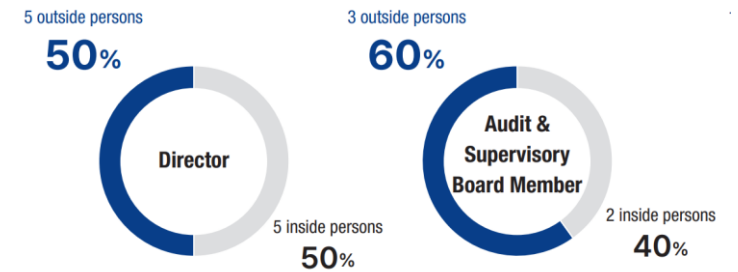
## Advancing Discussions on the Optimal Composition of Our Board of Directors

- As resolved at the annual General Shareholders Meeting of in June 2024, the ratio of Inside to Outside Directors is 50:50.
- Taking into account diversity among directors, candidates were selected by considering the composition and balance of the Board of Directors Skill Matrix.
- Ensuring diversity among directors, including gender and international backgrounds, and incorporating diverse opinions into management are recognized as critical for enhancing the decision-making and supervisory functions of the Board of Directors.

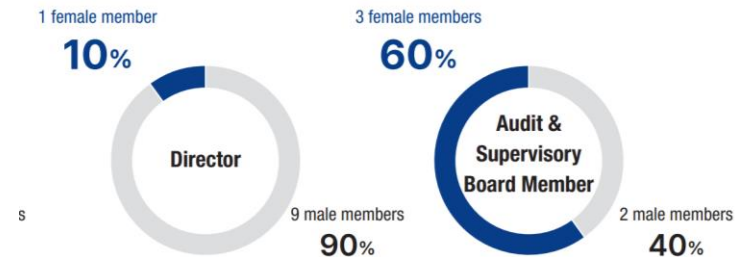
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Percentage of Outside Directors



Percentage of Female Board Members





# Agenda

- **Q&A** (Nohara, Outside Director; Nishii, Outside Director; Okuzawa, COO; Matsumoto, CHRO) -



## Contact address regarding this material

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