October 30, 2020

Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2021 (Fiscal 2020) <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
Listed exchange: First Section of the Tokyo Stock Exchange
Stock code number: 4568
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Scheduled date of Quarterly Report filing: November 6, 2020
Scheduled date of dividend payments: December 1, 2020
Preparing supplementary material (Reference Data) on quarterly financial results: Yes
Holding quarterly information meeting: Yes (for institutional investors, analysts and the press)

(All amounts have been rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2021 (from April 1, 2020 to September 30, 2020)

(1) Consolidated Financial Results

(Percentages indicate changes from the same period in the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2020	480,168	0.1	58,465	-32.1	66,986	-23.0	51,594	-19.9
Six months ended September 30, 2019	479,573	7.3	86,163	48.6	87,040	48.4	64,377	46.2

	Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended September 30, 2020	51,667	-19.8	49,900	9.5	26.57	26.53
Six months ended September 30, 2019	64,426	46.4	45,575	-66.9	33.15	33.08

Note: Effective Thursday, October 1, 2020, Daiichi Sankyo Company, Limited (hereinafter, "Daiichi Sankyo" or "the Company") implemented a three-for-one share split of its ordinary shares. "Basic earnings per share" and "Diluted earnings per share" are calculated as if the share split had taken place at the beginning of the year ended March 31, 2020.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of September 30, 2020	2,079,764	1,333,725	1,333,333	64.1	685.34
As of March 31, 2020	2,105,619	1,306,274	1,305,809	62.0	671.64

Note: Effective Thursday, October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares. "Equity per share attributable to owners of the Company" is calculated as if the share split had taken place at the beginning of the year ended March 31, 2020.

2. Dividend

	Annual dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	35.00	–	35.00	70.00
Year ending March 31, 2021	–	40.50			
Year ending March 31, 2021 (Forecast)			–	13.50	–

Note: Revision of the forecast from most recently announced figures: No

Note: Effective Thursday, October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares. The dividend for the fiscal year ending March 31, 2021 presents the amount prior to the share split for the end of the second quarter and the amount after the share split for the end of the fiscal year. The annual dividend per share forecast is not presented because the amounts cannot be simply combined due to the implementation of the share split. When calculated based on the assumption of no share split, the annual dividend per share forecast is ¥81 for the year ending March 31, 2021. For further details, please refer to "1. Qualitative Information about Consolidated Results for the First Six Months (4) Information about Return to Shareholders" on page 14 of the attached material.

3. Forecast of Consolidated Financial Results for Year Ending March 31, 2021

(Percentages indicate changes from the same period in the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	960,000	-2.2	60,000	-56.8	69,000	-51.1	53,000	-58.9	53,000	-58.9	27.24

Note: Revision of the forecast from most recently announced figures: Yes

Note: Effective Thursday, October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares. "Basic earnings per share" indicates the amount after the share split.

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: No
2) Changes in accounting policies due to other reasons: No
3) Changes in accounting estimates: No

(3) Number of ordinary shares issued

1) Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2020	2,127,034,029 shares
As of March 31, 2020	2,127,034,029 shares

2) Number of treasury shares at the end of the period

As of September 30, 2020	181,522,092 shares
As of March 31, 2020	182,830,776 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	1,944,936,675 shares
Six months ended September 30, 2019	1,943,729,585 shares

Note: Effective Thursday, October 1, 2020, Daiichi Sankyo implemented a three-for-one share split of its ordinary shares. "Number of ordinary shares issued" is calculated as if the share split had taken place at the beginning of the year ended March 31, 2020.

* This quarterly financial results summary is not subject to quarterly review procedures by Certified Public Accountants or an audit firm.

*Disclaimer regarding forward-looking information including appropriate use of forecast financial results

The forecast information included in these materials is based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and results may differ from those forecast due to various factors.

Please see *"1. Qualitative Information about Consolidated Results for the First Six Months (3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements"* on page 13 for matters related to the above forecasts.

Attached Material

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1. Qualitative Information about Consolidated Results for the First Six Months

(1) Information about Operating Results

1) Overview

[Consolidated Financial Results]

(Millions of yen; all amounts have been rounded down to the nearest million yen.)

	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Revenue	479,573	480,168	595 0.1%
Cost of sales	177,105	168,573	-8,531 -4.8%
Selling, general and administrative expenses	130,454	148,615	18,160 13.9%
Research and development expenses	85,850	104,514	18,664 21.7%
Operating profit	86,163	58,465	-27,697 -32.1%
Profit before tax	87,040	66,986	-20,054 -23.0%
Profit attributable to owners of the Company	64,426	51,667	-12,758 -19.8%
Total comprehensive income	45,575	49,900	4,324 9.5%

<Revenue of global mainstay products>

(Millions of yen; all amounts have been rounded down to the nearest million yen.)

Generic name (Main brand name)	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Trastuzumab deruxtecan (Enhertu) antitumor agent (HER2-directed antibody drug conjugate)	4,911	17,678	12,767 260.0%
Edoxaban (Lixiana) anticoagulant	73,758	79,120	5,361 7.3%
Olmesartan antihypertensive agent	50,725	48,114	-2,610 -5.1%
Prasugrel antiplatelet agent	9,392	8,623	-769 -8.2%

<Yen exchange rates for major currencies (average rate during the period)>

(Yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
USD/Yen	108.63	106.92
EUR/Yen	121.41	121.29

a. Revenue

- Revenue in the first six months of the year ending March 31, 2021 increased by ¥0.6 billion, or 0.1% compared to the same period of the previous fiscal year (year on year), to ¥480.2 billion.
- Revenue remained approximately the same level as the same period of the previous fiscal year despite having achieved growth with global mainstay products such as Enhertu (generic name: trastuzumab deruxtecan, development code: DS-8201) and Lixiana, and the revenue recognition of upfront payment for the global development and commercialization collaboration of DS-1062 (TROP2-directed ADC) with AstraZeneca (¥1.0 billion), due to factors that include American Regent, Inc. having become subject to effects of the spread of novel coronavirus infection (hereinafter, COVID-19), and also due to NHI drug price revision in Japan and termination of vaccine sales cooperation.
- The negative effect on revenue from foreign exchange was ¥4.4 billion in total.

b. Operating profit

- Operating profit decreased by ¥27.7 billion, or 32.1% year on year, to ¥58.5 billion.
- Cost of sales was ¥168.6 billion, a decrease of ¥8.5 billion, or 4.8% year on year, as a result of having recorded an impairment loss of intangible assets of ¥3.8 billion in the previous year, in addition to an improvement in cost-to-sales ratio as a result of a change in the product mix.
- Selling, general and administrative expenses increased by ¥18.2 billion, or 13.9%, to ¥148.6 billion despite a decrease in sales promotion expenses due to the impact of the spread of COVID-19, as a result of having recorded a gain on sale of property, plant and equipment of ¥10.6 billion in the previous year, in addition to an increase in expenses associated with Enhertu (sales promotion expenses and profit sharing).
- Research and development expenses increased by ¥18.7 billion, or 21.7% year on year, to ¥104.5 billion despite lower expenses brought about by an increase in cost sharing with AstraZeneca pertaining to trastuzumab deruxtecan, mainly due to R&D investment in 3 ADCs (DS-8201, DS-1062 and U3-1402) as well as higher expenses associated with enhancing the oncology project development structure.
- The negative effect on operating profit from foreign exchange was ¥1.6 billion in total.

c. Profit before tax

- Profit before tax decreased by ¥20.1 billion, or 23.0% year on year, to ¥67.0 billion.
- The decrease in profit before tax was modest compared to the decrease in operating profit due to improvement of ¥7.7 billion in Daiichi Sankyo’s financial balance mainly resulting from improvement of loss (gain) on exchange differences.

d. Profit attributable to owners of the Company

- Profit attributable to owners of the Company decreased by ¥12.8 billion, or 19.8% year on year, to ¥51.7 billion.

e. Total comprehensive income

- Total comprehensive income increased by ¥4.3 billion, or 9.5% year on year, to ¥49.9 billion.
- Total comprehensive income increased year on year due to improvements both in valuation difference on financial assets and in currency translation difference pertaining to net assets of overseas subsidiaries.

[Revenue by Geographic Area]

Primary revenue by geographic area is as follows.

a. Japan

- Revenue in Japan decreased by ¥11.9 billion, or 4.0% year on year, to ¥283.1 billion.

<Prescription drug business>

- In the prescription drug business, revenue decreased by ¥10.9 billion, or 4.2%, to ¥250.1 billion mainly due to NHI drug price revision in Japan, decline in sales of Memary caused by generic entries following the loss of exclusivity, and termination of vaccine sales cooperation, despite growth in sales of Tarlige.
  This revenue also includes revenue generated by the vaccine business and revenue generated by the generic pharmaceutical business of Daiichi Sankyo Espha Co., Ltd.
- In May 2020, Daiichi Sankyo launched Enhertu for the treatment of patients with HER2-positive unresectable or recurrent breast cancer after prior chemotherapy (limit the use to patients who are refractory or intolerant to standard treatments).

<Healthcare (OTC) products business>

- Revenue from the healthcare (OTC) products business decreased by ¥1.0 billion, or 3.0% year on year, to ¥33.0 billion due to the impact of the spread of COVID-19.

<Primary revenue composition in Japan>

(Billions of yen; all amounts have been rounded to the nearest single decimal place.)

	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Prescription drugs*	261.0	250.1	-10.9 -4.2%
Healthcare (OTC) products	34.1	33.0	-1.0 -3.0%

* Includes generic pharmaceutical business and vaccine business.

<Domestic revenue from mainstay prescription drugs>

(Billions of yen; all amounts have been rounded to the nearest single decimal place.)

Brand name	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Nexium ulcer treatment	40.2	39.0	-1.3 -3.1%
Lixiana anticoagulant	41.8	38.3	-3.5 -8.4%
Pralia treatment for osteoporosis/ inhibitor of the progression of bone erosion associated with rheumatoid arthritis	15.4	17.0	1.5 9.9%
Memary Alzheimer's disease treatment	25.7	14.9	-10.8 -42.2%
Tenelia type 2 diabetes mellitus treatment	12.8	12.4	-0.3 -2.6%
Loxonin anti-inflammatory analgesic	14.8	12.3	-2.5 -16.9%
Ranmark treatment for bone complications caused by bone metastases from tumors	9.2	9.7	0.5 5.3%
Inavir anti-influenza agent	1.0	1.3	0.3 34.8%
Tarlige pain agent	3.3	9.1	5.8 177.3%
Canalia type 2 diabetes mellitus treatment	6.1	7.7	1.5 24.9%
Vimpat anti-epileptic agent	5.2	7.1	1.9 36.6%
Efient antiplatelet agent	7.1	7.2	0.1 1.2%
Rezaltas antihypertensive agent	7.5	6.8	-0.8 -10.1%
Olmetec antihypertensive agent	6.2	4.9	-1.3 -21.1%
Enhertu antitumor agent (HER2-directed antibody drug conjugate)	-	1.0	1.0 -

b. North America

- Revenue in North America decreased by ¥0.7 billion, or 0.9% year on year, to ¥82.5 billion. Revenue in local currency terms increased by US$5 million, or 0.7%, to US$772 million.
  This revenue includes revenue generated by Daiichi Sankyo, Inc., and American Regent, Inc.
- At Daiichi Sankyo Inc., sales increased due to contributions of Enhertu upon its sales launch in January 2020.
- At American Regent, Inc., sales of Injectafer and Venofer, etc. decreased due to the impact of the spread of COVID-19.

<Revenue of Daiichi Sankyo, Inc. mainstay products>

(Millions of US$; all amounts have been rounded to the nearest million US$.)

Brand name	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Enhertu antitumor agent (HER2-directed antibody drug conjugate)	-	106	106 –
Olmesartan* antihypertensive agent	51	51	0 0.5%
Welchol hypercholesterolemia treatment/ type 2 diabetes mellitus treatment	44	20	-24 -53.9%

* Benicar /Benicar HCT, Azor, Tribenzor and authorized generics for Olmesartan

<Revenue of American Regent, Inc. mainstay products>

(Millions of US$; all amounts have been rounded to the nearest million US$.)

Brand name	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Injectafer treatment for iron deficiency anemia	239	196	-43 -18.1%
Venofer treatment for iron deficiency anemia	151	137	-14 -9.4%

c. Europe

- Revenue in Europe increased by ¥11.1 billion, or 25.7% year on year, to ¥54.3 billion. Revenue in local currency terms increased by EUR92 million, or 25.8%, to EUR448 million.
- Revenue increased due to steady growth in sales of Lixiana and as a result of having recorded a gain from transfer of the long-listed products of Daiichi Sankyo France SAS.

<Revenue of Daiichi Sankyo Europe GmbH mainstay products>

(Millions of euro; all amounts have been rounded to the nearest million euro.)

Brand name	Six months ended September 30, 2019	Six months ended September 30, 2020	YoY change
Lixiana anticoagulant	226	289	62 27.5%
Olmesartan* antihypertensive agent	92	91	-1 -1.4%
Efient antiplatelet agent	11	6	-5 -44.6%

* Olmetec /Olmetec Plus, Sevikar and Sevikar HCT

d. Asia, South & Central America

- Revenue in Asia, South & Central America decreased by ¥0.6 billion, or 1.2% year on year, to ¥48.4 billion. This revenue includes revenue to overseas' licensees.
- Sales of Cravit, Olmesartan and other products declined in China.

2) Status of R&D

- The Group has established its 2025 Vision of being a "Global Pharma Innovator with Competitive Advantage in Oncology."
- Toward the realization of 2025 Vision, the Group is working on research and development in accordance with the "3 and Alpha" Strategy, which intensively allocates research and development resources to 3 ADCs[*1] (DS-8201, DS-1062 and U3-1402) for maximizing its product value and aims to discover medicines that change SOC[*2] (Alpha) for realization of sustainable growth.
- While striving to strengthen its drug discovering capabilities by active utilization of partnering and technology research of new modalities[*3], the Group focuses on accelerating global clinical development.
  In the medium- to long-term, the Group aims to develop therapeutic drugs for various diseases in addition to oncology by utilizing its competitive science and technology.

[*1] Antibody Drug Conjugate: Drug composed of an antibody drug and a payload (a small molecule drug) linked via appropriate linker. By using a monoclonal antibody that binds to a specific target expressed on cancer cells, a cytotoxic payload is delivered to cancer cells effectively with reducing systemic exposure.

[*2] Standard of Care: Universally applied best treatment practice in today's medical science.

[*3] New medical treatment such as ADC, nucleic acid drugs, viruses for treatment, and cell therapy.

【3 ADCs】

The following describes the Group's clinical development of 3 ADCs projects as of September 30, 2020.

a. Trastuzumab deruxtecan (DS-8201, Japanese and U.S. brand name: Enhertu): HER2-directed ADC

DS-8201 has been marketed in Japan and the U.S. under the brand name Enhertu. To maximize the product value, Daiichi Sankyo is jointly developing DS-8201 with AstraZeneca, a company with a wealth of global experience in oncology.

<Breast cancer>

DESTINY-Breast01 trial (Phase II, Monotherapy, Third line treatment)

- The global clinical trials for the patients with HER2-positive breast cancer previously treated with HER2-directed ADC T-DM1 have been completed.
- DS-8201 has been approved and marketed for the treatment of adult patients with unresectable or metastatic HER2 positive breast cancer who have received two or more prior anti-HER2-based regimens in the metastatic setting in the U.S., and for the treatment of patients with HER2 positive unresectable or recurrent breast cancer after prior chemotherapy (limited to the use to patients who are refractory or intolerant to standard treatments) in Japan.
- In June 2020, the European Medicines Agency (EMA) accepted the application for approval for the treatment of unresectable or metastatic HER2 positive breast cancer and granted it accelerated assessment[*4].

[*4] Accelerated assessment is granted by the EMA to medicines expected to significantly contribute from the perspective of public health and therapeutic innovation and can be significantly reduced the review timelines.

DESTINY-Breast02 trial (Phase III, Monotherapy, Third line treatment)
- The global clinical trials designed to compare the efficacy and safety of DS-8201 versus the investigator's choice for the patients with HER2 positive breast cancer previously treated with HER2-directed ADC T-DM1, etc. are underway.

DESTINY-Breast03 trial (Phase III, Monotherapy, Second line treatment)
- The global clinical trials designed to compare the efficacy and safety of DS-8201 versus T-DM1 for the patients with HER2 positive breast cancer previously treated with anti-HER2 antibody, trastuzumab, etc. are underway.

DESTINY-Breast04 trial (Phase III, Monotherapy, Third or later line treatment)
- The global clinical trials designed to compare the efficacy and safety of DS-8201 versus the investigator's choice for the patients with HER2 low expressing metastatic breast cancer are underway.

DESTINY-Breast06 trial (Phase III, Monotherapy, Chemo therapy naiive)
- In July 2020, the global clinical trials designed to compare the efficacy and safety of DS-8201 versus the investigator's choice for the patients who have received endocrine therapy, but have not received chemotherapy with HER2 low expressing metastatic breast cancer initiated.

BEGONIA trial (Phase Ib/II, Combination, First line treatment)
- AstraZeneca is conducting clinical trials in the U.S., Europe and Asia to evaluate the combination of DS-8201 and durvalumab, the immune checkpoint inhibitor (brand name: Imfinzi) in patients with triple negative breast cancer (TNBC).

<Gastric cancer>

DESTINY-Gastric01 trial (Phase II, Monotherapy, Third line treatment)
- Clinical trials in Japan and South Korea for the patients with HER2 positive gastric or gastroesophageal junction adenocarcinoma that had progressed following two or more treatment regimens including trastuzumab have been completed in the fiscal year ended March 31, 2020.
- DS-8201 was granted SAKIGAKE Designation[*5] by Japan's Ministry of Health, Labour and Welfare (MHLW), the application for approval in Japan was submitted in April 2020, and it was approved in September 2020 for the treatment of HER2 positive unresectable advanced and/or recurrent gastric cancer that has progressed after cancer chemotherapy.
- In May 2020, DS-8201 has been granted Breakthrough Therapy Designation[*6] for the patients with HER2-positive recurrent and/or metastatic gastric cancer, and Orphan Drug Designation[*7] for the treatment of patients with gastric cancer, including gastroesophageal junction cancer by the U.S. Food and Drug Administration (hereinafter, FDA).
- The Group presented the primary analysis results at the 2020 American Society of Clinical Oncology (ASCO) in May 2020.

[*5] System that promotes R&D in Japan by providing prioritized access to clinical trials and approval procedures aiming at early practical application for innovative pharmaceutical products.

[*6] Designation in the U.S. designed to expedite the development and review of medicines that may demonstrate substantial benefit over currently available treatments in order to ensure that patients with serious diseases have access to new treatments as soon as possible.

[*7] Designation to medicines intended for the treatment, diagnosis or prevention of rare diseases of disorders that affect fewer than 200,000 people in the U.S.

DESTINY-Gastric02 trial (Phase II, Monotherapy, Second line treatment)

- The Group is conducting clinical trials in the U.S. and Europe for patients with HER2-positive gastric cancer.

DESTINY-Gastric03 trial (Phase Ib/II, Combination, Second/First line treatment)

- In June 2020, the trials to evaluate the combination of DS-8201 and various other drugs for patients with HER2-positive gastric cancer or gastroesophageal junction adenocarcinoma initiated in the U.S., Europe and Asia.

<Non-small cell lung cancer>

DESTINY-Lung01 trial (Phase II, Monotherapy, Second line treatment)

- The Group is conducting clinical trials in Japan, the U.S. and Europe for patients with HER2-positive and HER2 mutant, non-small cell lung cancer (NSCLC).
- In May 2020, DS-8201 has been granted Breakthrough Therapy Designation by the FDA for the treatment of patients with HER2 mutant unresectable and/or metastatic non-squamous NSCLC.
- The Group presented the intermediate data for the patients with HER2 mutant unresectable and/or metastatic NSCLC at the 2020 American Society of Clinical Oncology (ASCO) in May 2020.

HUDSON trial (Phase II, Combination, Second line treatment)

- AstraZeneca is conducting clinical trials in the U.S., Europe and Asia to evaluate the combination of DS-8201 and durvalumab, the immune checkpoint inhibitor (brand name: Imfinzi) for patients with NSCLC whose disease progressed on an anti-PD-1/PD-L1 containing therapy.

<Colorectal cancer>

DESTINY-CRC01 trial (Phase II, Monotherapy, Third line treatment)

- The Group is conducting clinical trials in Japan, the U.S. and Europe for patients with HER2-positive colorectal cancer.
- The Group presented the primary analysis results at the 2020 American Society of Clinical Oncology (ASCO) in May 2020.

<Other>

Combination study of DS-8201 and nivolumab (Phase I, Combination, Third or later line treatment)

- Daiichi Sankyo is conducting clinical trials in the U.S. and Europe with Bristol-Myers Squibb Company, to evaluate the combination of DS-8201 and nivolumab, the immune checkpoint inhibitor (brand name: Opdivo) in patients with HER2-positive breast cancer and bladder cancer.

Combination study of DS-8201 and pembrolizumab (Phase I, Combination, Third or later line treatment)

- Daiichi Sankyo is conducting clinical trials in the U.S. and Europe with Merck & Co., Inc., to evaluate the combination of DS-8201 and pembrolizumab, the immune checkpoint inhibitor (brand name: Keytruda) in patients with HER2-positive breast cancer and NSCLC.

DESTINY-PanTumor02 trial (Phase II, Monotherapy, Refractory to standards of care (SOC))

- In August 2020, the trials for patients with HER2 expressing urothelial bladder cancer, biliary tract cancer, cervical cancer, endometrial cancer, ovarian cancer, pancreatic cancer, and other rare types of cancer initiated in the U.S. and Asia.

b. DS-1062: TROP2-directed ADC

In July 2020, Daiichi Sankyo entered into a strategic collaboration agreement for DS-1062 with AstraZeneca.
To maximize the product value, Daiichi Sankyo is jointly developing DS-1062 with AstraZeneca, a company with a wealth of global experience in oncology.

<Phase I clinical trials>
- The Group is conducting global Phase I clinical trial for monotherapy with DS-1062 for patients with non-small cell lung cancer (NSCLC) refractory to standards of care (SOC).
- In May 2020, the Group presented data from the trials at the 2020 American Society of Clinical Oncology (ASCO).
- In June 2020, Daiichi Sankyo added patients with triple negative breast cancer (TNBC) refractory to standards of care (SOC) to these trials.

<Non-small cell lung cancer>
- In June 2020, Daiichi Sankyo entered into a clinical trial collaboration agreement with Merck & Co., Inc., to evaluate the combination of DS-1062 and pembrolizumab, the immune checkpoint inhibitor (brand name: Keytruda) in patients with NSCLC without actionable genomic alterations.

c. Patritumab deruxtecan (U3-1402): HER3-directed ADC

<Breast cancer>
- The Group is conducting Phase I/II clinical trial in Japan and the U.S. for monotherapy with U3-1402 for patients with HER3-positive cancer refractory to standards of care (SOC).

<Non-small cell lung cancer>
- The Group is conducting global Phase I clinical trial for monotherapy with U3-1402 for patients with epidermal growth factor receptor (EGFR)-mutated NSCLC whose disease has progressed while taking an EGFR tyrosine kinase inhibitor (TKI).
- The Group presented the intermediate data for the trials at the European Society of Medical Oncology Virtual Congress 2020 (#ESMO20) in September 2020.

Combination study of osimertinib, EGFR tyrosine kinase inhibitor (TKI)
- In August 2020, Daiichi Sankyo has entered into a clinical trial collaboration with AstraZeneca to evaluate the combination of osimertinib, an epidermal growth factor receptor (EGFR) tyrosine kinase inhibitor (TKI) (brand name: Tagrisso), in patients with EGFR-mutated NSCLC.

<Colorectal cancer>
- In September 2020, Phase II clinical trials for monotherapy with U3-1402 for patients with HER3 expressing colorectal cancer (the third line treatment) initiated in Japan, the U.S. and Europe.

d. Research collaboration, etc.

Entered into innovative research collaboration with Gustave Roussy[*8]
- In July 2020, the Group entered into an agreement to support comprehensive research programs such as clinical and translational research, including potential combination strategies with other drugs for DS-1062 and U3-1402.

[*8] The Institut Gustave Roussy (IGR): Europe's representative cancer research laboratory located in Villejuif in southern Paris

【Alpha】

The following describes the clinical development and progress made in each project other than 3 ADCs

projects in the first six months of the year ending March 31, 2021.

1) Oncology Area

a. DS-6157: GPR20-directed ADC

- In May 2020, Phase I clinical trials for monotherapy with DS-6157 for patients with gastrointestinal stromal tumor (GIST) refractory to standards of care (SOC) initiated in Japan and the U.S.

2) Areas Other than Oncology

a. Strategic partnership with Ultragenyx Pharmaceutical Inc. for use of gene therapy manufacturing technology

- In April 2020, Daiichi Sankyo has entered into a strategic partnership with Ultragenyx Pharmaceutical Inc. for the non-exclusive use of gene therapy manufacturing technology with Ultragenyx Pharmaceutical Inc.'s proprietary adeno associated virus (AAV) vector.

b. Commencement of open innovation research with Mitsubishi UFJ Capital Co., Ltd. and Nagoya Institute of Technology

- In April 2020, Daiichi Sankyo has commenced open innovation research concerning a gene therapy for restoring vision with Mitsubishi UFJ Capital Co., Ltd. and Nagoya Institute of Technology.

c. Prasugrel: ADP receptor inhibitor

- In July 2020, the primary endpoint has been achieved in the Japan Phase III clinical trials (PRASTRO-III) in thrombotic stroke patients.

d. Edoxaban: Factor Xa-inhibitor

- In August 2020, the primary endpoint has been achieved in the Japan Phase III clinical trials (ELDERCARE AF Study) for the anticoagulant, edoxaban, in elderly patients with non-valvular atrial fibrillation and high bleeding risk.
- In September 2020, an application was filed to partially change items of approval for manufacturing and marketing in Japan based on the results of these trials.

3) Efforts to Address the Novel Coronavirus Infection

- Daiichi Sankyo is proactively involved in the establishment of prevention and treatment methods in the fight against COVID-19, for which there is an urgent global social need. In April 2020, Daiichi Sankyo established a task force to promote company-wide R&D on vaccines and therapeutic agents for COVID-19; moreover, in our role as a pharmaceutical company, by leveraging our research properties, technologies and knowledge to the maximum extent, and through partnerships with other organizations, Daiichi Sankyo is proceeding with the following R&D.

a. DS-5670: genetic (mRNA) vaccine

- For the prevention of COVID-19, Daiichi Sankyo is currently participating in "Fundamental Research on the Control of the Novel Coronavirus (2019-nCoV[*1]),"[*2] an initiative supported by the Japan Agency for Medical Research and Development (hereinafter, AMED). In addition, using novel nucleic acid delivery technology[*3] developed by Daiichi Sankyo itself, Daiichi Sankyo is taking part in a basic research project on a genetic (mRNA) vaccine with the title "Development of a Genetic Vaccine for 2019-nCoV."

- In a pharmacological evaluation using animal models, Daiichi Sankyo achieved an increase in antibody titers to the COVID-19 in June 2020. Leveraging this result, Daiichi Sankyo has positioned the development of the mRNA vaccine as a priority project and start to consider an increase in scale toward establishing a supply system. At the same time, Daiichi Sankyo aims to proceed to clinical studies around March 2021.
- In August 2020, Daiichi Sankyo was selected by the MHLW to be a provider for the Japanese Government's "Emergent Initiative to Build Production Capacity for COVID-19 Vaccines[*4] (First Round)."
- In August 2020, Daiichi Sankyo was selected by AMED to be a company for the AMED's Drug Discovery Support Program "Development of a Vaccine for COVID-19 Vaccines[*5] (Second Round)."

[*1] 2019-nCoV is synonymous with SARS-CoV-2.

[*2] A vaccine development initiative determined for support by AMED under urgent government-wide efforts against the worldwide spread of COVID-19.

[*3] Technology focusing on forming lipid nanoparticle structures, stabilizing pharmaceutical active ingredients and delivering nucleic acids into immune cells. Compared to conventional vaccine technology, it has been demonstrated to induce a more optimal immune response.

[*4] The project aims to swiftly develop an actual (large-scale) production system for biologics, including vaccines, in order to ensure that the vaccines necessary for the prevention of the spread and severity of unexpected epidemics, including COVID-19, are produced as soon as possible, and that their supply is secured for the Japanese people.

[*5] The project aims to support the development of a vaccine against COVID-19, for which R&D is already underway, and aims to ensure the early commercialization of safe and effective vaccines.

b. DS-2319: Nafamostat inhalation formulation

- In June 2020, Daiichi Sankyo entered into a Basic Agreement on Collaborative R&D on Nafamostat Inhalation Formulation with the University of Tokyo, RIKEN, and Nichi-Iko Pharmaceutical Co., Ltd. on Nafamostat inhalation formulation for the treatment of COVID-19.
- Daiichi Sankyo will carry out R&D on the Nafamostat inhalation formulation using technology gained in the development of its anti-influenza virus agent, Inavir. Non-clinical studies have begun in July 2020 and after consultation with authorities with the aim of proceeding to clinical studies by March 2021.

c. Start of discussions with AstraZeneca regarding supply in Japan of novel coronavirus vaccine

- In June 2020, Daiichi Sankyo agreed to proceed with discussions with AstraZeneca for the stable supply in Japan of a potential novel coronavirus vaccine being developed by AstraZeneca and Oxford University in the U.K. Daiichi Sankyo will advance discussions with AstraZeneca to formulate the vaccine, including vial filling, packaging, and storage in Japan.

(2) Analysis of Financial Position as of September 30, 2020

- Total assets as of September 30, 2020 were ¥2,079.8 billion, a decrease of ¥25.9 billion from the previous fiscal year-end, mainly due to decreases in trade and other receivables and other financial assets (current assets), which were partially offset by increases in cash and cash equivalents and other financial assets (non-current assets).
- Total liabilities as of September 30, 2020 were ¥746.0 billion, a decrease of ¥53.3 billion from the previous fiscal year-end, mainly due to decreases in trade and other payables and bonds and borrowings, which were partially offset by an increase in other non-current liabilities.

- Total equity as of September 30, 2020 was ¥1,333.7 billion, an increase of ¥27.5 billion from the previous fiscal year-end, mainly because of the profit for the period, which was partially offset by dividend paid.
- The ratio of equity attributable to owners of the Company to total assets was 64.1%, an increase of 2.1 points from the previous fiscal year-end.

(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

- The differences from the forecasts of consolidated financial results for the year ending March 31, 2021, which were publicly announced on April 27, 2020, are shown below.

1) Revisions to the forecasts of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

	Revenue	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	970,000	80,000	80,000	56,000	56,000	86.38
Revised forecasts (B)	960,000	60,000	69,000	53,000	53,000	27.24
Change (B-A)	-10,000	-20,000	-11,000	-3,000	-3,000	
Percentage of change (%)	-1.0%	-25.0%	-13.8%	-5.4%	-5.4%	
(Reference) Year ended March 31, 2020	981,793	138,800	141,164	128,967	129,074	199.21

* Assumed exchange rate since the third quarter: USD/Yen = 110, EUR/Yen = 120

* Effective Thursday, October 1, 2020, the Company implemented a three-for-one share split of its ordinary shares. “Basic earnings per share” in “Revised forecasts (B)” indicates the amount after the share split.

2) Reason for the revision

- The earnings forecasts have been revised in consideration of the impact of COVID-19 on financial results and the steady progress of R&D, etc.
- The forecast for revenue has been revised downward from the previous forecast by ¥10.0 billion to ¥960.0 billion due to the downward adjustment of the forecast for revenue of Injectafer, Healthcare (OTC) products and Inavir, etc. by factors such as refraining of medical care because of the spread of COVID-19, the dissipation of demand for inbound tourism associated with restrictions on movement and a decrease in the spread of seasonal influenza and the common cold as a result of increased awareness of hygiene, despite steadily increasing sales of Enhertu and Tarlige, which are new products, and the recording of deferred revenue from upfront payment associated with strategic alliance related to DS-1062.
- The forecast for operating profit has been revised downward by ¥20.0 billion to ¥60.0 billion due to factors such as an increase in research and development expenses associated with steadily progress of the clinical development of Enhertu, etc. and an increase in stock price-linked compensation, despite a decrease in expenses due to a decline in business activities associated with the spread of COVID-19.

- The forecast for profit before tax has been revised downward by ¥11.0 billion to ¥69.0 billion in consideration of the financial balance's actual results for the first six months of the year ending March 31, 2021.
- Profit for the year and profit attributable to owners of the Company have been both revised downward by ¥3.0 billion from the previous forecast to ¥53.0 billion reflecting a decrease of profit before tax and the latest projected tax rates.

Note: The forecasted statements shown above are based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and other results may differ from these forecasted figures due to various factors.

(4) Information about Return to Shareholders

- In order to secure sustainable growth in corporate value, one of the fundamental business policies of Daiichi Sankyo is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders.
- In the 5-Year Business Plan, Daiichi Sankyo introduced policy to pay a total return ratio[*1] of 100% or more during the period, and in terms of dividend payments, to distribute ordinary dividend to ¥70 or more yearly, to pay stable dividend, and to exercise the agile purchase of treasury shares.

[*1] Total return ratio = (Total amount of dividend + Total acquisition costs of treasury shares) / Profit attributable to owners of the Company

The Board of Directors held on October 30, 2020 approved the following resolution:

- To pay an ordinary dividend of ¥40.5 per share as an interim dividend, which will be paid on December 1 to shareholders as of September 30, 2020.
  Daiichi Sankyo has conducted a three for-one share split of ordinary shares on October 1, 2020, and intends to pay a year-end dividend of ¥13.5 per share on a post-share split basis. The annual dividend for the year ending March 31, 2021, on a pre-share split basis, will be increased by ¥11.0 from the fiscal year ended March 31, 2020, to ¥81.0 per share.
- To acquire the ordinary shares of Daiichi Sankyo upper limited to ¥100,000 million as the aggregate amount of acquisition cost or 60,000,000 shares as the total number of shares to be acquired from November 2, 2020.
- To cancel 180,000,000 treasury shares of Daiichi Sankyo which are 9.3% issued shares before cancelled (excluding treasury shares).

2. Condensed Interim Consolidated Financial Statements with Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	424,184	451,267
Trade and other receivables	309,363	252,762
Other financial assets	466,528	430,517
Inventories	173,362	183,258
Other current assets	10,546	10,171
Subtotal	1,383,984	1,327,978
Assets held for sale	134	-
Total current assets	1,384,119	1,327,978
Non-current assets		
Property, plant and equipment	247,053	246,810
Goodwill	76,760	75,249
Intangible assets	172,499	174,399
Investments accounted for using the equity method	383	315
Other financial assets	97,974	119,531
Deferred tax assets	114,748	123,234
Other non-current assets	12,079	12,245
Total non-current assets	721,499	751,786
Total assets	2,105,619	2,079,764

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	270,867	232,357
Bonds and borrowings	40,389	20,390
Other financial liabilities	9,490	10,172
Income taxes payable	9,937	20,756
Provisions	5,367	4,684
Other current liabilities	15,019	8,276
Total current liabilities	351,071	296,638
Non-current liabilities		
Bonds and borrowings	183,811	163,626
Other financial liabilities	37,118	35,617
Post-employment benefit liabilities	5,263	5,368
Provisions	10,597	10,303
Deferred tax liabilities	15,641	15,021
Other non-current liabilities	195,840	219,463
Total non-current liabilities	448,273	449,400
Total liabilities	799,344	746,039
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	94,633	94,633
Treasury shares	(162,519)	(161,383)
Other components of equity	82,094	79,429
Retained earnings	1,241,600	1,270,653
Total equity attributable to owners of the Company	1,305,809	1,333,333
Non-controlling interests		
Non-controlling interests	464	391
Total equity	1,306,274	1,333,725
Total liabilities and equity	2,105,619	2,079,764

(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue	479,573	480,168
Cost of sales	177,105	168,573
Gross profit	302,468	311,595
Selling, general and administrative expenses	130,454	148,615
Research and development expenses	85,850	104,514
Operating profit	86,163	58,465
Financial income	5,279	9,909
Financial expenses	4,455	1,424
Share of profit (loss) of investments accounted for using the equity method	53	36
Profit before tax	87,040	66,986
Income taxes	22,663	15,391
Profit for the period	64,377	51,594
Profit attributable to:		
Owners of the Company	64,426	51,667
Non-controlling interests	(49)	(72)
Profit for the period	64,377	51,594
Earnings per share		
Basic earnings per share (Yen)	33.15	26.57
Diluted earnings per share (Yen)	33.08	26.53

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit for the period	64,377	51,594
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,459)	5,150
Remeasurements of defined benefit plans	(87)	75
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(17,255)	(6,920)
Other comprehensive income for the period	(18,801)	(1,694)
Total comprehensive income for the period	45,575	49,900
Total comprehensive income attributable to:		
Owners of the Company	45,624	49,972
Non-controlling interests	(49)	(72)
Total comprehensive income for the period	45,575	49,900

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended September 30, 2019

(Millions of yen)

	Equity attributable to owners of the Company					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2019	50,000	94,633	(162,964)	1,805	66,628	46,732
Changes in accounting policies	–	–	–	–	–	–
Adjusted balance as of April 1, 2019	50,000	94,633	(162,964)	1,805	66,628	46,732
Profit for the period	–	–	–	–	–	–
Other comprehensive income for the period	–	–	–	–	(17,255)	(1,459)
Total comprehensive income for the period	–	–	–	–	(17,255)	(1,459)
Purchase of treasury shares	–	–	(45)	–	–	–
Cancellation of treasury shares	–	103	204	(37)	–	–
Dividend	–	–	–	–	–	–
Changes associated with obtaining control of subsidiaries	–	–	–	–	–	–
Changes associated with losing control of subsidiaries	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(6,087)
Total transactions with owners of the Company	–	103	159	(37)	–	(6,087)
Balance as of September 30, 2019	50,000	94,737	(162,805)	1,768	49,373	39,185

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity					
	Remeasure-ments of defined benefit plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2019	–	115,166	1,152,806	1,249,642	62	1,249,705
Changes in accounting policies	–	–	(375)	(375)	–	(375)
Adjusted balance as of April 1, 2019	–	115,166	1,152,431	1,249,267	62	1,249,329
Profit for the period	–	–	64,426	64,426	(49)	64,377
Other comprehensive income for the period	(87)	(18,801)	–	(18,801)	–	(18,801)
Total comprehensive income for the period	(87)	(18,801)	64,426	45,624	(49)	45,575
Purchase of treasury shares	–	–	–	(45)	–	(45)
Cancellation of treasury shares	–	(37)	–	270	–	270
Dividend	–	–	(22,676)	(22,676)	–	(22,676)
Changes associated with obtaining controls of subsidiaries	–	–	–	–	576	576
Changes associated with losing control of subsidiaries	–	–	–	–	(67)	(67)
Transfer from other components of equity to retained earnings	87	(6,000)	6,000	–	–	–
Total transactions with owners of the Company	87	(6,037)	(16,675)	(22,450)	509	(21,940)
Balance as of September 30, 2019	–	90,327	1,200,181	1,272,441	523	1,272,964

Six months ended September 30, 2020

(Millions of yen)

	Equity attributable to owners of the Company					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2020	50,000	94,633	(162,519)	1,611	51,218	29,264
Profit for the period	–	–	–	–	–	–
Other comprehensive income for the period	–	–	–	–	(6,920)	5,150
Total comprehensive income for the period	–	–	–	–	(6,920)	5,150
Purchase of treasury shares	–	–	(38)	–	–	–
Cancellation of treasury shares	–	–	1,174	(516)	–	–
Dividend	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(378)
Total transactions with owners of the Company	–	–	1,136	(516)	–	(378)
Balance as of September 30, 2020	50,000	94,633	(161,383)	1,094	44,298	34,036

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity					
	Remeasure-ments of defined benefit plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2020	–	82,094	1,241,600	1,305,809	464	1,306,274
Profit for the period	–	–	51,667	51,667	(72)	51,594
Other comprehensive income for the period	75	(1,694)	–	(1,694)	–	(1,694)
Total comprehensive income for the period	75	(1,694)	51,667	49,972	(72)	49,900
Purchase of treasury shares	–	–	–	(38)	–	(38)
Cancellation of treasury shares	–	(516)	(386)	272	–	272
Dividend	–	–	(22,682)	(22,682)	–	(22,682)
Transfer from other components of equity to retained earnings	(75)	(453)	453	–	–	–
Total transactions with owners of the Company	(75)	(970)	(22,614)	(22,448)	–	(22,448)
Balance as of September 30, 2020	–	79,429	1,270,653	1,333,333	391	1,333,725

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before tax	87,040	66,986
Depreciation and amortization	26,378	28,454
Impairment losses (reversal of impairment losses)	4,469	9
Financial income	(5,279)	(9,909)
Financial expenses	4,455	1,424
Share of (profit) loss of investments accounted for using the equity method	(53)	(36)
(Gain) loss on sale and disposal of non-current assets	(10,233)	71
(Increase) decrease in trade and other receivables	77,027	55,825
(Increase) decrease in inventories	(11,698)	(10,227)
Increase (decrease) in trade and other payables	(59,000)	(21,964)
Others, net	(2,491)	14,454
Subtotal	110,613	125,089
Interest and dividend received	3,404	1,800
Interest paid	(1,390)	(927)
Income taxes paid	(10,345)	(14,162)
Net cash flows from (used in) operating activities	102,282	111,800
Cash flows from investing activities		
Payments into time deposits	(424,270)	(313,228)
Proceeds from maturities of time deposits	426,996	388,784
Acquisition of securities	(70,764)	(121,117)
Proceeds from sale and redemption of securities	99,651	78,974
Acquisition of property, plant and equipment	(18,741)	(14,806)
Proceeds from sale of property, plant and equipment	103	16
Acquisition of intangible assets	(6,369)	(31,782)
Acquisition of subsidiaries	463	–
Payments for loans receivable	(101)	(24)
Proceeds from collection of loans receivable	209	214
Others, net	14,145	(588)
Net cash flows from (used in) investing activities	21,321	(13,559)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Proceeds from bonds and borrowings	3,981	–
Repayments of bonds and borrowings	(40,194)	(40,195)
Purchase of treasury shares	(45)	(38)
Proceeds from sale of treasury shares	0	1
Dividend paid	(22,671)	(22,686)
Others, net	(4,950)	(6,361)
Net cash flows from (used in) financing activities	(63,878)	(69,279)
Net increase (decrease) in cash and cash equivalents	59,725	28,961
Cash and cash equivalents at the beginning of the period	243,155	424,184
Effect of exchange rate changes on cash and cash equivalents	(5,301)	(1,878)
Cash and cash equivalents at the end of the period	297,578	451,267

(5) Notes to Condensed Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Significant Subsidiaries during the Period

Not applicable.

Changes in Accounting Policies

The significant accounting policies adopted in preparing the condensed interim consolidated financial statements of the Group have not changed from the prior year.

Subsequent Events

The Company approved at the Board of Directors (BOD) held on October 30, 2020 to acquire its own shares based on the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same act. In addition, the Company approved at the same BOD to cancel its own shares based on the provisions of Article 178 of the Companies Act.

1. Reason for the Acquisition and Cancellation of Own Shares
To enhance capital efficiency and to improve shareholder returns.

2. Details of Acquisition
(1) Class of Shares to be Acquired
Ordinary shares of the Company
(2) Total Number of Shares to be Acquired
60,000,000 shares (maximum);
3.1% issued shares (post-share split standard effective October 1, 2020) (excluding treasury shares)
(3) Aggregate amount of acquisition cost
100,000 million yen (maximum)
(4) Acquisition Period
From November 2, 2020 to March 23, 2021
(5) Acquisition Method
Purchase on the Tokyo Stock Exchange

3. Details of Cancellation
(1) Class of Shares to be Cancelled
Ordinary shares of the Company
(2) Total Number of Shares to be Cancelled
180,000,000 shares;
9.3% issued shares (post-share split standard effective October 1, 2020) (excluding treasury shares)
(3) Cancellation Date
April 15, 2021