May 11, 2026

Consolidated Financial Results for the Year Ended March 31, 2026 (Fiscal 2025) <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
Listed exchange: the Tokyo Stock Exchange
Stock code number: 4568
URL: https://www.daiichisankyo.com
Representative: Mr. Hiroyuki Okuzawa, Representative Director, President and CEO
Contact: Ms. Ari Fujishiro, Corporate Officer, Head of Investor Relations and Shareholder Relations Department
Telephone: +81-3-6225-1125
Scheduled date of Ordinary General Shareholders Meeting: June 22, 2026
Scheduled date of dividend payments: From June 23, 2026
Scheduled date to file Annual Securities Report: June 19, 2026
Preparing supplementary material (Reference Data) on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors, analysts and the press)

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

1. Consolidated Financial Results for Year Ended March 31, 2026

(1) Consolidated Financial Results

(Percentages indicate changes from the previous fiscal year.)

	Revenue		Core Operating Profit		Operating Profit		Profit before tax	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Year ended March 31, 2026	2,123,045	12.6	359,962	15.1	229,089	(31.0)	263,432	(25.9)
Year ended March 31, 2025	1,886,256	17.8	312,835	60.2	331,925	56.9	355,631	49.9

	Profit for the year		Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	JPY
Year ended March 31, 2026	259,874	(12.1)	259,874	(12.1)	309,908	6.9	140.44
Year ended March 31, 2025	295,756	47.1	295,756	47.3	289,808	(6.0)	155.96

	Diluted earnings per share	Return on equity attributable to owners of the Company	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	JPY	%	%	%
Year ended March 31, 2026	140.37	15.8	7.1	10.8
Year ended March 31, 2025	155.87	17.9	10.3	17.6

Reference: Share of profit or loss of investments accounted for using the equity method:

Year ended March 31, 2026: JPY1,513 million
Year ended March 31, 2025: JPY1,457 million

Note: Daiichi Sankyo discloses core operating profit, which excludes non-recurring gains and losses from operating profit, as an indicator of underlying profitability. For the definition of core operating profit, please refer to "1. Results of Operations (1) Operating Results for Year ended March 31,2026 1) Overview" on page 2 of the attached material.

(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 JPY	Millions of JPY	Millions of JPY	%	JPY
As of March 31, 2026	4,005,390	1,664,179	1,664,179	41.5	914.56
As of March 31, 2025	3,456,119	1,623,416	1,623,416	47.0	869.69

(3) Consolidated Cash Flows

	Net cash flows from operating activities	Net cash flows from investing activities	Net cash flows from financing activities	Cash and cash equivalents at the end of year
	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY
Year ended March 31, 2026	77,655	(148,241)	(97,875)	488,983
Year ended March 31, 2025	53,842	334,170	(377,769)	639,838

2. Cash Dividends

	Annual dividend per share					Total dividend (Total)	Dividend payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the Company (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
	JPY	JPY	JPY	JPY	JPY	Millions of JPY	%	%
Year ended March 31, 2025	–	30.00	–	30.00	60.00	112,959	38.5	6.9
Year ended March 31, 2026	–	39.00	–	39.00	78.00	144,262	55.5	8.7
Year ending March 31, 2027 (Forecast)	–	50.00	–	50.00	100.00		70.0	

3. Forecast of Consolidated Financial Results for Year Ending March 31, 2027

(Percentages indicate changes from the previous fiscal year.)

	Revenue		Core operating profit		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	JPY
Full year	2,280,000	7.4	360,000	27.5	315,000	37.5	329,000	24.9	263,000	1.2	260,000	0.0	142.88

*Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: None

Excluded: 2 companies (Daiichi Sankyo Propharma Co., Ltd. and Daiichi Sankyo Chemical Pharma Co., Ltd.)

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

1) Changes in accounting policies required by IFRS: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None

(3) Number of ordinary shares issued

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

As of March 31, 2026	1,894,350,529 shares
As of March 31, 2025	1,908,322,129 shares

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

As of March 31, 2026	74,697,299 shares
As of March 31, 2025	41,668,788 shares

3) Average number of shares outstanding during the period

Year ended March 31, 2026	1,850,402,503 shares
Year ended March 31, 2025	1,896,393,411 shares

(Reference)

Non-Consolidated Financial Results for Year Ended March 31, 2026

(1) Non-Consolidated Financial Results

(Percentages indicate changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Year ended March 31, 2026	1,807,048	33.1	440,477	176.8	519,133	156.7	447,886	123.1
Year ended March 31, 2025	1,357,334	11.7	159,123	52.9	202,008	10.6	200,740	9.0

	Basic net income per share	Diluted net income per share
	JPY	JPY
Year ended March 31, 2026	242.05	241.93
Year ended March 31, 2025	105.85	105.79

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of JPY	Millions of JPY	%	JPY
As of March 31, 2026	3,386,628	1,105,923	32.6	607.56
As of March 31, 2025	2,697,206	938,666	34.8	502.63

Reference: Equity:

As of March 31, 2026: JPY1,105,541 million
As of March 31, 2025: JPY938,241 million

* This consolidated financial results report is not subject to audit procedures by Certified Public Accountants or audit firm

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

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

Please see *"1. Results of Operations (3) Future Outlook"* on page 12 for matters related to the above forecasts.

Attached Material

Index

1. Results of Operations

(1) Operating Results for Year ended March 31, 2026

1) Overview

[Consolidated Financial Results (Core Base)]

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

	Year ended March 31, 2025	Year ended March 31, 2026	YoY change
Revenue	1,886,256	2,123,045	236,789 12.6%
Cost of sales*	415,722	441,343	25,620 6.2%
Selling, general and administrative expenses*	724,815	859,603	134,787 18.6%
Research and development expenses*	432,882	462,136	29,254 6.8%
Core operating profit*	312,835	359,962	47,127 15.1%
Temporary income*	22,167	22,100	-66 -0.3%
Temporary expenses*	3,077	152,974	149,897 –
Operating profit	331,925	229,089	-102,835 -31.0%
Profit before tax	355,631	263,432	-92,198 -25.9%
Profit attributable to owners of the Company	295,756	259,874	-35,882 -12.1%
Total comprehensive income	289,808	309,908	20,100 6.9%

* Daiichi Sankyo Group (hereinafter, "the Group") discloses core operating profit, which excludes temporary income and expenses from operating profit, as an indicator of ordinary profitability. Temporary income and expenses include gains/losses on sale of non-current assets, gains/losses associated with business restructuring (excluding gains/losses on sales of developed products and products on the market), impairment losses on property, plant and equipment, intangible assets, and goodwill, compensation for damages or settlement, and non-recurring and large gains/losses.

This table shows the actual results of cost of sales, selling, general and administrative expenses, and research and development expenses, exclusive of temporary income and expenses. The adjustment table from operating profit to core operating profit is stated in the Reference Data.

<JPY exchange rates for major currencies (average rate for year)>

(JPY)

	Year ended March 31, 2025	Year ended March 31, 2026
USD/JPY	152.57	150.78
EUR/JPY	163.74	174.79

a. Revenue

- Revenue in the year ended March 31, 2026 (fiscal 2025) increased by JPY236.8 billion, or 12.6% year on year, to JPY2,123.0 billion.
- Revenue increased year on year due to the growth of global mainstay products such as Enhertu (generic name: trastuzumab deruxtecan, T-DXd/DS-8201), sales contribution of Datroway (generic name: datopotamab deruxtecan: Dato-DXd/DS-1062) and the positive effect from foreign exchange by the depreciation of JPY.
- The positive effect on revenue from foreign exchange was JPY21.8 billion in total.

b. Core operating profit

- Core operating profit increased by JPY47.1 billion, or 15.1% year on year, to JPY360.0 billion.
- Cost of sales was JPY441.3 billion, constituting an increase of JPY25.6 billion, or 6.2% year on year, due to an increase in revenue.
- Selling, general and administrative expenses increased by JPY134.8 billion, or 18.6%, to JPY859.6 billion mainly due to the cost increase by an increase in profit sharing with AstraZeneca.
- Research and development expenses increased by JPY29.3 billion, or 6.8% year on year, to JPY462.1 billion due to increased R&D investment in 5DXd ADCs (trastuzumab deruxtecan, datopotamab deruxtecan, patritumab deruxtecan: HER3-DXd/U3-1402, ifinatamab deruxtecan: I-DXd/DS-7300, raludotatug deruxtecan: R-DXd/DS-6000).
- The positive effect on core operating profit from foreign exchange was JPY14.7 billion in total.

c. Operating profit

- Operating profit decreased by JPY102.8 billion, or 32.0% year on year, to JPY229.1 billion.
- Compensation for losses paid to the contract manufacturer, and others were recorded as temporary expenses in the fiscal 2025, resulting in a decrease in operating profit.

d. Profit before tax

- Profit before tax decreased by JPY92.2 billion, or 25.9% year on year, to JPY263.4 billion.
- The smaller decrease compared to operating profit was a result of an improvement of the financial balance by an improvement in loss (gain) on exchange differences.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company decreased by JPY35.9 billion, or 12.1% year on year, to JPY259.9 billion.
- The smaller decrease compared to profit before tax was a result of the decrease in income taxes and other factors.

f. Total comprehensive income

- Total comprehensive income increased by JPY20.1 billion, or 6.9% year on year, to JPY309.9 billion due to the increase in the currency translation difference related to net assets of overseas subsidiaries and other factors.

[Revenue by Business Unit]

Revenue by business unit in the fiscal 2025 is as follows. Revenue by product is stated in the Reference Data.

a. Japan Business Unit

Revenue from Japan Business Unit includes revenue from products generated by the innovative pharmaceuticals business and the vaccine business.

Revenue from the Unit increased by JPY8.9 billion, or 1.9% year on year, to JPY485.8 billion due to the growth of Datroway, Tarlige, Lixiana, Enhertu and others.

The following describes the major progress in the fiscal 2025.

- In August 2025, Enhertu was approved for chemotherapy naïve HER2 low or HER2 ultralow breast cancer and the promotion started.
- In March 2026, Enhertu was approved for HER2 positive multiple solid tumors and the promotion started.
- In March 2026, Enhertu was approved for the second line treatment of HER2 positive gastric cancer and the promotion started.

b. Daiichi Sankyo Healthcare Unit

Revenue from Daiichi Sankyo Healthcare Unit increased by JPY4.1 billion, or 4.7% year on year, to JPY90.7 billion as a result of the increase in sales of Clean Dental, Loxonin and others.

c. Oncology Business Unit

Revenue from Oncology Business Unit includes revenue from cancer treatment products generated by Daiichi Sankyo, Inc. (the U.S.) and Daiichi Sankyo Europe GmbH.

Revenue from the Unit increased by JPY145.0 billion, or 31.3% year on year, to JPY608.8 billion and the revenue in local currency increased by USD998 million, or 32.8%, to USD4,038 million due to the growth of Enhertu in the U.S. and Europe, and the sales contribution of Datroway.

The following describes the major progress in the fiscal 2025.

- In June 2025, Datroway was launched in Europe (Indications: HR positive and HER2 negative breast cancer (IHC 0, IHC 1+ or IHC 2+/ISH-) after prior endocrine therapy and chemotherapy).
- In June 2025, Datroway was approved in the U.S. for treatment of EGFR-mutated NSCLC and the promotion started.
- In December 2025, the application for the combination therapy with pertuzumab was approved in the U.S. for the first line treatment for HER2 positive breast cancer and the promotion started.

d. American Regent Unit

Revenue from American Regent Unit decreased by JPY35.0 billion, or 16.1% year on year, to JPY182.2 billion and the revenue in local currency decreased by USD215 million, or 15.1%, to USD1,208 million due to decreases in sales of Injectafer, Venofer and others.

e. EU Specialty Business Unit

Revenue from EU Specialty Business Unit includes revenue from products other than from cancer treatment products generated by Daiichi Sankyo Europe GmbH.

Revenue from the Unit increased by JPY39.1 billion, or 16.5% year on year, to JPY276.6 billion and the revenue in local currency increased by EUR132 million, or 9.1%, to EUR1,582 million due to the growth in sales of Nilemdo/Nustendi and others.

f. ASCA Business Unit

Revenue from ASCA[*1] Business Unit includes sales to overseas licensees.

Revenue from the Unit increased by JPY39.8 billion, or 18.8% year on year, to JPY251.0 billion due to an increase of Enhertu in China and Brazil, and others.

[*1] Asia, South & Central America

The following describes the major progress in the fiscal 2025.

- In December 2025, Enhertu was approved in China for chemotherapy naïve HER2 low or HER2 ultralow breast cancer and the promotion started.
- In March 2026, Enhertu was approved in China for the neoadjuvant therapy of HER2 positive early-stage breast cancer and the promotion started.

2) Status of R&D

The Group focuses on accelerating global clinical development and is working on research and development in accordance with the "5DXd ADCs[*1] and Next Wave" Strategy, which intensively allocates resources to 5DXd ADCs for maximizing their product values, and aims to deliver medicines that change SOC[*2] for realization of sustainable growth (Next Wave).

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, and strives to strengthen drug discovering capabilities by technology research of new modalities[*3].

[*1] ADC: Abbreviation for 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. DXd ADCs are drugs that combine the Company's proprietary drugs and linkers with antibodies.

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

[*3] Modality: Medical treatment such as small molecule drugs, antibody drugs, ADC, nucleic acid drugs and gene therapy.

[5DXd ADCs]

The following describes the Group's clinical development of 5DXd ADCs projects in the fiscal 2025. The status of each clinical trial is stated in the Reference Data.

The Group is developing trastuzumab deruxtecan and datopotamab deruxtecan jointly with AstraZeneca. In addition, the Group is developing patritumab deruxtecan, ifinatamab deruxtecan, and raludotatug deruxtecan jointly with Merck & Co., Inc., Rahway, NJ, USA (hereinafter "Merck in the U.S.").

a. Trastuzumab deruxtecan (T-DXd/DS-8201: HER2-directed ADC, brand name: Enhertu)

The following describes the major progress in the fiscal 2025.

- In April 2025, the application was approved in Europe and the application for approval was accepted in China for chemotherapy naïve hormone receptor (HR) positive and HER2 low or HER2 ultralow breast cancer.
- In April 2025, the Phase III clinical trial to evaluate triple combination therapy with fluoropyrimidine and pembrolizumab as the first line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric05) was initiated.
- In April 2025, the outline of the interim analysis data of the Phase III clinical trial for the first line treatment for HER2 positive breast cancer (trial name: DESTINY-Breast09) was presented.
- In April 2025, the application for approval was accepted in Japan for HER2 positive advanced or recurrent multiple solid tumors.
- In May 2025, the outline of the major analysis data of the Phase III clinical trial for neoadjuvant therapy of high-recurrence-risk HER2 positive early-stage breast cancer (trial name: DESTINY-Breast11) was presented.
- In June 2025, the first data of the Phase III clinical trial for the second line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric04) was presented at the American Society of Clinical Oncology (ASCO).
- In June 2025, first data of the DESTINY-Breast09 clinical trial was presented at ASCO.
- In June 2025, the Phase III clinical trial to evaluate combination therapy with rilvegostomig or pembrolizumab as the first line treatment for HER2 expressing (IHC 3+ or 2+) endometrial cancer (trial name: DESTINY-Endometrial01) was initiated.
- In July 2025, the combination therapy with pertuzumab was granted Breakthrough Therapy Designation[*4] by the U.S. Food and Drug Administration (FDA) for the first line treatment for HER2 positive breast cancer.
- In August 2025, the application was approved in Japan for HR positive and HER2 low or HER2 ultralow breast cancer.
- In September 2025, the application for approval was accepted in Europe for HER2 positive (IHC 3+) advanced or recurrent multiple solid tumors.
- In September 2025, the application for approval for the combination therapy with pertuzumab was accepted and Priority Review Designation[*5] was granted in the U.S. for the first line treatment for HER2 positive breast cancer.
- In September 2025, the outline of the data of the Phase III clinical trial for HER2 positive breast cancer with residual invasive disease after neoadjuvant therapy and high risk of disease recurrence (trial name: DESTINY-Breast05) was presented.
- In October 2025, the application for approval was accepted in the U.S. for the neoadjuvant therapy with high-recurrence-risk HER2 positive early-stage breast cancer.
- In October 2025, the application for approval for the combination therapy with pertuzumab was accepted in Japan for the first line treatment for HER2 positive breast cancer.
- In October 2025, the latest data for DESTINY-Breast05 clinical trial and DESTINY-Breast11 clinical trial was presented at the European Society of Medical Oncology (ESMO).
- In October 2025, the Phase III clinical trial for the first line treatment for nonsquamous NSCLC with HER2 overexpression, no actionable gene mutations*[6], and a PD-L1 TPS of <50% (trial name: DESTINY-Lung06) was initiated.
- In December 2025, the randomized part of the Phase III clinical trial for the first line maintenance therapy for HER2 expressing (IHC 3+/2+/1+) ovarian cancer following treatment with platinum-based chemotherapy in combination with bevacizumab (trial name: DESTINY-Ovarian01) was initiated.
- In December 2025, the application for the combination therapy with pertuzumab was approved in the U.S. for the first line treatment for HER2 positive breast cancer.

- In December 2025, the Phase III clinical trial for the adjuvant therapy for HER2 expressing (IHC 3+ or 2+) endometrial cancer (trial name: DESTINY-Endometrial02) was initiated.
- In December 2025, HER2 positive breast cancer with residual invasive disease after neoadjuvant therapy and high risk of disease recurrence was granted Breakthrough Therapy Designation by the FDA.
- In December 2025, the application was approved in China for chemotherapy naïve hormone receptor (HR) positive and HER2 low or HER2 ultralow breast cancer.
- In January 2026, the application for approval for the combination therapy with pertuzumab was accepted in Europe for the first line treatment for HER2 positive breast cancer.
- In January 2026, the application was approved in China for the second line treatment for HER2 positive gastric cancer.
- In February 2026, the application for approval was accepted in Europe for HER2-directed therapy targeting HER2 positive (IHC 3+ or ISH+) breast cancer with residual invasive disease after neoadjuvant therapy.
- In February 2026, the application for approval for adjuvant drug therapy was accepted in Japan for HER2 positive breast cancer.
- In March 2026, the application for approval was accepted in the U.S. for HER2-directed therapy targeting HER2 positive (IHC 3+ or ISH+) breast cancer with residual invasive disease after neoadjuvant therapy and Priority Review Designation was granted.
- In March 2026, the prescribing information in Japan was revised to allow the use for second line treatment for HER2 positive gastric cancer.
- In March 2026, approval was obtained in Japan for HER2 positive (HER2 gene amplification or IHC 3+) advanced or recurrent solid tumors.
- In March 2026, approval was obtained in China for neoadjuvant treatment targeting HER2 positive (IHC 3+ or ISH+) early-stage breast cancer with high risk of disease recurrence, involving the administration of ENHERTU followed by paclitaxel, trastuzumab and pertuzumab (THP).

[*4] A system 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.

[*5] In the U.S., a system designed for medicines that would be significant improvements in treatment or medicines that offer treatment to patients having currently appropriate treatment. If granted, the review period can be expected to be shorter (targeted 6 months), compared to standard applications review period (targeted 10 months).

[*6] Genetic mutations that can be currently targeted for cancer treatment.

b. Datopotamab deruxtecan (Dato-DXd/DS-1062: TROP2-directed ADC, brand name: Datroway)

The following describes the major progress in the fiscal 2025.

- In April 2025, the application was approved in Europe for the treatment of HR positive and HER2 negative (IHC 0, IHC 1+, or IHC 2+/ISH-) breast cancer after prior endocrine therapy and one or more chemotherapies.
- In June 2025, the latest data for combination therapy with immune checkpoint inhibitors from the two Phase Ib clinical trials for the first line treatment for NSCLC without actionable gene mutations (trial names: TROPION-Lung02, TROPION-Lung04) and from the Phase II clinical trial for neoadjuvant/adjuvant therapy (trial name: NeoCOAST-2) were presented at ASCO.
- In June 2025, the application was approved in the U.S. for NSCLC with EGFR (epidermal growth factor receptor) gene mutations and prior treatment with EGFR-targeted therapy and platinum-based chemotherapy.

- In August 2025, the application was approved in China for the treatment of HR positive and HER2 negative (IHC 0, IHC 1+, or IHC 2+/ISH-) breast cancer after prior endocrine therapy and one or more chemotherapies.
- In October 2025, the outline of the final analysis data of the Phase III clinical trial for the first line treatment for triple negative breast cancer (TNBC) not eligible for immunotherapy (trial name: TROPION-Breast02) was presented.
- In October 2025, the latest data for TROPION-Breast02 clinical trial was presented at ESMO.
- In October 2025, the latest data for a cohort for the Phase II clinical trial for the first and second line treatment for urothelial carcinoma (trial name: TROPION-PanTumor03) was presented at ESMO.
- In October 2025, the Phase II/III clinical trial for previously treated metastatic urothelial carcinoma (trial name: TROPION-Urothelial03) was initiated.
- In December 2025, the application for approval for the first line treatment was accepted in Europe for TNBC not eligible for PD-1/PD-L1.
- In January 2026, the Phase III clinical trial for the second line treatment of TROP2 NMR[*7] positive nonsquamous NSCLC (trial name: TROPION-Lung17) was initiated.
- In February 2026, the application for approval for the first line treatment was accepted in the U.S. for TNBC not eligible for PD-1/PD-L1 and Priority Review was granted.
- In February 2026, the application for approval was accepted in Japan for the first line treatment for hormone receptor negative and HER2 negative breast cancer.

[*7] TROP2 biomarker determined using a new computational pathology platform that analyzes digital images of patient tissue samples to accurately quantify the target proteins expressed on the surface and inside of all cancer cells within the images.

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

The following describes the major progress in the fiscal 2025.

- In May 2025, the application for approval in the U.S. for EGFR-mutated NSCLC*[8] was voluntarily withdrawn.
- In June 2025, the first data from the Phase III clinical trial for the second line treatment for EGFR-mutated NSCLC (trial name: HERTHENA-Lung02) was presented at ASCO.
- In August 2025, the Phase III clinical trial for unresectable or metastatic HR positive and HER2 negative (IHC 0, IHC 1+ or IHC 2+/ISH-) breast cancer (trial name: HERTHENA-Breast04) was initiated.

[*8] The application for approval was based on the results from the Phase II clinical trial (trial name: HERTHENA-Lung01).

d. Ifinatamab deruxtecan (I-DXd/DS-7300: B7-H3-directed ADC)

The following describes the major progress in the fiscal 2025.

- In April 2025, trial results were obtained from the Phase II clinical trial for the second or later line treatment for extensive-stage small cell lung cancer (trial name: IDeate-Lung01).
- In May 2025, the Phase III clinical trial for the second line treatment for esophageal squamous cell carcinoma (trial name: IDeate-Esophageal01) was initiated.
- In June 2025, the Phase III clinical trial for metastatic castration-resistant prostate cancer with no history of chemotherapy (trial name: IDeate-Prostate01) was initiated.
- In August 2025, Breakthrough Therapy Designation was granted by the FDA for the treatment of extensive-stage small cell lung cancer with disease progression on or after platinum-based chemotherapy.

- In September 2025, the latest data of the Phase II clinical trial for previously treated extensive-stage small cell lung cancer (trial name: IDeate-Lung01) was presented at the World Conference on Lung Cancer (WCLC).

e. Raludotatug deruxtecan (R-DXd/DS-6000: CDH6-directed ADC)

The following describes the major progress in the fiscal 2025.

- In September 2025, Breakthrough Therapy Designation was granted by the FDA for the treatment of patients with platinum-resistant epithelial ovarian, primary peritoneal or fallopian tube cancers expressing CDH6 who have received prior treatment with bevacizumab.
- In October 2025, the first data of the Phase II part of the Phase II/III clinical trial for platinum-resistant ovarian and other cancers (trial name: REJOICE-Ovarian01) was presented at ESMO.

[Next Wave]

The following describes the major progress in the Next Wave in the fiscal 2025. The status of each clinical trial is stated in the reference data.

- In October 2025, the first data from the dose-escalation part of the Phase I/II clinical trial of DS-3939 (TA-MUC1-directed DXd ADC) for previously treated advanced solid tumors was presented at ESMO.
- In October 2025, the Phase I clinical trial of DS5361 (small molecule NMD inhibitor) for solid tumors was initiated.
- In November 2025, the Phase I clinical trial of DS3610 (STING agonist ADC) for advanced solid tumors was initiated.
- In November 2025, the Phase I clinical trial of DS9051 (Targeted Protein Degradation Molecule) for solid tumors including castration-resistant prostate cancer was initiated.
- In February 2026, the Phase I/II clinical trial of DS3790 (CD37-DXd directed ADC) for relapsed or refractory B-cell non-Hodgkin lymphoma was initiated.

(2) Analysis of Financial Position as of March 31, 2026

1) Assets, Liabilities and Capital Position

- Total assets as of the fiscal year-end were JPY4,005.4 billion, an increase of JPY549.3 billion from the previous fiscal year-end, mainly due to increases in inventories, deferred tax assets and trade and other receivables which were partially offset by a decrease in cash and cash equivalents.
- Total liabilities as of the fiscal year-end were JPY2,341.2 billion, an increase of JPY508.5 billion from the previous fiscal year-end, mainly due to increases in bonds and borrowings (non-current liabilities) and provisions (non-current liabilities) , which were partially offset by a decrease in other non-current liabilities.
- Total equity as of the fiscal year-end was JPY1,664.2 billion, an increase of JPY40.8 billion from the previous fiscal year-end, mainly due to the profit for the year , which was partially offset by purchase of own shares (47.20 million shares at an aggregate purchase cost of JPY150.5 billion) and cash dividend payment.
- The ratio of equity attributable to owners of the Company to total assets was 41.5%, a decrease of 5.4 points from the previous fiscal year-end.

2) Status of Cash Flows

Cash and cash equivalents decreased by JPY150.9 billion for the year ended March 31, 2026 to JPY489.0 billion. The cash flow status and the contributing factors are summarized as follows:

Cash Flows from Operating Activities

- Net cash inflows provided by operating activities totaled JPY77.7 billion (previous year: JPY53.8 billion inflow), mainly due to cash inflows from profit before tax (JPY263.4 billion), non-cash items such as depreciation and amortization (JPY77.5 billion), as well as the upfront payments for the strategic collaboration of Raludotatug deruxtecan (R-DXd/DS-6000).

Cash Flows from Investing Activities

- Net cash outflows used in investing activities totaled JPY148.2 billion (previous year: JPY334.2 billion inflow), mainly due to cash outflows from payments into time deposits and acquisitions of property, plant and equipment, which were partially offset by proceeds from sales of investments and maturities of time deposits.

Cash Flows from Financing Activities

- Net cash outflows used in financing activities totaled JPY97.9 billion (previous year: JPY377.8 billion outflow), mainly due to cash outflows from dividend payments and purchase of own shares, which were partially offset by proceeds from bonds.

(Reference) Cash flow-related indicators

Principal Cash Flow Indicators

	Fiscal 2025	Fiscal 2026
Ratio of equity attributable to owners of the Company to total assets (%)	47.0	41.5
Ratio of equity attributable to owners of the Company to total assets (at market value) (%)	189.6	125.7
Interest-bearing debt to cash flow ratio (years)	0.95	1.68
Interest coverage ratio (times)	85.01	93.06

Ratio of equity attributable to owners of the Company to total assets: equity attributable to owners of the Company /total assets

Ratio of equity attributable to owners of the Company to total assets (at market value): total market capitalization/total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt/cash flows

Interest coverage ratio: cash flows/interest paid

(Notes)

1. All indicators are calculated on a consolidated basis.
2. Total market capitalization is calculated based on the number of outstanding ordinary shares (net of own shares).
3. Cash flows equal the amount of net cash provided by operating activities in the consolidated statement of cash flows less the amounts of “interest paid” and “income taxes paid.” Interest paid equals the “interest paid” included in the consolidated statement of cash flows.
4. Interest-bearing debt includes all liabilities reported on the consolidated statement of financial position which are subject to interest payments.

(3) Future Outlook

Forecast of Consolidated Financial Results for Year Ending March 31, 2027 (Fiscal 2026)

(JPY Millions; all amounts have been rounded down to the nearest JPY million)

	Fiscal 2025	**Fiscal 2026**	Amount change	Percentage change
Revenue	2,123,045	**2,280,000**	156,954	7.4
Core operating profit*	282,369	**360,000**	77,630	27.5
Operating profit	229,089	**315,000**	85,910	37.5
Profit before tax	263,432	**329,000**	65,567	24.9
Profit for the year	259,874	**263,000**	3,125	1.2
Profit attributable to owners of the Company	259,874	**260,000**	125	0.0

* Daiichi Sankyo Group (hereinafter, "the Group") has changed the definition of core operating profit starting from the fiscal year ending March 2027. Under the new definition, core operating profit is disclosed as an indicator of the fundamental profitability of the business, excluding the following items from operating profit.

  - Amortization expenses of intangible assets related to products
  - Gains/losses associated with restructuring
  - Impairment losses on property, plant and equipment, intangible assets, and goodwill
  - Gains/losses related to damages and settlements
  - Acquisition-related costs
  - Loss (gain) on exchange differences (applicable from the fiscal year ending March 2028)
  - Other gains/losses that the Company deems should be excluded to understand the fundamental profitability of the Group's business

  Please note that the core operating profit for the Fiscal 2025, as listed in this table, also reflects this change in definition. For the reconciliation from operating profit to core operating profit, please refer to the Reference Data.

- Regarding revenue, the Company is expecting a 7.4% increase in revenue year on year, to JPY2,280.0 billion by revenue increase from Enhertu and Datroway and others.
- Core operating profit is expected to increase by 27.5% year on year to JPY360.0 billion due to the expected increase in gross profit associated with an increased revenue and improved cost-of-sales ratio, despite the expected increase in expenses resulting from the increase in profit share payments to AstraZeneca accompanying increased sales of Enhertu and Datroway, and the continuous allocation of resources to the oncology business, etc.
- Operating profit is expected to increase by 37.5% year on year to JPY 315.0 billion, reflecting changes in income and expenses outside of the core base.
- Profit before tax is expected to increase by 24.9% year on year to JPY 329.0 billion, reflecting changes in financial income and expenses, among other factors.
- Profit for the year is expected to increase by 1.2% year on year to JPY 263.0 billion, due to an increase in income taxes.
- Profit attributable to owners of the Company is expected to increase by 0.0% year on year to JPY 260.0 billion. The increase is smaller than that of profit for the year, as profit attributable to non-controlling interests is expected to arise in connection with the share transfer of Daiichi Sankyo Healthcare Co., Ltd.
- Forecasts are based on assumption of foreign exchange rates at JPY150 against U.S. dollar and JPY180 against euro.

(4) Basic Policy on Profit Distribution and Dividend for the Years Ended March 2026 and Ending March 2027

- 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.
- During the 5-Year Business Plan (fiscal 2021-fiscal 2025) period, the Company aims to maximize shareholder value by further enhancing shareholder returns through dividend increase in line with profit growth and flexible acquisition of its own shares.
- For fiscal 2025, the Company has implemented an interim dividend of JPY39 per share on December 10, 2025, and plans to distribute a year-end dividend of JPY39 per share, totaling an annual dividend of JPY78 per share (an increase of JPY18 year on year).
- In order to take flexible actions based on comprehensive consideration such as share price level and other factors, on April 25, 2025, the Company resolved at the Board of Directors meeting to establish a limit of up to 80 million shares or JPY200.0 billion for the acquisition of its own shares, and acquired approximately 31.45 million shares of its own shares for approximately JPY91.8 billion by March 24, 2026. Additionally, it resolved at the Board of Directors meeting held on May 11, 2026 to cancel all the acquired shares on June 10, 2026.
- For fiscal 2026, the Company decided at the Board of Directors meeting held on May 11, 2026, to set the annual dividend forecast for fiscal 2026 at JPY100 per share, which is an increase of JPY22 compared to fiscal 2025 (interim dividend forecast: JPY50, year-end dividend forecast: JPY50).

For the policy on shareholder returns in the 5-Year Business Plan(Fiscal 2026 to Fiscal 2030), please refer to “1. Results of Operations (5) Prospective Challenges” on page 14 of the attached material.

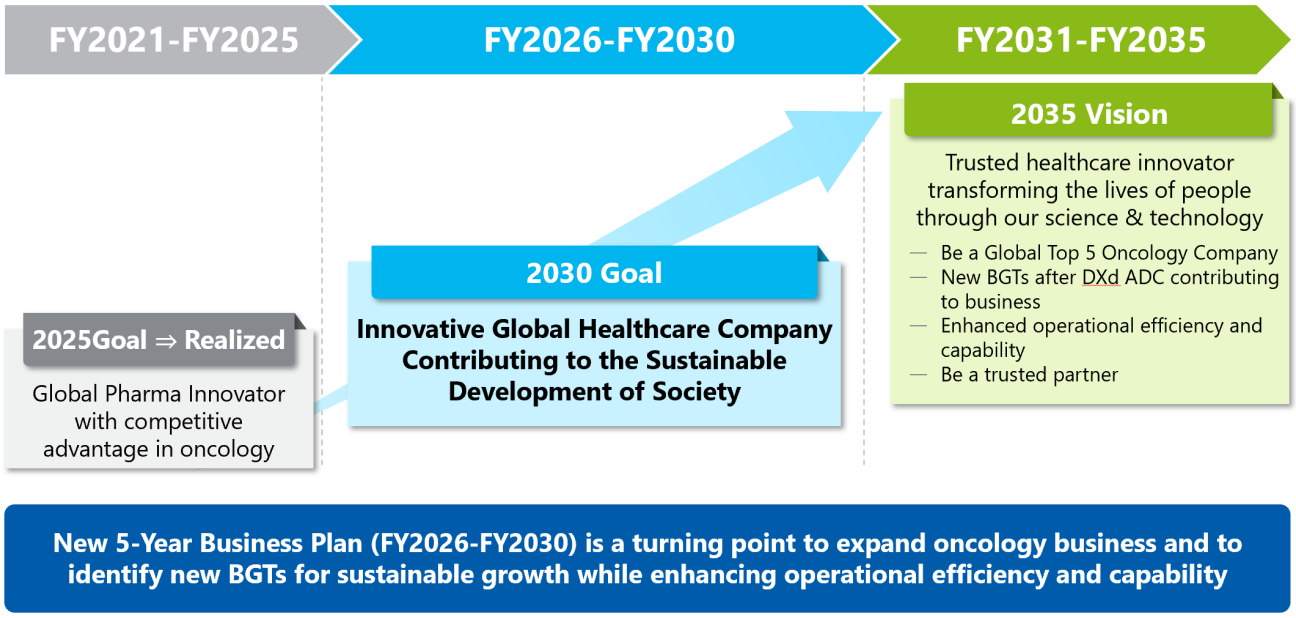
(5) Prospective Challenges

1) 2035 Vision

- We have established a new 2035 Vision: to be a “trusted healthcare innovator transforming the lives of people through our science and technology.”
- Through the 5-Year Business Plan (FY2021-FY2025), we successfully executed our transformation into an oncology-focused company while delivering sustained growth. As a result, the path toward our FY2030 goal —becoming an “Innovative Global Healthcare Company Contributing to the Sustainable Development of Society”— has become increasingly clear.
- Building on this progress, we will further expand our oncology business while strengthening our organizational capabilities. At the same time, we will identify and develop new Breakthrough Generating Technologies (BGTs) [*1] to drive long-term growth and accelerate execution of the 5-Year Business Plan (FY2026-FY2030) toward achieving our 2035 Vision.

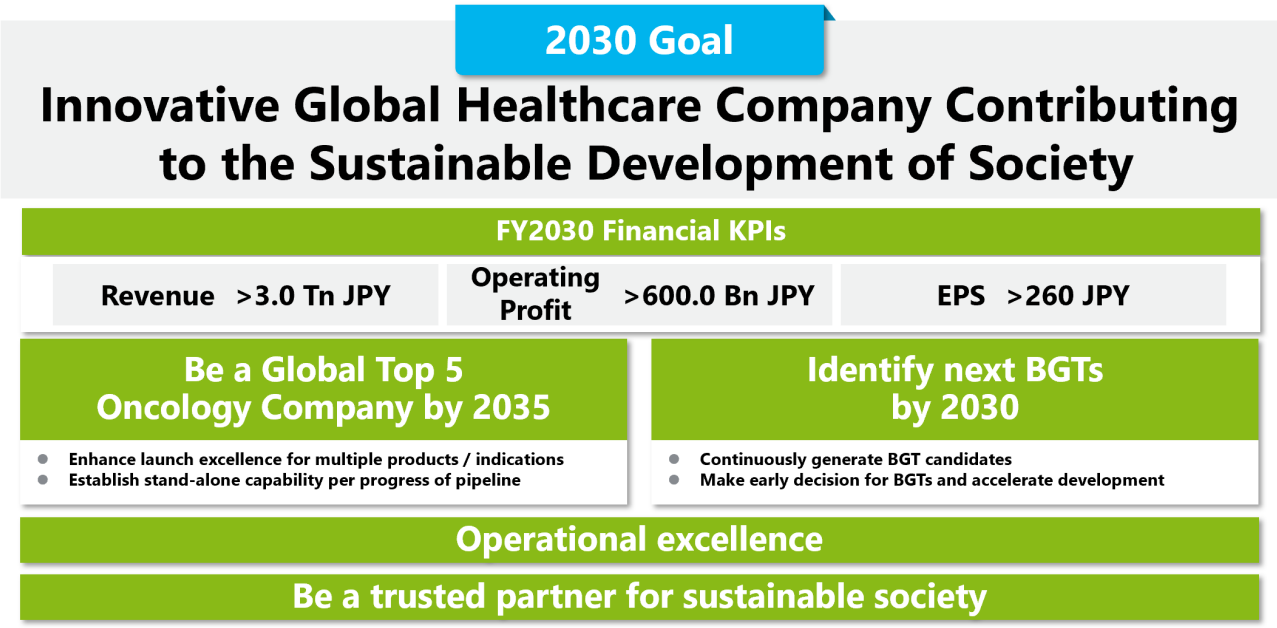
[*1] A drug discovery technology platform designed to deliver more innovative medicines to patients faster

Positioning of the 5-Year Business Plan (FY2026-FY2030) toward achievement of the 2035 Vision



2) 5-Year Business Plan (Fiscal 2026 to Fiscal 2030)

- We have formulated the 5-Year Business Plan (FY2026-FY2030) as a roadmap to achieve our FY2030 goal of becoming an “Innovative Global Healthcare Company Contributing to the Sustainable Development of Society,” while accelerating growth and building the foundation for the next generation toward realization of its 2035 Vision.



Strategies to Achieve the 5-Year Business Plan (FY2026-FY2030)

a. FY2030 Financial Key Performance Indicators (KPIs)

- Through execution of the following strategies, we aim to achieve revenue of JPY 3.0 trillion or more, operating profit of JPY 600.0 billion or more, and basic earnings per share (EPS) of JPY 260 or more.

b. Be a Global Top 5 Oncology Company by 2035 (Maximize the value of DXd ADCs to become a Global Top 5 Oncology Company by 2035)

- We aim to expand our oncology business, led by Enhertu and Datroway, targeting oncology revenue of more than JPY 2.3 trillion in FY2030, and will pursue the successful launch of more than 20 indications over the next five years.
- We will continuously strengthen our capabilities in “R&D Excellence” - to accelerate development speed and improve the probability of obtaining regulatory approvals - as well as in “Business Excellence” - to swiftly deliver approved products to patients worldwide and maximize product value.
- We will restructure our global supply chain to ensure stable supply of ADC products and enable the rapid launch of BGT candidates.
- We will maintain and expand our established presence in breast cancer therapeutic area, while also pursuing the establishment of strong leadership in lung cancer therapeutic area.

c. Identify next BGTs by 2030 (Identify new BGTs following DXd ADC and accelerate development)

- Identifying next-generation BGTs by 2030 is our key strategic objective.
- Our first BGT, DXd ADC, currently includes two launched products - Enhertu and Datroway - with multiple additional programs in development. Building on the expertise and track record established through DXd ADC, we will accelerate research and development across multiple modalities beyond ADC, in addition to further advancing ADC technologies.
- To support the continuous generation of BGT candidates, we will work to establish next-generation technologies and build an ecosystem for target identification through the expansion of research

facilities both in Japan and overseas, the promotion of AI- and data-driven drug discovery, and the enhancement of open innovation[*2].

- Through these initiatives, we aim to identify multiple BGTs by FY2030 and accelerate their development in order to realize sustainable growth.

[*2] An approach to advancing research and development and generating innovation by incorporating external technologies and knowledge through collaboration with research institutions and companies outside the Company, in addition to in-house research and development

d. Operational Excellence (Achieve company-wide operational excellence and strengthen profit generation)

- As a foundation for enabling the business investments described in (b) and (c) above, we are committed to the relentless pursuit of operational excellence[*3]
- We will significantly enhance productivity through the utilization of AI and other measures, and will integrate digital transformation-driven operational efficiency with strategic workforce deployment to strengthen profit generation.
- We will also fundamentally optimize its procurement and outsourcing structure. Through the introduction of a global common ERP (Enterprise Resource Planning) platform, it will optimize procurement processes and reduce costs.
- Through these initiatives, we aim to achieve cost optimization of over JPY 200 billion, enhancing profitability and enabling further growth investments and shareholder returns.
- We will establish a new organization to centrally manage all global commercialization activities across its innovative pharmaceutical business portfolio (planned to commence operations in April 2027). This will drive resource allocation and investment decisions aligned with business strategies, including optimization of organizational structure and workforce.

[*3] A management concept and initiative aimed at continuously improving and optimizing all business processes across the organization in order to sustainably achieve high quality, efficiency, and productivity.

e. Be a Trusted Partner for Sustainable Society (Contribute to diverse stakeholders and become a trusted partner)

- We regard contributing to the realization of a sustainable society as a trusted partner of society as a core component of our management. We will advance Patient Centricity in our operations while contributing to the medical community based on the highest ethical standards.
- In addition, we will attract and develop world-class talent, further enhance our corporate culture and working environment, and maintain a high standard of compliance.
- Furthermore, we will strive to reduce environmental burden across its entire value chain, while working to build trusted relationships with long-term oriented investors.

Shareholder Return Policy

- In order to secure sustainable growth in corporate value, one of the fundamental business policies of the Company is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders. We will introduce a progressive dividend policy to support stable and long-term shareholder returns.
- During the 5-Year Business Plan (FY2021-FY2025) period, we increased dividends annually in line with profit growth, with the annual dividend expected to rise from JPY 27 per share in FY2021 to JPY 78 per share in FY2025. During the next 5-Year Business Plan (FY2026-FY2030) period, in order to further reinforce this trend of dividend increases, we adopt a progressive dividend policy under which

dividends will in principle be maintained or increased each fiscal year, and sets an adjusted DOE[*4] of 10.0% or more per fiscal year as a benchmark for the dividend level.

- In addition to dividends, the acquisition of own shares is also positioned as an option for shareholder returns. While prioritizing progressive dividends, we will consider flexible acquisition of own shares based on a comprehensive assessment of our financial condition, market environment, and other relevant factors.

[*4] DOE (total dividends/shareholders' equity) calculated based on "adjusted shareholders' equity," which is shareholders' equity minus "other components of equity (primarily items that fluctuate due to share prices and exchange rates)."

(6) Strategic Targets and Forward-Looking Statements

- Strategic targets, forward-looking statements and other information disclosed in this material are all determined by the Company based on information obtained at the time of disclosure of this material with certain assumptions, premises and future forecasts, and thus, there are various inherent risks as well as uncertainties involved. As such, actual results of the Company may diverge materially from the content of this material.
- These risks and uncertainties include, among others, the risk of being unable to meet future commercial product/trial supply plans for 5DXd ADC products (Enhertu, Datroway, HER3-DXd, I-DXd, R-DXd), risks regarding clinical trials of 5DXd ADC products, and risks related to intellectual property disputes.

2. Matters Related to Corporate Governance

(1) System related to Corporate Governance

- In addition to creating a management structure that can respond speedily and flexibly to changes in the business environment, the Daiichi Sankyo is working to secure legal compliance and management transparency and to strengthen oversight of management and the conduct of operations. We place great importance on building up a corporate governance structure that is responsive to the trust of our stakeholders, especially our shareholders.

1) Corporate Governance Structure

a. To clarify Directors management responsibility and reinforce their oversight of management and the conduct of operations, their terms of office are set at one year, and five out of our ten Directors are Outside Directors. Since June 2020, an Outside director has been appointed chairman of the Board of Directors (the Board).

b. To ensure management transparency, the Company has established two voluntary committees as advisory bodies to the Board: the Nomination Committee and the Compensation Committee. Both committees respectively deliberate on selections or dismissals of CEO and COO, the succession plan of CEO, selections of Director and Audit & Supervisory Board Member candidates, the compensation policy for Directors, the individual amounts of compensation of Directors, and other matters.

c. It is comprised by five Outside Directors and one Outside Audit & Supervisory Board Member participates as the observer in each committee.

d. For audits of legal compliance and soundness of management, the Company has adopted an Audit & Supervisory Board system and established the Audit & Supervisory Board comprising five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members.

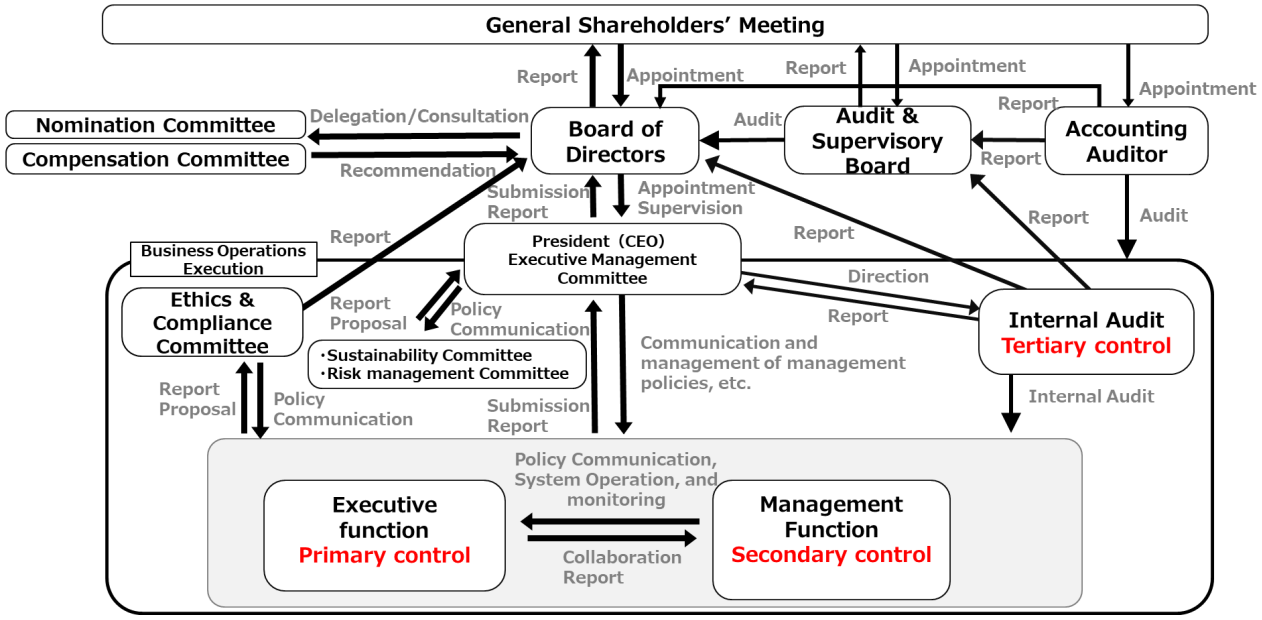
e. The Company prescribes specific criteria on the judgment of independence of Outside Directors and Outside Audit & Supervisory Board Members and basic matters regarding execution of duties by Directors and Audit & Supervisory Board Members.

f. Under the global management structure, the Management Executive Meeting with CxOs, Unit Heads, and Heads of Global Corporate Functions as members is held as appropriate to deliberate on important matters related to the strategy, policy, and execution of group management, and to contribute to management decision-making.

g. The Company employs a Corporate Officer System which contributes to appropriate and swift management decision-making and the conduct of operations.

h. With the aims of ensuring effectiveness and efficiency of operations, ensuring reliability of financial reporting, complying with applicable laws and regulations relevant to business activities, and safeguarding assets, the Company structures its internal control system to consist of self-monitoring carried out by respective organizations which execute its functions (primary controls), policy development and monitoring for respective organizations carried out by the corporate organization (secondary controls), and internal auditing encompassing monitoring carried out by the Corporate Internal Audit Department (tertiary controls).

Daiichi Sankyo Group Internal Control System Chart



(2) Policies and Procedures for Appointment/Selection of Directors, Audit & Supervisory Board Members, and CEO

- Directors shall meet the requirement of being personnel of excellent character and insight who contribute to maximizing the corporate value of the Group.
- Directors shall meet the requirements of being appropriate persons with respect to term of office and age, and of being suitably competent of performing timely and accurate judgment, looking at the changes in the business environment while giving importance to the continuance of management policies, etc.
- Directors shall meet the requirements that they are the individuals with expertise, experience, and insight in one or more of the following fields: corporate management and management strategy, finance and accounting, science and technology, business strategy and marketing, global business, human resources and HR development, legal and risk management, sustainability, and/or IT, DX and AI.
- Directors shall meet the requirements that there shall always be Outside Directors included to strengthen the decision-making functions based on various perspectives and to strengthen the function of supervising conduct of operations.
- In principle, it is a requirement that Outside Directors have no more than three concurrent positions as officers of listed companies, excluding the Company.
- The Company recognizes that ensuring the diversity of Directors particularly in terms of gender, nationality, race, etc. as well as incorporating diverse opinions into management are important for strengthening the decision-making functions and the supervisory function of the Board. The Company considers diverse candidates in the selection of Director nominees.
- When selecting the candidates for Directors, the Board shall select the candidates after they have been sufficiently deliberated by the Nomination Committee, of which Outside Directors form a majority.
- Directors should attend Board of Directors meetings and maintain an attendance rate of at least 75% or more unless there are unavoidable circumstances.
- Audit & Supervisory Board Members shall meet the requirement of whether they can fulfil their duties and ensure their independence from the representative directors, Directors, and corporate officers.

- When selecting the candidates for Audit & Supervisory Board Members, the Board shall select the candidates after they have been deliberated by the Nomination Committee, and agreed by the Audit & Supervisory Board.
- Outside Directors and Outside Audit & Supervisory Board Members shall be confirmed to have no problems according to specific criteria on the judgment of independence.
- When selecting the candidates for Directors and Audit & Supervisory Board Members, the General Meeting of Shareholders shall select them after the relevant proposal.
- Candidates for CEO shall be selected based on the successor plan and defined eligibility requirements, etc. that have been repeatedly discussed at the Nomination Committee.
- Selection of CEO and COO (including reelection) shall be determined by resolution of the Board over a recommendation from the Nomination Committee that the Committee submits after sufficient deliberation.

(3) Policies and Procedures for Dismissal of Directors and CEO

- If any Director is found not meeting eligibility requirements or requirements for execution of duties defined in the Companies Act or the Directors Regulations, following deliberation at the Nomination Committee and the Board, the General Meeting of Shareholders shall deem that it meets criteria for dismissal of Directors, and resolve dismissal of such Director after the relevant proposal.
- Dismissal of CEO and COO shall be called into account in light of the Companies Act, defined CEO eligibility requirements or requirements for execution of duties, and determined in the same manner as appointment, by resolution of the Board over a recommendation from the Nomination Committee that the Committee submits after sufficient deliberation.

(5) Matters concerning the Decision Policy regarding the Content of Individual Compensations of Directors

- The Company has established the "Decision Policy regarding the Content of Individual Compensations of Directors" at the Board meeting held on May 13, 2021 and has revised a part of the content at the Board meeting held on May 19, 2022, November 30, 2023 and July 31, 2025. The outline is as follows.

1. Compensations policy

Compensations to Directors are designed based on the following ideas.

(1) Compensation system with a compensation level that can secure and maintain excellent human resources

(2) Compensation system that motivates sustainable growth over the medium to long term and contributes to the increase of the value of the Company and shareholder value

(3) A transparent, fair and rational compensation system accountable to stakeholders

2. Level of compensations

The level of compensations to Directors is set aiming to provide the high level compensations in the industrial circle, referring to the levels of other companies learned from the surveys of external specialist institutions. Specifically, the Company will mainly compare companies within the top 100 companies by market capitalization among the companies listed on the Tokyo Stock Exchange, and also refer to the levels of major domestic pharmaceutical companies.

3. Composition of compensations

<u>Directors (excluding Outside Directors)</u>

It is designed to encourage management efforts from a short-term to medium-long-term perspective and appropriately to be able to reward the results by the composition of four compensations such as

basic, fixed compensation, annual performance-based bonuses, which is a variable compensation serving as short-term incentive, and restricted share-based compensation and medium-term performance-based share compensation serving as long-term incentive. Retirement benefit system is not adopted.

Outside Directors

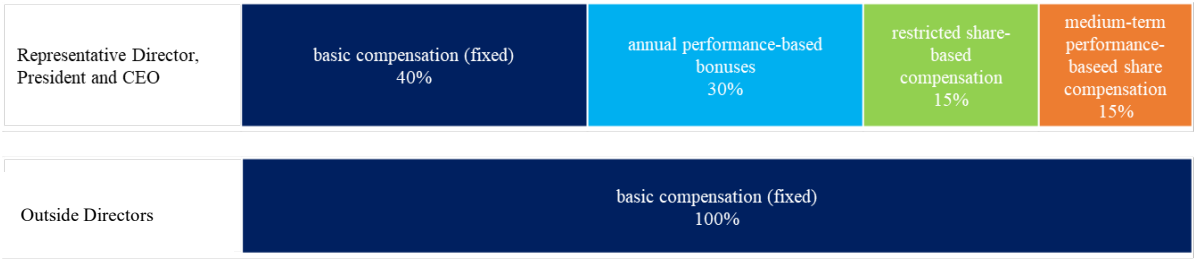
Compensation to Outside Directors who are in charge of management oversight and are not in the position to take charge of business execution is only basic, fixed compensation. Incentive bonuses and retirement benefit system are not adopted.

4. Ratio of the composition of compensations

The composition of compensations to Representative Director, President and CEO is designed to have its ratio of 40% as basic compensation, 30% as annual performance-based bonuses, 15% as restricted share-based compensation and 15% as medium-term performance-based share compensation when achieving the performance target of 100%.

The ratio of the composition of compensations of other Directors (excluding Outside Directors) will be determined in consideration of the responsibilities and the level of compensation according to the ratio of composition of compensation of Representative Director, President and CEO.

Compensation to Outside Directors is only basic, fixed compensation.



5. Basic compensation

Basic compensation to Directors shall be paid on one regular day of each month during their tenure, and the amount of individual compensation is determined according to the compensations policy and the level of compensations.

6. Annual performance-based bonuses (short-term incentive)

The amount of annual performance-based bonuses, which are short-term incentive remuneration, will be decided according to the degree of achievement of the earnings forecasts announced at the beginning of the fiscal year about profit attributable to owners of the Company, revenue and core operating profit ratio, and the evaluation of goals and tasks which each Director set at the beginning of the fiscal year.

The formula for calculating the amount of payment, and the evaluation ratio and mechanism of annual performance-based bonuses are as follows.

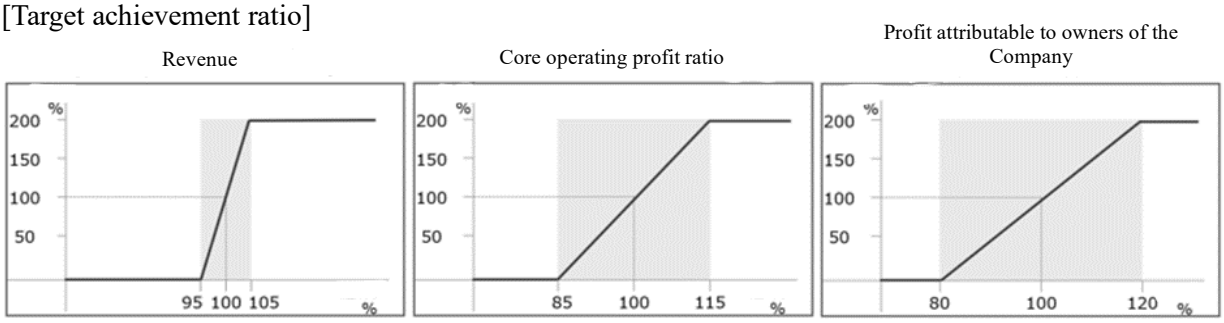
(1) Calculation formula for annual performance-based bonus

Bonus payment amount = Standard amount by position ＊ Achievement of annual targets (revenue + core operating profit ratio + profit attributable to owners of the Company) ＊ performance evaluation

(2) Achievement of annual targets (evaluation ratio and mechanism)

Index for the achievement of annual targets	Evaluation ratio	Evaluation coefficient fluctuation range	Targets (set with the following as a guide)
Revenue	10%	0-200%	Upper limit: Target ＊ 105% Target: Expected value announced at the beginning of the fiscal year Lower limit: Target ＊ 95%
Core operating profit ratio	10%	0-200%	Upper limit: Target ＊ 115% Target: Expected value announced at the beginning of the fiscal year Lower limit: Target ＊ 85%
Profit attributable to owners of the Company	80%	0-200%	Upper limit: Target ＊ 120% Target: Expected value announced at the beginning of the fiscal year Lower limit: Target ＊ 80%
Total	100%	0-200%	

[Target achievement ratio]



(3) Performance evaluation

It will be converted into a coefficient and calculated according to the degree of achievement of each Director's goals and tasks set at the beginning of the fiscal year.

(i) The performance evaluation of the Executive Chairperson and the President will be determined after deliberation at a joint meeting of the Nomination Committee and the Compensation Committee.

(ii) For other Directors, the evaluation decided by CEO after deliberation at the performance meeting shall be applied. The evaluation results of Directors will be reported to the Compensation Committee.

	Index	Coefficient	Evaluation method
Executive Chairperson / President	Company-wide tasks such as R&D progress Successor training, etc.	50-150%	Decided after deliberation at a joint meeting of the Nomination Committee and the Compensation Committee
Other Directors	Department (individual) goals	80-120%	Performance evaluation (CEO)

7. Restricted share-based compensation (Long-term incentives)

The Company grants, every year in principle, shares with transfer restriction until the time immediately after resignation or retirement of a Director. The objective of the system is to give

incentives to sustainably increase the value of the Company and to promote sharing the same value between shareholders and Directors for as long as possible by having the restricted shares. The total number of the ordinary shares of the Company to be issued or disposed of is 240 thousand shares or less per year (if a share split of the Company's ordinary shares (including a gratis allotment of the Company's ordinary shares) or a share consolidation occurs, or if there is any other reason that requires adjustment of the total number, Daiichi Sankyo will adjust the number in a reasonable range as necessary according to the split or consolidation ratio.).

When restricted share-based compensation is paid, monetary compensation receivables will be paid to Directors based on a resolution of Board of Directors of the Company, and Directors will pay all of the paid monetary compensation receivables as in-kind contribution assets of the Company's ordinary shares and will be issued them.

When delivering the Company's ordinary shares, a restricted share allotment agreement will be concluded between the Company and each Director, and Directors shall not freely transfer, set security interests or otherwise dispose of the Company's ordinary shares allotted under the allotment agreement for a certain period of time specified in the allotment agreement.

In the allotment agreement, (1) if a Director of the Company retires or resigns during the transfer restriction period, the Company shall acquire all of the restricted shares without consideration unless otherwise such the retirement or resignation is admitted by Board of Directors that it has justifiable reasons such as expiration of terms of office, death or others, and (2) if a Director retires or resigns due to expiration of term, death or other reasons deemed justified by Board of Directors during the service provision period, the Company shall rationally adjust the number of shares for which the restrictions will be released and the timing of the release as necessary and acquire the restricted shares which the restrictions will not be released free of charge, will be included.

The number of restricted share-based compensation to be delivered shall be the number of shares of the Company's ordinary shares, which is the amount of restricted share-based compensation for each position divided by the closing price of the market price of the Company's ordinary share on the day before the allotment resolution by Board of Directors.

8. Medium-term performance-based share compensation (Long-term incentives)

Medium-term performance-based share compensation, which is a long-term incentive compensation, will be a trust-type share compensation system that has the nature of performance share (performance-based share compensation) for Directors (excluding Outside Directors) and the Corporate Officers (hereinafter, "the Target Directors & Officers.") as compensation based on the achievement of the performance of the mid-term business plan in order to promote management with an emphasis on increasing shareholder value over the medium to long term.

The trust period for the fiscal year covered by the mid-term business plan (hereinafter, the "Target Period," and the initial Target Period is 5-Year Business Plan (fiscal 2021-fiscal 2025)) will be set.

The number of shares of the Company, etc. to be delivered, etc. to the Target Directors & Officers shall be determined at a certain time every year based on share delivery points calculated by multiplying the number of points accumulated over a Target Period, which are awarded according to their position, by the performance-based coefficient. The performance-based coefficient shall be determined within the range between 0% and 200% according to the degree of achievement of targets of Daiichi Sankyo's performance indicators set forth for the final fiscal year of the Target Period (For the initial Target Period, revenue, core operating profit ratio before research and development expenses, ROE, research and development progress, ESG indicators, and relative TSR set forth in Daiichi Sankyo's 5-Year Business Plan announced in fiscal 2021 have been adopted.), and one ordinary share in Daiichi Sankyo per point shall be delivered. During the trust period, if a share split of the Company's ordinary shares (including a gratis allotment of the Company's ordinary shares) or a share consolidation occurs, or if there is any other reason that requires adjustment of the number of points, Daiichi Sankyo will adjust the number of points in a reasonable range as necessary according to the split or consolidation ratio. The total number of ordinary shares, etc. of the Company to be delivered to the Target Directors & Officers during the Target Period will be limited to the number obtained by multiplying the maximum number of 0.5 million shares per

fiscal year by the number of fiscal years of the Target Period (The initial Target Period is 2.5 million shares for the five fiscal years.). As a general rule, when the Target Directors & Officers receive the Company's shares, etc., after their retirement, 50% of the shares to be delivered will be converted into money and be provided for the purpose of allocating to tax payment funds such as withholding income tax. Shares and monetary payments will be provided through the executive compensation BIP (Board Incentive Plan) trust of Mitsubishi UFJ Trust and Banking Corporation.

With justifiable reason, when it is not possible to establish the trust, amend the trust agreement, make additional contribution to the Trust, or when Target Directors & Officers are non-resident of Japan, or with any other justifiable reason, that delivery of the Company's Shares, etc. to Target Directors & Officers from the trust is not possible, the Company may, within the upper limit of amount of money to be contributed by the Company, make monetary payments of the amount reasonably calculated based on the number of the Company's Shares, etc. that should be delivered in accordance with the plan and share price, etc., to Target Directors & Officers.

Index for the achievement of targets	Evaluation ratio	Evaluation coefficient fluctuation range	Targets (set with the following as a guide)
Revenue	20%	0-200%	Upper limit: Target ＊ 110% Target: Expected value announced about 5-Year Business Plan Lower limit: Target ＊ 90%
Core operating profit ratio before research and development expenses	20%	0-200%	Upper limit: Target ＊ 120% Target: Expected value announced about 5-Year Business Plan Lower limit: Target ＊ 80%
ROE	20%	0-200%	Upper limit: Target ＊ 140% Target: Expected value announced about 5-Year Business Plan Lower limit: Target ＊ 60%
Research and development progress	15%	0-200%	Research and development achievements (number of new indications for 3ADC on the market, pipeline value in the early and late stages)
ESG indicators	10%	0-200%	Evaluation based on Dow Jones Sustainability Indices, FTSE Russell or Access to Medicine
Relative TSR (Note)	15%	0-200%	Upper limit: Comparison result with TOPIX including dividend ＊ 150% Target: Comparison result with TOPIX including dividend ＊ 100% Lower limit: Comparison result with TOPIX including dividend ＊ 50%
Total	100%	0-200%	

(Note) Total Shareholder Returns

9. Clawback provision

Daiichi Sankyo will set forth a clawback clause that can request for the refund of part or all of the compensation received for annual performance-based bonuses and medium-term performance-based share compensation by the resolution of Board of Directors after consultation with the

Compensation Committee in the event that a material accounting error or fraud, or record of a significant impairment loss occurs.

This clause will be applied from the fiscal 2021 annual performance-based bonus and medium-term performance-based share compensation and will be applied for all periods thereafter.

10. Malus provision

The Company will set forth a malus provision that will not delivery and pay part or all of the Company's shares and proceeds from their sale under the share delivery system for the medium-term performance-based share compensation by the resolution of the Board of Directors after consultation with the Compensation Committee in the event of misconduct such as violations of laws and regulations or serious violations of internal regulations.

11. Compensation governance and decision-making process

The Compensation Committee has been established as an advisory body to Board of Directors to ensure the appropriateness of compensation for Directors and the transparency of the decision-making process. The Compensation Committee consists of only Outside Directors, with one Outside Audit & Supervisory Board Member participating as an observer, and the chairperson is appointed by mutual appointment of the members.

The Compensation Committee fully discusses the compensation policy, the level of compensations, the composition of the compensation, the ratio of the composition of compensations, Clawback provision, Malus provision, the compensation governance and decision-making process, amount of annual performance-based bonuses, allocation of restricted share, and result of medium-term performance-based share compensation. In addition, the Compensation Committee discusses and confirms the detailed design of indices for the achievement of each compensation, and also verifies the compensation levels for each position.

The amount of compensation for each individual Director of the Company is first deliberated by the Compensation Committee, and then based on the deliberation results, each type of the compensation will be determined by a resolution of Board of Directors within the total amount of compensation resolved at the General Meeting of Shareholders.

- As stated in the above policy, the Compensation Committee fully discusses the compensations policy, the level of compensations, the composition of the compensation, the ratio of the composition of compensations, Clawback provision, the compensation governance and decision-making process, amount of annual performance-based bonuses, allocation of restricted share, and result of medium-term performance-based share compensation. The content of individual compensation for Directors in the current fiscal year is also decided by the Board after being first deliberated by the Compensation Committee. We judge that the content of the Company's compensation governance is in line with the above-mentioned policy regarding decisions of the content of individual compensation for Directors.

(6) Decision Policy regarding the Content of Individual Compensations of Audit & Supervisory Board Members

The outline of the decision policy regarding the content of individual compensations of Audit & Supervisory Board Members is as follows.

- Compensation to Audit & Supervisory Board Members is only basic, fixed compensation in view of the role of oversight of management and no position to take charge of business execution.
- The level of basic compensations is set aiming to provide high level compensations in the industrial sector, referring to the levels of other companies learned from the surveys of external specialist institutions. Specifically, a group of companies is selected for comparison from the top 100 listed companies on the Tokyo Stock Exchange with the largest market capitalization. The Company also refers to the levels of other leading domestic pharmaceutical companies.

- The amount of the compensation for each Audit & Supervisory Board Member has been determined through the discussion and with the unanimous consent in the Audit & Supervisory Board meetings within the total amount of the compensation approved by the General Meeting of Shareholders.

3. Rationale for the Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") starting in the fiscal 2013. Having considered what accounting and financial reporting standards would be best to contribute to growth in corporate value through a concerted global business development program, Daiichi Sankyo made this move (1) to improve the international comparability of the Group's financial statements with global capital markets, (2) to unify the accounting treatments applied across the Group, and (3) to contribute to diversification of the Group's methods of fund procurement in global markets.

4. Consolidated Financial Statements with Primary Notes

(1) Consolidated Statement of Financial Position

(Millions of JPY)

	As of March 31, 2025	As of March 31, 2026
ASSETS		
Current assets		
Cash and cash equivalents	639,838	449,807
Trade and other receivables	619,101	741,145
Other financial assets	80,890	104,736
Inventories	514,910	692,378
Other current assets	47,443	32,279
Subtotal	1,902,183	2,020,346
Assets held for sale	7,250	122,162
Total current assets	1,909,433	2,142,509
Non-current assets		
Property, plant and equipment	498,517	596,563
Goodwill	108,429	97,353
Intangible assets	235,839	241,064
Investments accounted for using the equity method	5,600	4,918
Other financial assets	139,175	194,435
Long-term advance payments	167,428	192,906
Deferred tax assets	305,019	465,299
Other non-current assets	86,675	70,338
Total non-current assets	1,546,685	1,862,880
Total assets	3,456,119	4,005,390

(Millions of JPY)

	As of March 31, 2025	As of March 31, 2026
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	579,957	596,856
Bonds and borrowings	399	404
Other financial liabilities	14,720	13,630
Income taxes payable	60,369	88,303
Provisions	5,804	49,811
Contract liabilities	67,956	74,405
Other current liabilities	24,825	30,060
Subtotal	754,032	853,471
Liabilities directly associated with assets held for sale	–	31,552
Total current liabilities	754,032	885,023
Non-current liabilities		
Bonds and borrowings	100,933	300,077
Other financial liabilities	43,675	39,219
Post-employment benefit liabilities	1,559	1,452
Provisions	13,030	164,572
Contract liabilities	751,038	806,809
Deferred tax liabilities	11,066	3,230
Other non-current liabilities	157,365	140,825
Total non-current liabilities	1,078,670	1,456,186
Total liabilities	1,832,703	2,341,210
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Own shares	(147,321)	(247,993)
Other components of equity	263,693	311,619
Retained earnings	1,457,044	1,550,553
Total equity attributable to owners of the Company	1,623,416	1,664,179
Total equity	1,623,416	1,664,179
Total liabilities and equity	3,456,119	4,005,390

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

Consolidated Statement of Profit or Loss

(Millions of JPY)

	Year ended March 31, 2025	Year ended March 31, 2026
Revenue	1,886,256	2,123,045
Cost of sales	415,797	669,045
Gross profit	1,470,458	1,454,000
Selling, general and administrative expenses	731,200	780,683
Research and development expenses	435,965	466,005
Other income	28,739	22,100
Other expenses	107	323
Operating profit	331,925	229,089
Financial income	34,103	40,815
Financial expenses	11,854	7,986
Share of profit (loss) of investments accounted for using the equity method	1,457	1,513
Profit before tax	355,631	263,432
Income taxes	59,874	3,558
Profit for the year	295,756	259,874
Profit attributable to:		
Owners of the Company	295,756	259,874
Earnings per share		
Basic earnings per share (JPY)	155.96	140.44
Diluted earnings per share (JPY)	155.87	140.37

Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Year ended March 31, 2025	Year ended March 31, 2026
Profit for the year	295,756	259,874
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	5,252	4,753
Remeasurements of defined benefit plans	3,702	(4,981)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(15,790)	50,185
Cash flow hedges	886	77
Other comprehensive income for the year	(5,948)	50,034
Total comprehensive income for the year	289,808	309,908
Total comprehensive income attributable to:		
Owners of the Company	289,808	309,908

(3) Consolidated Statement of Changes in Equity

Year ended March 31, 2025

(Millions of JPY)

	Equity attributable to owners of the Company						
				Other components of equity			
	Share capital	Capital surplus	Own shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	50,000	1,962	(36,629)	560	243,928	(232)	39,742
Profit for the year	–	–	–	–	–	–	–
Other comprehensive income for the year	–	–	–	–	(15,790)	886	5,252
Total comprehensive income for the year	–	–	–	–	(15,790)	886	5,252
Purchase of own shares	–	(90)	(245,975)	–	–	–	–
Disposal of own shares	–	–	960	(135)	–	–	–
Cancellation of own shares	–	(7,547)	134,323	–	–	–	–
Dividend	–	–	–	–	–	–	–
Share-based compensation	–	5,675	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(9,864)
Transfer to non-financial assets and similar items	–	–	–	–	–	(654)	–
Others	–	–	–	–	–	–	–
Total transactions with owners of the Company		(1,962)	(110,691)	(135)	–	(654)	(9,864)
Balance as of March 31, 2025	50,000	–	(147,321)	424	228,137	–	35,130

(Millions of JPY)

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company		
	Remeasure-ments of defined benefit plans	Total other components of equity				
Balance as of April 1, 2024	–	283,998	1,388,842	1,688,173	429	1,688,603
Profit for the year	–	–	295,756	295,756	–	295,756
Other comprehensive income for the year	3,702	(5,948)	–	(5,948)	–	(5,948)
Total comprehensive income for the year	3,702	(5,948)	295,756	289,808	–	289,808
Purchase of own shares	–	–	–	(246,066)	–	(246,066)
Disposal of own shares	–	(135)	(503)	320	–	320
Cancellation of own shares	–	–	(126,775)	–	–	–
Dividend	–	–	(114,408)	(114,408)	–	(114,408)
Share-based compensation	–	–	–	5,675	–	5,675
Changes in ownership interest in subsidiaries	–	–	–	–	(429)	(429)
Transfer from other components of equity to retained earnings	(3,702)	(13,566)	13,566	–	–	–
Transfer to non-financial assets and similar items	–	(654)	–	(654)	–	(654)
Others	–	–	566	566	–	566
Total transactions with owners of the Company	(3,702)	(14,356)	(227,554)	(354,565)	(429)	(354,995)
Balance as of March 31, 2025	–	263,693	1,457,044	1,623,416	–	1,623,416

Year ended March 31, 2026

(Millions of JPY)

	Equity attributable to owners of the Company						
				Other components of equity			
	Share capital	Capital surplus	Own shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	50,000	–	(147,321)	424	228,137	–	35,130
Profit for the year	–	–	–	–	–	–	–
Other comprehensive income for the year	–	–	–	–	50,185	77	4,753
Total comprehensive income for the year	–	–	–	–	50,185	77	4,753
Purchase of own shares	–	(115)	(150,342)	–	–	–	–
Disposal of own shares	–	–	535	(42)	–	–	–
Cancellation of own shares	–	(8,629)	48,971	–	–	–	–
Dividend	–	–	–	–	–	–	–
Share-based compensation	–	8,745	164	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(7,141)
Transfer to non-financial assets and similar items	–	–	–	–	–	(77)	–
Others	–	–	–	–	171	–	–
Total transactions with owners of the Company	–	–	(100,671)	(42)	171	(77)	(7,141)
Balance as of March 31, 2026	50,000	–	(247,993)	381	278,494	–	32,743

(Millions of JPY)

	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	Total equity
Balance as of April 1, 2025	–	263,693	1,457,044	1,623,416	1,623,416
Profit for the year	–	–	259,874	259,874	259,874
Other comprehensive income for the year	(4,981)	50,034	–	50,034	50,034
Total comprehensive income for the year	(4,981)	50,034	259,874	309,908	309,908
Purchase of own shares	–	–	–	(150,458)	(150,458)
Disposal of own shares	–	(42)	(221)	271	271
Cancellation of own shares	–	–	(40,341)	–	–
Dividend	–	–	(128,527)	(128,527)	(128,527)
Share-based compensation	–	–	–	8,909	8,909
Transfer from other components of equity to retained earnings	4,981	(2,159)	2,159	–	–
Transfer to non-financial assets and similar items	–	(77)	–	(77)	(77)
Others	–	171	566	737	737
Total transactions with owners of the Company	4,981	(2,108)	(166,365)	(269,145)	(269,145)
Balance as of March 31, 2026	–	311,619	1,550,553	1,664,179	1,664,179

(4) Consolidated Statement of Cash Flows

(Millions of JPY)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	355,631	263,432
Depreciation and amortization	68,649	77,460
Impairment losses (reversal of impairment losses)	3,094	5,967
Financial income	(34,103)	(40,815)
Financial expenses	11,854	7,986
Share of (profit) loss of investments accounted for using the equity method	(1,457)	(1,513)
(Gain) loss on sale and disposal of non-current assets	(1,276)	3,927
(Increase) decrease in trade and other receivables	(167,750)	(104,620)
(Increase) decrease in inventories	(78,367)	(172,748)
(Increase) decrease in long-term advance payments	(50,488)	(25,477)
Increase (decrease) in trade and other payables	40,106	(10,501)
Increase (decrease) in provisions	(11,361)	195,662
Increase (decrease) in contract liabilities	81,420	61,907
Others, net	(75,122)	(72,628)
Subtotal	140,829	188,038
Interest and dividend received	23,226	20,307
Interest paid	(1,929)	(2,238)
Income taxes paid	(108,283)	(128,451)
Net cash flows from (used in) operating activities	53,842	77,655
Cash flows from investing activities		
Payments into time deposits	(15,984)	(131,739)
Proceeds from maturities of time deposits	356,727	98,121
Acquisition of securities	(207,248)	(101,896)
Proceeds from sale and redemption of securities	382,281	130,219
Acquisition of property, plant and equipment	(116,259)	(128,365)
Proceeds from sale of property, plant and equipment	499	17
Acquisition of intangible assets	(71,613)	(20,637)
Proceeds from sale of subsidiaries and affiliates	5,250	8,350
Loan advances	–	(1)
Proceeds from collection of loans receivable	18	17
Others, net	499	(2,328)
Net cash flows from (used in) investing activities	334,170	(148,241)

(Millions of JPY)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	300,000
Repayments of bonds and borrowings	(402)	(100,401)
Purchase of own shares	(246,066)	(150,458)
Proceeds from sale of own shares	–	0
Dividend paid	(114,317)	(128,430)
Repayments of lease liabilities	(16,984)	(18,068)
Others, net	0	(515)
Net cash flows from (used in) financing activities	(377,769)	(97,875)
Net increase (decrease) in cash and cash equivalents	10,242	(168,461)
Cash and cash equivalents at the beginning of the year	647,180	639,838
Effect of exchange rate changes on cash and cash equivalents	(17,584)	17,605
Cash and cash equivalents at the end of the year	639,838	488,983
Cash and cash equivalents reclassified to assets held for sale	–	(39,176)
Cash and cash equivalents at the end of the year	639,838	449,807
(Consolidated statement of financial position)		

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Operating Segment Information

1) Reportable Segments
Disclosure is omitted as the Group has a single segment, “Pharmaceutical Operation”.

2) Information about products and services
Sales by products and services were as follows:

(Millions of JPY)

	Year ended March 31, 2025		Year ended March 31, 2026		Increase / (decrease)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Prescription drugs	1,796,974	95.3	2,029,538	95.6	232,564	12.9
Healthcare (OTC) products	86,587	4.6	90,784	4.3	4,196	4.8
Others	2,693	0.1	2,722	0.1	28	1.0
Total	1,886,256	100.0	2,123,045	100.0	236,789	12.6

3) Information by geographical area

Revenue and non-current assets by geographical area were as follows:

a. Revenue

(Millions of JPY)

	Japan	United States	Europe	Other regions	Consolidated
Year ended March 31, 2025	583,802	642,215	418,211	242,026	1,886,256
Year ended March 31, 2026	580,112	749,401	497,375	296,155	2,123,045

(Notes) Revenue is classified according to the geographical location of customers.

b. Non-current assets

(Millions of JPY)

	Japan	United States	Europe	Other regions	Consolidated
As of March 31, 2025	385,120	291,395	152,481	13,787	842,785
As of March 31, 2026	389,929	330,282	194,563	20,206	934,982

(Note) Non-current assets are primarily presented based on the geographical location of assets, and are comprised of property, plant and equipment, goodwill and intangible assets.

4) Information on major customers

Customers for which sales were 10% or more of total revenue in the Consolidated Statement of Profit or Loss are as follows:

(Millions of JPY)

Name of customer	Year ended March 31, 2025	Year ended March 31, 2026
Alfresa Holdings Corporation and its group companies	221,814	232,433
Cencora, Inc.	207,389	251,034
McKesson Corporation	203,461	269,418

Changes in Presentation

(Consolidated Statement of Financial Position)

"Long-term advance payments", which had been included in "Other non-current assets" under non-current assets in the previous consolidated fiscal year, has been disclosed separately from the first quarter of the fiscal year ended March 31, 2026, since the monetary significance has increased.
To reflect this change in presentation, the Consolidated Statement of Financial Position as of March 31, 2025 has been reclassified on a consistent basis.
As a result, a portion of the amounts reported in "Other non-current assets" under non-current assets as of March 31, 2025 amounting to JPY167,428 million, has been reclassified as "Long-term advance payments" under non-current assets.

(Consolidated Statement of Cash Flows)

“(Increase) decrease in long-term advance payments”, which had been included in “Others, net” under cash flows from operating activities in the previous consolidated fiscal year, has been disclosed separately from the first quarter of the fiscal year ended March 31, 2026, since the monetary significance has increased.
To reflect this change in presentation, the Consolidated Statement of Cash Flows for the year ended March 31, 2025, has been reclassified on a consistent basis.
As a result, a portion of the amounts reported in " Others, net" under cash flows from operating activities in the Consolidated Statement of Cash Flows for the year ended March 31, 2025 amounting to JPY(51,832) million has been reclassified as "(Increase) decrease in long-term advance payments” under cash flows from operating activities.

“Increase (decrease) in provisions”, which had been included in “Others, net” under cash flows from operating activities in the previous consolidated fiscal year, has been disclosed separately from the fourth quarter of the fiscal year ended March 31, 2026, since the monetary significance has increased.
To reflect this change in presentation, the Consolidated Statement of Cash Flows for the year ended March 31, 2025, has been reclassified on a consistent basis.
As a result, a portion of the amounts reported in " Others, net" under cash flows from operating activities in the Consolidated Statement of Cash Flows for the year ended March 31, 2025 amounting to JPY(11,361) million has been reclassified as "Increase (decrease) in provision” under cash flows from operating activities.

Additional Information

Stock Transfer of DAIICHI SANKYO HEALTHCARE Co., Ltd.

The Board of Directors resolved at a meeting held on March 31, 2026 to transfer all shares of DAIICHI SANKYO HEALTHCARE CO., LTD. ("DSHC"), a subsidiary of the Company, held by the Company to Suntory Holdings Limited ("Suntory HD") and entered into a stock transfer agreement with Suntory HD on April 15, 2026.

a. Name of counterparty to transfer
Suntory Holdings Limited

b. Name and description of business of subsidiary
Name: DAIICHI SANKYO HEALTHCARE CO., LTD
Description of business: Manufacture and sale of pharmaceuticals, quasi-drugs, cosmetics, medical devices, foods, beverages and other products.

c. Number of shares transferred, consideration for transfer, and status of shares held before and after transfer

Number of shares held by the Company before transfer	10,000 shares (Number of voting rights: 10,000; percentage of voting rights held by the Company: 100%)
Number of shares transferred	10,000 shares
Consideration for transfer	246,500 million yen (planned)
Number of shares held by the Company after transfer	0 shares (Number of voting rights: 0; percentage of voting rights held by the Company: 0%)

(Notes)
1. A stock split of DSHC shares is scheduled to be executed prior to the execution of the Stock Transfer. The number of shares and voting rights above are the numbers after the stock split.
2. The consideration for transfer above is an estimate as of the current date, and the final price may be adjusted based on the price adjustment provisions set forth in the stock transfer agreement.

d. Timeline of stock transfer

Date of stock transfer closing (planned)	June 1, 2026 (Transfer of DSHC shares such that the Company's voting rights ratio in DSHC becomes 70%) June 1, 2027 (Transfer of DSHC shares such that the Company's voting rights ratio in DSHC becomes 30%) June 1, 2029 (Transfer of all remaining shares of DSHC held by the Company at that time)

e. Impact on the Company's earnings and financial position
The Company expects to recognize a gain on disposal of shares upon the loss of control over the subsidiary. In addition, the assets and liabilities of the subsidiary to be disposed of were classified as "Assets held for sale" and "Liabilities directly associated with assets held for sale" as of March 31, 2026.

Earnings per Share

1) Basis for calculation of basic earnings per share

	Year ended March 31, 2025	Year ended March 31, 2026
a. Profit Attributable to owners of the Company		
Profit attributable to owners of the Company (Millions of JPY)	295,756	259,874
Profit not attributable to owners of the Company (Millions of JPY)	–	–
Profit used to calculate basic earnings per share (Millions of JPY)	295,756	259,874
b. Weighted-average Number of Ordinary Shares		
Weighted-average number of ordinary shares (basic) (Thousands of shares)	1,896,393	1,850,402
c. Basic Earnings per Share		
Basic earnings per share (JPY)	155.96	140.44

2) Diluted Earnings per Share

	Year ended March 31, 2025	Year ended March 31, 2026
a. Diluted Profit Attributable to owners of the Company		
Profit used to calculate basic earnings per share (Millions of JPY)	295,756	259,874
Adjustment to profit (Millions of JPY)	–	–
Profit used to calculate diluted earnings per share (Millions of JPY)	295,756	259,874
b. Weighted-average Number of Diluted Ordinary Shares		
Weighted-average number of ordinary shares (basic) (Thousands of shares)	1,896,393	1,850,402
Potential effect of issue of subscription rights (Thousands of shares)	1,087	886
Weighted-average number of ordinary shares (diluted) (Thousands of shares)	1,897,481	1,851,288
c. Diluted Earnings per Share		
Diluted earnings per share (JPY)	155.87	140.37

Subsequent Events

Cancellation of Own Shares

The Board of Directors resolved at a meeting held on May 11, 2026 to cancel the repurchased shares based on the provisions of Article 178 of the Companies Act.

(i). Class of Shares to be Cancelled
Ordinary shares of the Company
(ii). Total Number of Shares to be Cancelled
31,457,200 shares representing 1.66% of issued shares before the cancellation
(iii). Planned Cancellation Date
June 10, 2026