[Translation]

REPORT TO SHAREHOLDERS OF THE 20th ORDINARY GENERAL SHAREHOLDERS MEETING

For the Fiscal Year Ended March 31, 2025

- ✓ **Business Report for the 20th Fiscal Period**
- ✓ **Consolidated Statement (IFRS)**
- ✓ **Non-Consolidated Statement (Japanese GAAP)**
- ✓ **Independent Auditor's Report**
- ✓ **Audit Report**

The following items are provided only electronically and are not included in this document in accordance with the provisions of law and regulations and Article 16 of the Articles of Incorporation of the Company.
Please refer to "The 20th Ordinary General Shareholders Meeting Other Matters regarding Electronic Provision Measure (Matters Omitted in the Documents to be Delivered)" in the Company's Website, etc.

- ✓ "Status of Subscription Rights to Shares," "Internal Control System," "Matters regarding Accounting Auditors" and "Basic Policy regarding Moves toward Large-Scale Acquisition of Company's Share" of the Business Report
- ✓ "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
- ✓ "Non-consolidated Statement of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" of Non-consolidated Financial Statements

Daiichi Sankyo Company, Limited

*Note: This translation does not include pictures, charts etc. originally issued in the Japanese version.

[Translation]

Business Report for the 20th Fiscal Period

(From April 1, 2024 to March 31, 2025)

1. Status of Daiichi Sankyo Group

(1) Progress and Results of Operations

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, 2024	Year ended March 31, 2025	YoY change
Revenue	1,601,688	1,886,256	284,567 17.8%
Cost of sales*	414,765	415,722	957 0.2%
Selling, general and administrative expenses*	627,318	724,815	97,497 15.5%
Research and development expenses*	364,340	432,882	68,541 18.8%
Core operating profit*	195,263	312,835	117,571 60.2%
Temporary income*	27,261	22,167	-5,094 -18.7%
Temporary expenses*	10,936	3,077	-7,859 -71.9%
Operating profit	211,588	331,925	120,336 56.9%
Profit before tax	237,234	355,631	118,397 49.9%
Profit attributable to owners of the Company	200,731	295,756	95,025 47.3%
Total comprehensive income	308,447	289,808	-18,639 -6.0%

* 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, 2024	Year ended March 31, 2025
USD/JPY	144.62	152.57
EUR/JPY	156.79	163.74

a. Revenue

- Revenue in the year ended March 31, 2025 (fiscal 2024) increased by JPY284.6 billion, or 17.8% year on year, to JPY1,886.3 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) and Lixiana (generic name: edoxaban), the positive effect from foreign exchange by the depreciation of JPY and others.
- The positive effect on revenue from foreign exchange was JPY51.3 billion in total.

b. Core operating profit

- Core operating profit increased by JPY117.6 billion, or 60.2% year on year, to JPY312.8 billion.
- Cost of sales was contained to JPY415.7 billion, constituting an increase of JPY1.0 billion, or 0.2% year on year, due to an improvement in cost-to-sales ratio as a result of a change in the product mix and others, despite an increase in revenue.
- Selling, general and administrative expenses increased by JPY97.5 billion, or 15.5%, to JPY724.8 billion due to the cost increase by an increase in profit sharing with AstraZeneca related to Enhertu.
- Research and development expenses increased by JPY68.5 billion, or 18.8% year on year, to JPY432.9 billion due to increased R&D investment in 5DXd ADCs (trastuzumab deruxtecan, datopotamab deruxtecan: Dato-DXd/DS-1062, patritumab deruxtecan: HER3-DXd/U3-1402, ifinatamab deruxtecan: I-DXd/DS-7300, DS-6000).
- The positive effect on core operating profit from foreign exchange was JPY0.8 billion in total.

c. Operating profit

- Operating profit increased by JPY120.3 billion, or 56.9% year on year, to JPY331.9 billion.

d. Profit before tax

- Profit before tax increased by JPY118.4 billion, or 49.9% year on year, to JPY355.6 billion.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company increased by JPY95.0 billion, or 47.3% year on year, to JPY295.8 billion.

f. Total comprehensive income

- Total comprehensive income decreased by JPY18.6 billion, or 6.0% year on year, to JPY289.8 billion due to the decrease 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 2024 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 decreased by JPY42.0 billion, or 8.1% year on year, to JPY476.9 billion due to the loss of revenue from products generated by the generic pharmaceutical business since April 2024 in conjunction with the exclusion of Daiichi Sankyo Espha Co., Ltd. from the scope of consolidation, despite the growth of Lixiana, Tarlige, Enhertu and others.

The following describes the major progress in the fiscal 2024.

- In June 2024, antitumor agent Ezharmia was approved for relapsed or refractory peripheral T-cell lymphoma (PTCL) and the promotion started.
- In July 2024, the decision was made to implement a transfer of marketing rights for the insomnia treatment Belsomra from MSD K.K. to the Company.
- In September 2024, COVID-19 mRNA vaccines DAICHIRONA for Intramuscular Injection (for omicron JN.1 variant) was launched.
- In October 2024, intranasal live attenuated influenza vaccine FluMist Intranasal Spray was launched.
- In February 2025, anticoagulant Lixiana was approved for chronic thromboembolic pulmonary hypertension and the promotion started.
- In March 2025, antitumor agent Datroway was launched (Indications: HR positive and HER2 negative breast cancer after prior chemotherapy).

b. Daiichi Sankyo Healthcare Unit

Revenue from Daiichi Sankyo Healthcare Unit increased by JPY10.7 billion, or 14.1% year on year, to JPY86.7 billion as a result of the increase in sales of Mytear, Loxonin and others.

c. Oncology Business Unit

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

Revenue from the Unit increased by JPY129.2 billion, or 38.6% year on year, to JPY463.8 billion and the revenue in local currency increased by USD726 million, or 31.4%, to USD3,040 million due to the growth of Enhertu in the U.S. and Europe.

The following describes the major progress in the fiscal 2024.

- In April 2024, Enhertu was approved in the U.S. for multiple HER2 positive solid tumors and the promotion started.
- In January 2025, antitumor agent Datroway was launched in the U.S. (Indications: HR positive and HER2 negative breast cancer (IHC 0, IHC 1+ or IHC 2+/ISH-) after prior endocrine therapy and chemotherapy).
- In January 2025, Enhertu was approved in the U.S. for chemotherapy naïve HER2 low or HER2 ultralow breast cancer and the promotion started.
- In March 2025, Enhertu was approved in Europe for chemotherapy naïve HER2 low or HER2 ultralow breast cancer and the promotion started.

d. American Regent Unit

Revenue from American Regent Unit increased by JPY13.8 billion, or 6.8% year on year, to JPY217.2 billion and the revenue in local currency increased by USD17 million, or 1.2%, to USD1,424 million due to increases in sales of generic injectables 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 JPY48.2 billion, or 25.5% year on year, to JPY237.4 billion and the revenue in local currency increased by EUR243 million, or 20.2%, to EUR1,450 million due to the growth in sales of Lixiana and Nilemdo/Nustendi.

The following describes the major progress in the fiscal 2024.

- In May 2024, Nilemdo/Nustendi was approved for the treatments to reduce the risk of adverse cardiovascular events and the promotion started.

f. ASCA Business Unit

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

Revenue from the Unit increased by JPY27.2 billion, or 14.8% year on year, to JPY211.2 billion due to an increase of Enhertu in Brazil and others.

[*1] Asia, South & Central America

The following describes the major progress in the fiscal 2024.

- In August 2024, Enhertu was approved in China for the treatment of HER2 positive gastric cancer and the promotion started.
- In October 2024, Enhertu was approved in China for the treatment of HER2 mutant NSCLC (non-small cell lung 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 five DXd 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 2024. 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 (DS-7300), and DS-6000 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 2024.

- In April 2024, the application was approved in the U.S. for second or later line treatment for HER2 positive (IHC 3+) solid tumors.
- In April 2024, the outline of trial results from the Phase III clinical trial for chemotherapy naïve hormone receptor (HR) positive and HER2 low breast cancer (trial name: DESTINY-Breast06) was presented.
- In June 2024, major analysis data was presented at the American Society of Clinical Oncology (ASCO) from the DESTINY-Breast06 trials.
- In June 2024, the latest data for monotherapy and combination therapy with pertuzumab as first line treatments was presented at ASCO from the Phase Ib/II clinical trial to evaluate monotherapy and combination therapy for HER2 positive breast cancer (trial name: DESTINY-Breast07).
- In August 2024, the application was approved in China for third or later line treatment for HER2 positive gastric or gastroesophageal junction adenocarcinoma.
- In August 2024, the application for approval in Europe for chemotherapy naïve HR positive, HER2 low, or HER2 ultralow breast cancer was accepted, and Breakthrough Therapy Designation[*4] was granted by the U.S. Food and Drug Administration (FDA).
- In September 2024, the first data of the monotherapy cohort for second or later line treatment was presented at the World Conference on Lung Cancer (WCLC) from the Phase Ib clinical trial for HER2 positive nonsquamous NSCLC (trial name: DESTINY-Lung03).
- In September 2024, the data of the Phase IIIb/IV clinical trial for HER2 positive breast cancer with or without brain metastases (trial name: DESTINY-Breast12) was presented at ESMO.
- In October 2024, the application for approval was accepted and Priority Review Designation*[5] was granted in the U.S., and the application for approval was accepted in Japan for chemotherapy naïve HER2 low, or HER2 ultralow breast cancer.
- In October 2024, the application was approved in China for the treatment of HER2 mutant NSCLC and history of systemic therapy.
- In January 2025, the application was approved in the U.S. for chemotherapy naïve HR positive, HER2 low, or HER2 ultralow breast cancer.
- In February 2025, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) recommended approval for chemotherapy naïve HR positive, HER2 low, or HER2 ultralow breast cancer.
- In March 2025, the primary endpoint at the interim analysis of the Phase III clinical trial for the second line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric04) was achieved.
- In March 2025, the Phase III clinical trial for triple combination therapy with fluoropyrimidine and pembrolizumab as the first line treatment for HER2 positive gastric cancer (trial name:

DESTINY-Gastric05) was initiated.

- In March 2025, the application was approved in Europe for chemotherapy naïve HR positive, HER2 low, or HER2 ultralow breast cancer.

[*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 (targeted10 months).

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

The following describes the major progress in the fiscal 2024.

- In April 2024, the application for approval was accepted in the U.S. for second or later line treatment for HR positive, HER2 low or negative breast cancer.
- In May 2024, the outline of major analysis results on overall survival (OS) was presented from the Phase III clinical trial as second or later line treatment for NSCLC (trial name: TROPION-Lung01).
- In May 2024, the Phase III clinical trial for combination therapy with rilvegostomig (AZD2936) as first line treatment for nonsquamous NSCLC (trial name: TROPION-Lung10) was initiated.
- In May 2024, the Phase III clinical trial for combination therapy with osimertinib as first line treatment of EGFR-mutated NSCLC (trial name: TROPION-Lung14) was initiated.
- In June 2024, the latest data of subgroup analysis from the Phase Ib clinical trial for first line treatment of NSCLC in combination with immune checkpoint inhibiters (trial name: TROPION-Lung02) was presented at ASCO.
- In September 2024, the final analysis results of OS from the Phase III clinical trial (trial name: TROPION-Lung01) for second or later line treatment for NSCLC were presented at WCLC, along with the progression-free survival (PFS) analysis data based on the TROP2-QCS[*6] biomarker in the same trial.
- In September 2024, the data of the Phase II clinical trial for neoadjuvant/adjuvant therapy for NSCLC (trial name: NeoCOAST-2) was presented at WCLC.
- In September 2024, the first data regarding endometrial and ovarian cancer was presented at ESMO from the Phase II clinical trial for multiple solid tumors (trial name: TROPION-PanTumor03).
- In September 2024, the outline of the final analysis results of OS in the Phase III clinical trial for second or later line treatment for HR positive, HER2 low or HER2 negative breast cancer (trial name: TROPION-Breast01) was presented.
- In October 2024, the Phase III clinical trial evaluating monotherapy and combination therapy with osimertinib in patients with EGFR-mutated, nonsquamous NSCLC that progressed on prior osimertinib (trial name: TROPION-Lung15) was initiated.
- In November 2024, the application for approval was submitted in the U.S. for EGFR-mutated NSCLC who have received prior systemic therapies (including EGFR-targeted therapies), and the application for approval for second/third line treatments for nonsquamous NSCLC was voluntarily withdrawn.
- In December 2024, pooled analysis results of clinical trials targeting EGFR-mutated NSCLC were presented at the European Society for Medical Oncology Asia Conference (ESMO Asia).
- In December 2024, Breakthrough Therapy Designation was granted by the FDA for EGFR-

mutated NSCLC with disease progression on or after treatment with an EGFR tyrosine kinase inhibitor and platinum-based chemotherapy.

- In December 2024, the application for approval in EMA for second/third line treatments for nonsquamous NSCLC was voluntarily withdrawn.
- In December 2024, the application was approved in Japan for the treatment of HR positive and HER2 negative breast cancer after prior chemotherapy.
- In January 2025, the application for approval was accepted in the U.S. for EGFR-mutated NSCLC who have received prior systemic therapies (including EGFR-targeted therapies).
- In January 2025, the application was approved in the U.S. for the treatment of HR positive and HER2 negative breast cancer (IHC 0, IHC 1+ or IHC 2+/ISH-) after prior endocrine therapy and chemotherapy.
- In January 2025, the Phase III clinical trial for combination therapy with rilvegostomig in adjuvant chemotherapy for early-stage NSCLC (trial name: TROPION-Lung12) was initiated.
- In January 2025, the CHMP of the EMA recommended approval for second/third line treatments for HR positive and HER2 negative breast cancer (IHC 0, IHC 1+ or IHC 2+/ISH-).

[*6] A new computational pathology platform developed by AstraZeneca that analyzes digitized images of patient tissue samples and accurately quantifies target proteins such as TROP2 expressed on the surface and inside all tumor cells in the images

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

The following describes the major progress in the fiscal 2024.

- In June 2024, a complete response letter was received from FDA in response to the application for approval in the U.S. for third line treatment of EGFR-mutated NSCLC based on the Phase II clinical trial (trial name: HERTHENA-Lung01).
- In September 2024, the primary endpoint of the Phase III clinical trial for the second line treatment for EGFR-mutated NSCLC (trial name: HERTHENA-Lung02) was achieved.

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

The following describes the major progress in the fiscal 2024.

- In May 2024, the Phase II clinical trial for second or later line treatment for solid tumors (trial name: IDeate-Pantumor02) was initiated.
- In August 2024, the Phase III clinical trial for second line treatment for extensive-stage small cell lung cancer (trial name: IDeate-Lung02) was initiated.
- In September 2024, the interim analysis data of the Phase II clinical trial for second or later line treatment for extensive-stage small cell lung cancer (trial name: IDeate-Lung01) was presented at WCLC.
- In December 2024, Orphan Drug Designation[*7] was obtained from the Ministry of Health, Labour and Welfare of Japan (MHLW) for the treatment of small cell lung cancer.

[*7] Orphan Drug Designation is granted in order to support and expedite development under the conditions that there are fewer than 50,000 patients in Japan and there is a particularly high medical need for it.

e. DS-6000 (CDH6-directed ADC)

The following describes the major progress in the fiscal 2024.

- In April 2024, the Phase II/III clinical trial for platinum-resistant ovarian cancer (trial name:

REJOICE-Ovarian01) was initiated.

- In February 2025, Orphan Drug Designation[*8] was obtained from the EMA for the treatment of ovarian cancer.
- In March 2025, Orphan Drug Designation was obtained from MHLW for the treatment of platinum-resistant ovarian cancer.

[*8] Orphan Drug Designation, a system enabling companies to receive incentives such as the granting of subsidies, is granted for the purpose of the treatment, prevention, or diagnosis of a life-threatening or chronically debilitating disease that meets certain criteria. These criteria include that the prevalence of said disease in the EU is not more than 5 people in 10,000.

【Next Wave】

The following describes the major progress in the Next Wave in the fiscal 2024. The status of each clinical trial is stated in the reference data.

- In April 2024, the application for approval was accepted in Japan for administration of DS-5670 (COVID-19 mRNA vaccine, brand name in Japan: DAICHIRONA) for administration to ages 5 to 11 years.
- In June 2024, the application for approval was accepted in Japan for administration of DS-5670 to ages 12 years and older as vaccines against strains selected by MHLW for Fiscal 2024 in Japan.
- In June 2024, two mRNA vaccines under development (pandemic influenza mRNA vaccine, and a seasonal influenza and COVID-19 combination vaccine) were adopted by MHLW for its "Vaccine Large Scale Clinical Trial Project."
- In June 2024, the application was approved in Japan for the use of valemetostat (DS-3201: EZH1/2 inhibitor, brand name in Japan: Ezharmia) for the treatment of peripheral T-cell lymphoma (PTCL).
- In June 2024, the application was approved in China for the use of mirogabalin (DS-5565: $\alpha_2\delta$ (alpha 2 delta) ligand, brand name: Tarlige) for the treatment of diabetic peripheral neuropathic pain.
- In August 2024, MK-6070 (DS3280: a trispecific T-cell engager targeting DLL3), currently under development by Merck in the U.S., was added to the strategic collaboration agreement for three DXd ADC products with the company, and joint development commenced.
- In September 2024, the first data from the dose-escalation part of the Phase I clinical trial of DS-9606 (Anti-CLDN6 ADC with a pyrrolobenzodiazepine (PBD) payload, developed using our second proprietary ADC technology platform) for advanced solid tumors, was presented at ESMO.
- In December 2024, the Phase III clinical trial for the use of quizartinib (AC220: FLT3 inhibitor, brand name: VANFLYTA) for the first line treatment for *FLT3*-ITD-negative acute myeloid leukemia (trial name: QuANTUM-Wild) was initiated.
- In January 2025, the application for approval was accepted in China for the use of quizartinib for the first line treatment for *FLT3*-ITD-positive acute myeloid leukemia.
- In February 2025, the application was approved in Japan for the use of edoxaban (factor Xa inhibitor, brand name in Japan: Lixiana) for the inhibition of thrombosis and embolisms associated with chronic thromboembolic pulmonary hypertension.
- In March 2025, the application was approved in Japan for administration of DS-5670 to ages 5 to 11 years.

(2) Status of Plant and Equipment Investment

- The Group continuously invests in plants and equipment, aiming to enhance and streamline production facilities as well as strengthen and facilitate research and development. During the fiscal

year under review, the Group spent JPY113.8 billion on plants and equipment.

(3) Status of Financing

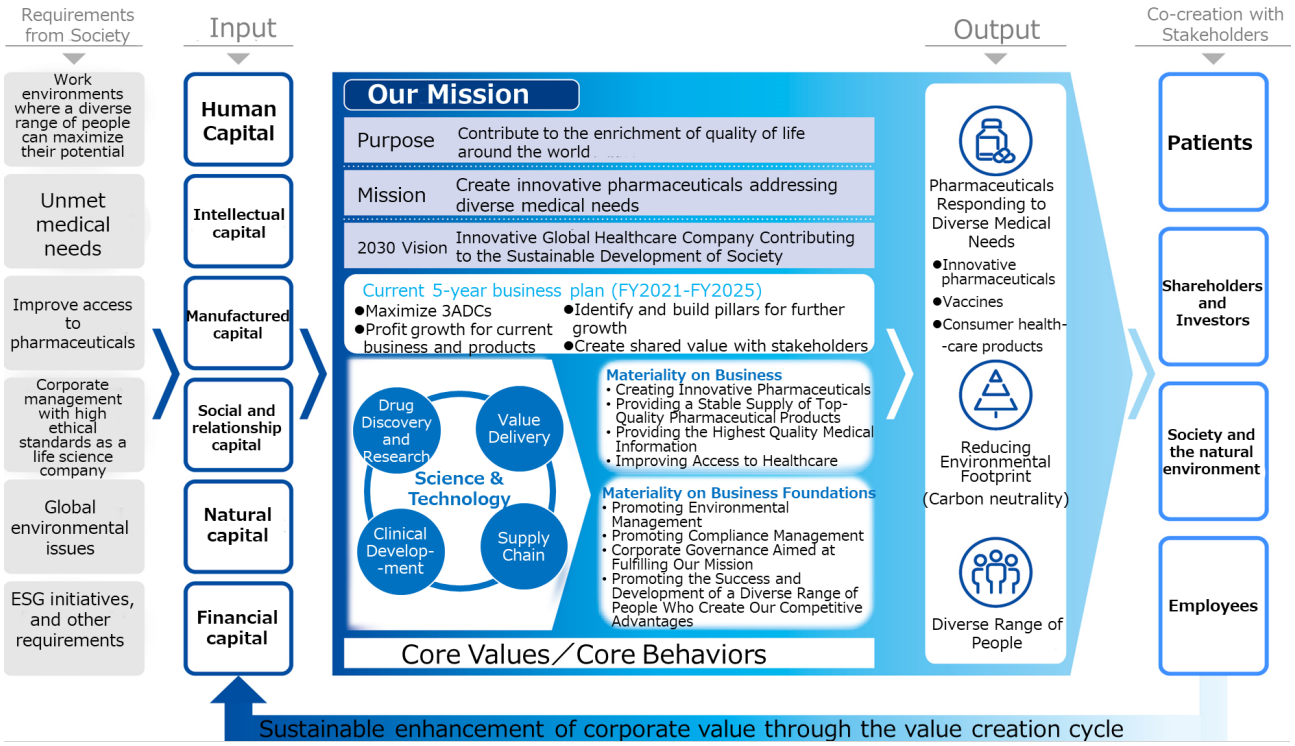
- Not applicable.

(4) Prospective Challenges

1) Daiichi Sankyo's Value Creation Process and ESG Management

- The Group defines ESG management as "management based on a long-term perspective that enhances both financial and non-financial value by reflecting ESG elements in business strategies," and we are implementing this management.
- To meet society's diverse requirements, we invest a variety of internal and external management resources into the value creation process and provide value to each stakeholder and society with "Science and Technology" as our greatest source of competitive advantage. By circulating the value creation process, we believe to be able to achieve both sustainable growth of the Company, and of society as a whole.
- Considering the two aspects of impact on medium- to long-term corporate value and expectations from society, including various stakeholders, we identified eight key issues as our materiality, which we have categorized as materiality on business and materiality on business foundation.

Daiichi Sankyo's Value Creation Process



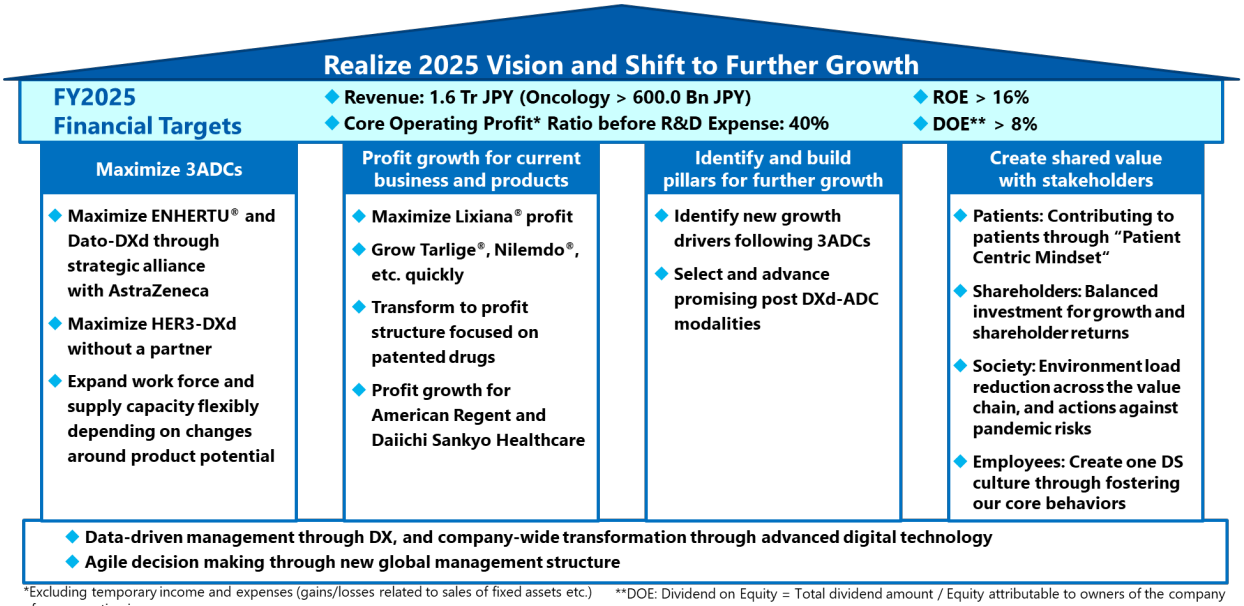
2) 2030 Vision

- Under ESG management, we newly established our 2030 Vision of being an "innovative global healthcare company contributing to the sustainable development of society."
- To realize our "Purpose," which is to "contribute to the enrichment of quality of life around the world," we aim to address the social issues that we are expected by society to solve through our business activities, such as the creation of innovative pharmaceuticals and efforts for achieving the SDGs. We challenge ourselves to continuously provide innovative solutions based on our strength: Science & Technology.

3) 5-Year Business Plan (Fiscal 2021 to Fiscal 2025)

- We have established 5-Year Business Plan (fiscal 2021 to fiscal 2025) and four strategic pillars as a plan to achieve our Fiscal 2025 Goal, "Global Pharma Innovator with Competitive Advantage in Oncology" and shift to further growth toward realizing our 2030 Vision, while conducting ESG management.

Strategic Pillars for the 5-Year Business Plan (FY2021-FY2025)



【Four Strategic Pillars】

a. Maximize 3ADCs

- In the 5-Year Business Plan, maximizing 3ADCs (Enhertu, Dato-DXd and HER3-DXd) is our most important materiality.
- With regard to Enhertu, we will accelerate market penetration and acquisition of new indications through our strategic collaboration with AstraZeneca. In addition, we will establish advantage over competitive products for HER2, and will firmly establish HER2 low expression concept for the treatment of breast cancer.
- As for Dato-DXd, our target is to obtain approval and additional indications as quickly as possible through the strategic collaboration with AstraZeneca. Moreover, we will establish and implement an effective launch plan, and establish advantages over competitive products for TROP2.
- For HER3-DXd, we will launch as fast as possible through our in-house development. After having developed and implemented an effective launch plan, we will establish HER3 as a cancer treatment target.
- In addition to these efforts, we will promote appropriate use of the products through monitoring and risk analysis of interstitial lung disease (ILD), which is one notable side effect. We will also efficiently and gradually expand the workforce and supply capacity depending on changes around the product potential.

<Major Progress Fiscal 2021-Fiscal 2024>

- Revenue from Enhertu increased at a pace exceeding initial plans given that it has steadily achieved market penetration, expanded number of countries and regions where the drug has been launched, and has furthermore acquired new indications including the second line treatment for HER2-positive breast cancer and HER2 low breast cancer previously treated with chemotherapy. In addition, progress has also been achieved in clinical trials for further acquisition of new indications and for expanding the applicable cancer types including the acquisition of an indication for chemotherapy naïve HR positive, HER2 low or HER2 ultralow breast cancer.
- With regard to Dato-DXd (brand name: Datroway), an indication was acquired for HR positive and HER2 negative breast cancer after prior endocrine-based therapy and chemotherapy, and the drug was launched. Moreover, development progressed toward obtaining new indications, including the acceptance of an application for approval for NSCLC who have received prior systemic therapies (including EGFR-targeted therapies).
- With regard to HER3-DXd, together with I-DXd (B7-H3-directed ADC) and DS-6000 (CDH6-directed ADC), favorable clinical trial data has been accumulated and the product has moved to the stage of planning to maximize its product value. In addition, as competition in ADC development grows increasingly intense, the need to increase capacity, resources, and capability to maximize the DXd ADC franchise has increased. In order to deliver these three products to more patients more quickly, we have decided to enter into a strategic collaboration agreement with Merck in the U.S. to co-develop and co-promote these three products. Furthermore, MK-6070 (DS3280: a trispecific T-cell engager targeting DLL3), which is developed by Merck in the U.S., was added to the above-mentioned strategic collaboration, and joint development with the company commenced.

- We will continue to make steady efforts to maximize product value through effective development investments.

b. Profit Growth for Current Business and Products

- Profit growth for current business and products in addition to the oncology business will also be an important challenge as we continue to invest for sustainable growth.
- Lixiana is a highly profitable product that generates a stable profit, so we will work to further expand revenue to use it from this product as a source of investment in 3ADCs and post-3ADC growth drivers.
- For new products such as Tarlige and Nilemdo, we aim to achieve quick growth through additional indications and so forth. Through realizing early growth for these new products, in addition to Lixiana, we aim to achieve sustainable growth in our businesses for newly patented products outside of oncology as well.
- In each country/region, we aim to transform ourselves into a business structure that supports sustainable profit growth through transformation to patented product-based profit structure.
- At American Regent, Inc., we aim to grow profits mainly through Injectafer and generic injectable products. At Daiichi Sankyo Health Care Co., Ltd., we aim to grow profits primarily through expanding store sales and online business.

<Major Progress Fiscal 2021-Fiscal 2024>

- Revenue from Lixiana increased steadily as a result of improvement in product value through additional usage and dosage, etc. Moreover, Tarlige, Venofer, Nilemdo/Nustendi and other products have also encountered steady growth in each country/region. In addition, we have launched new products such as Emgality and FluMist, made progress in product transfers after loss of exclusivity in each country/region and the transfer of shares of Daiichi Sankyo Espha Co., Ltd., which handles the Japanese generic drug business, and moved forward in transforming into a patented product-based business structure. Going forward, we will continue to expand sales of highly profitable products in order to transform the business structure to one that supports sustainable profit growth.

c. Identify and Build Pillars for Further Growth

- In order to achieve sustainable growth, it is important that we identify post-3ADC growth drivers and select and advance post-DXd-ADC modalities through a multi-modality research strategy.
- We will identify post-3ADC growth drivers from fields such as the DXd-ADC family, second-generation and new-concept ADC, and modified antibodies.
- We will identify post-DXd-ADC modalities for sustainable growth from various modality technologies. Regarding LNP-mRNA, we will utilize it also in vaccines other than those for COVID-19 infections to drive the growth of the vaccine business.

<Major Progress Fiscal 2021-Fiscal 2024>

- Due to the accumulation of favorable clinical trial data and increased product potential, the Company positioned I-DXd and DS-6000 as growth drivers following the 3ADCs. In order to further accelerate future growth, development of both products is being accelerated together with Enhertu, Dato-DXd, and HER3-DXd. Progress has been made in clinical trials for the treatment of small cell lung cancer as for I-DXd and ovarian cancer as for DS-6000, and exploratory trials for both products have been initiated in diverse cancer types.
- With regard to the Company's sixth DXd ADC DS-3939 (Anti TA-MUC1 ADC), clinical trials for the treatment of solid tumors have been conducted.
- Progress has been made in selecting post DXd ADC modalities. Promising early data has been obtained in clinical trials for the treatment of solid tumors with regard to DS-9606 (Anti-CLDN6 ADC), which is mPBD[*1] ADC, and the approval for mRNA vaccines against COVID-19 has been obtained and its supply began.

- Going forward, we will continue to identify and build pillars of further growth using our proprietary ADC technology and other technologies.

[*1] modified pyrrolobenzodiazepine

d. Create Shared Value with Stakeholders

- To promote ESG management from a long-term perspective, it is also important to create shared value with stakeholders, namely, patients, shareholders, society, the environment, and employees.
- As we expand 3ADCs to various types of cancer and target more rare diseases, we will strengthen

our initiatives under a patient centric mindset and contribute to patients, not only in pharmaceutical development but across the entire value chain.

- We will implement well-balanced investment for growth, and shareholder returns to sustainably increase the value for the Company.
- For social and environmental challenges such as decarbonization society, circular economy and a society in harmony with nature, we will implement various initiatives to reduce environmental impact throughout the value chain from research and development to sales, and contribute to society and the environment.
- In addition to our stable supply in ordinary times of seasonal influenza and other vaccines from in-house manufacturing sites, we will contribute to society by establishing technologies that can be applied to vaccines for COVID-19 as well as emerging/re-emerging infectious diseases and establishing a vaccine supply system for future pandemics.
- By determining the Group's common core behaviors, which form its common core across the entire Group, we will cultivate a unique corporate culture, "One DS Culture," and further enhance the strengths of our global organization and human resources.

<Major Progress Fiscal 2021-Fiscal 2024>

- We made progress in terms of addressing pandemic risks, including supply of COVID-19 mRNA vaccines DAICHIRONA for Intramuscular Injection (monovalent: omicron XBB.1.5 variant) in Japan. Meanwhile, we joined "RE100[*2]," a global initiative that aims to use 100% renewable energy for electricity consumed in business activities. We also engaged in initiatives to address environmental challenges that include shifting to renewable energy with respect to electricity consumption at the Company's sites in Japan.
- Toward the cultivation of "One DS Culture," we have been promoting efforts to deepen the understanding of the Group's common core behaviors, which form its common core across the entire Group, and to embody them through workshops attended by the management and all employees, and other means.

- We will continue to implement a variety of measures to strengthen the value creation process with stakeholders.

[*2] A global initiative to promote 100% corporate renewable energy, run by the Climate Group, an international environmental NGO, in partnership with CDP, which encourages companies to disclose information about their climate change initiatives.

【Platform for Supporting Strategy Execution】

- To strengthen our platform for supporting the execution of our four strategic pillars, we will implement data-driven management by advancing digital transformation and advance company transformation with cutting-edge digital technology. In addition, we will realize agile decision-making through our new global management structure.

<Major Progress Fiscal 2021-Fiscal 2024>

- We began global operation of an analytical platform that enables integrated data analysis of

Enhertu inside and outside the Company.

- The Oncology Business Unit was newly established to promptly respond to rapid changes in treatment systems and the market environment in the field of oncology from both business and scientific perspectives.

- Going forward, we will accelerate data-driven management and continue to strengthen our global management structure in line with changes and expansion of our business operations.

【Shareholder Return Policy】

- We will strive to enhance shareholder return through increase of dividends that take account of our profit growth and flexible share buybacks.
- We have adopted dividend on equity[*3] (DOE) based on shareholders' equity as a KPI in line with our policy of providing stable returns to shareholders. Going forward, we aim to maximize shareholder value, with a target for DOE of 8% or more in fiscal 2025, exceeding the cost of shareholders' equity.

[*3] Dividend on equity = Total dividend amount / Equity attributable to owners of the Company

<Major Progress Fiscal 2021-Fiscal 2024>

- The Company has decided the dividend increase for three consecutive years from fiscal 2022 to fiscal 2024, following the profit growth due to the growth of Enhertu, the receipt of upfront payment related to strategic collaboration agreement with Merck in the U.S. and others.

[Trends in annual dividend per share]

Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024 (Forecast)
JPY 27	JPY 30	JPY 50	JPY 60

- To further improve shareholder returns and enhance capital efficiency, etc., the Company decided and implemented two rounds of acquisition of its own shares in fiscal 2024.

[Acquired own shares]

	Total acquisition shares	Total acquisition amount
From April 2024 to January 2025	Approximately 38.71 million shares	Approximately JPY 200.0 billion
From March 2025 to April 2025	Approximately 13.97 million shares	Approximately JPY50.0 billion

- We will strive to further enhance shareholder returns through continued efforts by increasing dividends in alignment with profit growth and/or flexible acquisition of own shares.

(5) Transition Status of the Assets and Profit and Losses

(Millions of JPY, unless otherwise stated)

Category	Year ended March 31, 2021 (16th Fiscal Period)	Year ended March 31, 2022 (17th Fiscal Period)	Year ended March 31, 2023 (18th Fiscal Period)	Year ended March 31, 2024 (19th Fiscal Period)	Year ended March 31, 2025 (Current fiscal year; 20th Fiscal Period)
Revenue	962,516	1,044,892	1,278,478	1,601,688	1,886,256
Operating profit	63,795	73,025	120,580	211,588	331,925
Profit before tax	74,124	73,516	126,854	237,234	355,631
Profit attributable to owners of the Company	75,958	66,972	109,188	200,731	295,756
Basic earnings per share (JPY)	39.17	34.94	56.96	104.69	155.96
Return on equity attributable to owners of the Company (ROE) (%)	5.9	5.1	7.8	12.8	17.9
Annual dividend per share (JPY)	27	27	30	50	60
Total assets	2,085,178	2,221,402	2,508,889	3,461,135	3,456,119
Equity attributable to owners of the Company	1,272,053	1,350,872	1,445,854	1,688,173	1,623,416

Notes: 1. Basic earnings per share is calculated based on the average number of shares during the period, exclusive of the number of own shares.

2. Effective as of October 1, 2020, the Company implemented a three-for-one share split of its ordinary shares. Basic earnings per share and annual dividend per share for the year ended March 31, 2021 are calculated as if the share split had taken place at the beginning of the year.

(6) Principal Business

Research and development, manufacturing, marketing, and import and export of pharmaceuticals.

(7) Status of Material Subsidiaries, etc.

1) Status of Material Subsidiaries

The Group consists of Daiichi Sankyo Company, Limited, its 48 subsidiaries and its 2 associates, a total of 51 companies.
Material subsidiaries are as follows: (As of March 31, 2025)

Name of Group Company	Stated Capital (Millions of JPY, unless otherwise stated)	Voting Rights Percentage (%)	Principal Business
Daiichi Sankyo Healthcare Co., Ltd.	100	100.00	Research and development, manufacture and marketing of healthcare (OTC) products
Daiichi Sankyo Propharma Co., Ltd.*	100	100.00	Manufacture of pharmaceuticals
Daiichi Sankyo Chemical Pharma Co., Ltd.*	50	100.00	Manufacture of pharmaceuticals
Daiichi Sankyo Biotech Co., Ltd.	50	100.00	Manufacture of vaccines, biologics, investigational drugs, etc.
Daiichi Sankyo Business Associe Co., Ltd.	50	100.00	Business support for the Group
Daiichi Sankyo U.S. Holdings, Inc.	3.0 U.S. dollars	100.00	A holding company
Daiichi Sankyo, Inc.	0.17 million U.S. dollars	100.00	Research and development and marketing of pharmaceuticals
American Regent, Inc.	0.20 million U.S. dollars	100.00	Research and development, manufacture and marketing of pharmaceuticals
Daiichi Sankyo Europe GmbH	16 million euro	100.00	Supervision of the Daiichi Sankyo EUROPE Group, and research and development, manufacture and marketing of pharmaceuticals
Daiichi Sankyo (China) Holdings Co., Ltd.	146 million U.S. dollars	100.00	Research and development and marketing of pharmaceuticals
Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd.	53 million U.S. dollars	100.00	Research and development, manufacture and marketing of pharmaceuticals

Note: The Company acquired Daiichi Sankyo Propharma Co., Ltd., and Daiichi Sankyo Chemical Pharma Co., Ltd. through an absorption-type merger and these companies were dissolved as of April 1, 2025. The functions of both companies were transferred to the Company.

2) Status of Material Alliances, etc.

a. Licensing-in of technology

Other Party	Country	Details of Technology
Daiichi Sankyo Company, Limited		
Amgen Inc.	U.S.	Technology related to Denosumab, an anti-RANKL antibody
Amgen Inc.	U.S.	Technology related to biosimilars
MedImmune, LLC	U.S.	Technology related to FluMist; a live attenuated influenza vaccine administered as a nasal spray
Ultragenyx Pharmaceutical Inc.	U.S.	Gene therapy manufacturing technology with adeno associated virus (AAV) vector
Alteogen Inc.	South Korea	Technology related to recombinant hyaluronidase for development and commercialization of subcutaneous formulation of Trastuzumab deruxtecan
American Regent, Inc.		
Vifor (International) Ltd.	Switzerland	Technology related to Venofer and Injectafer, drugs for treating anemia

b. Distribution agreement and others (licensing-in)

Other Party	Country	Details
Daiichi Sankyo Company, Limited		
UCB Biopharma Sprl	Belgium	Exclusive sale and co-promotion in Japan of Vimpat, a treatment for epilepsy
Mitsubishi Tanabe Pharma Corporation	Japan	Exclusive sale and co-promotion in Japan of Canalia, a combination drug for the treatment of type 2 diabetes mellitus
Eli Lilly Japan K.K. Eli Lilly and Company	Japan U.S.	Exclusive sale and co-promotion in Japan of the migraine prevention drug Emgality
Eli Lilly Japan K.K. Eli Lilly and Company	Japan U.S.	Exclusive sale and co-promotion in Japan of Reyvow, a treatment for migraines
Esperion Therapeutics, Inc.	U.S.	Exclusive sale in South Korea, Brazil, Taiwan, Hong Kong, Macao, Thailand, Vietnam, Myanmar, and Cambodia of the hypercholesterolemia treatment, bempedoic acid
MSD International Business GmbH	Switzerland	Exclusive sale in Japan of the company's insomnia treatment Belsomra
Daiichi Sankyo Europe GmbH		
Esperion Therapeutics, Inc.	U.S.	Exclusive sale in Europe of the hypercholesterolemia treatment, bempedoic acid

c. Distribution agreement and others (licensing-out)

Other Party	Country	Details
Daiichi Sankyo Company, Limited		
AstraZeneca UK Limited	UK	Joint development and commercialization collaboration, worldwide except for Japan, of ADC Enhertu
AstraZeneca UK Limited	UK	Joint development and commercialization collaboration, worldwide except for Japan, of TROP2-directed ADC Dato-DXd
Merck & Co., Inc.	U.S.	Joint development and commercialization collaboration, worldwide except for Japan, of ADC HER3-DXd, I-DXd, DS-6000, and MK-6070*
American Regent, Inc.		
Fresenius USA Manufacturing, Inc.	U.S.	Exclusive sale in the U.S. of the anemia treatment, Venofer for dialysis patients
Daiichi Sankyo Northern Europe GmbH		
Organon Trade LLC	U.S.	Exclusive sale in Europe of the anticoagulant Lixiana

Note: MK-6070, which is being developed by Merck & Co., Inc. was added to the original agreement regarding HER3-DXd, I-DXd, and DS-6000.

d. Other

Other Party	Country	Details
Daiichi Sankyo Company, Limited		
Glycotope GmbH	Germany	Acquisition of intellectual property rights to the anti-TA-MUC1 antibody DS-3939

(8) The Principal Offices, Laboratories, and Plants (As of March 31, 2025)

1) The Company

Headquarters: 5-1, Nihonbashi Honcho 3-chome, Chuo-ku, Tokyo

Pharmaceutical Sales Departments: Hokkaido Office (Hokkaido), Tohoku Office (Miyagi), Tokyo Office (Tokyo), Chiba Office (Chiba), Saitama Office (Saitama), Kanagawa Office (Kanagawa), Kita-Kanto Office (Saitama), Koshinetsu Office (Tokyo), Tokai Office (Aichi), Keiji Office (Kyoto), Hokuriku Office (Ishikawa), Osaka Office (Osaka), Hyogo Office (Hyogo), Chugoku Office (Hiroshima), Shikoku Office (Kagawa), Kyushu Office (Fukuoka)

Laboratories: Shinagawa R&D Center (Tokyo), Kasai R&D Center (Tokyo), Tatebayashi Biopharmaceuticals Center (Gunma), and Pharmaceutical Technology Division, Hiratsuka site (Kanagawa)

2) Subsidiaries

a. Japan

Daiichi Sankyo Healthcare Co., Ltd.	Chuo-ku, Tokyo	
Daiichi Sankyo Propharma Co., Ltd.*	Headquarters	Chuo-ku, Tokyo
	Plants	Hiratsuka Plant (Kanagawa)
Daiichi Sankyo Chemical Pharma Co., Ltd.*	Headquarters	Chuo-ku, Tokyo
	Plants	Onahama Plant (Fukushima), Tatebayashi Plant (Gunma), and Odawara Plant (Kanagawa)
Daiichi Sankyo Biotech Co., Ltd.	Kitamoto, Saitama	
Daiichi Sankyo Business Associe Co., Ltd.	Chuo-ku, Tokyo	
Daiichi Sankyo Happiness Co., Ltd.	Hiratsuka, Kanagawa	

Note: To further strengthen its production functions, the Company conducted an absorption-type merger with Daiichi Sankyo Propharma Co., Ltd., and Daiichi Sankyo Chemical Pharma Co., Ltd., and dissolved the companies as of April 1, 2025.

b. Outside Japan

Daiichi Sankyo, Inc.	Basking Ridge, New Jersey, U.S.
American Regent, Inc.	Shirley, New York, U.S.
Daiichi Sankyo Europe GmbH	Munich, Germany

(9) Status of Employees (As of March 31, 2025)

Number of Employees		Change from Previous Fiscal Year-End
19,765		1,039 (increased)
Japan	9,362	106 (decreased)
North America	4,025	452 (increased)
Europe	3,367	466 (increased)
Other regions	3,011	227 (increased)

Note: The number of employees is that of working employees, and does not include that of employees temporarily seconded to other groups, but does include that of employees temporarily seconded to the Group from other groups.

(10) Principal Lenders and the Amount of Loans (As of March 31, 2025)

- Not applicable.

(11) Litigation and Other Matters

Lawsuit and Other Matters related to U.S. Patent held by Seagen Inc.

- Seagen Inc. filed a patent infringement lawsuit in the District Court for the Eastern District of Texas in October 2020, claiming Daiichi Sankyo's proprietary Enhertu and other ADCs infringed the U.S. patent held by Seagen Inc. In July 2022, the court found that Enhertu infringed on Seagen Inc.'s patent and that Seagen Inc. was entitled to damages of US$42 million, in addition to concluding that the Company had intentionally infringed on the patent, but that the damages would not be increased. In October 2023, the court rejected the Company's post-trial motions objecting to the above decision and handed down a decision ordering the Company to pay not only US$42 million in compensation for damages determined by the ruling but also a royalty of 8% of the Company's U.S. sales of Enhertu from April 1, 2022, through November 4, 2024, when Seagen Inc.'s U.S. patent expires. In November 2023, the Company appealed the lower court's decision to the U.S. Court of Appeals for the Federal Circuit (hereinafter, "CAFC").
- However, in December 2020, the Company and relevant parties filed a petition with the United States Patent and Trademark Office (hereinafter, "USPTO") for a post-grant review (hereinafter, "PGR") contesting the patentability of said U.S. patent of Seagen Inc., and in January 2024, the USPTO found that the corresponding U.S. patent was invalid. In May 2024, Seagen Inc. appealed the USPTO's decision to the CAFC.
- In July 2024, the CAFC decided that the same panel of judges would hear the cases related to the appeal of the patent infringement lawsuit and the PGR appeal.
- In October 2024, the Director of the USPTO requested to participate in the PGR appeal, and in November 2024, the CAFC approved the request.

2. Matters regarding Shares

(1) Status of Shares (As of March 31, 2025)

1) Total Number of Authorized Shares: 8,400,000,000 shares

2) Total Number of Issued Shares: 1,908,322,129 shares (including 39,117,888 treasury shares)
Note: On January 31, 2025, 38,711,900 own shares were cancelled.

3) Number of Shareholders: 119,057 (increase of 27,019 from March 31, 2024)

4) Major Shareholders (Top 10):

Name of Shareholders	Number of Shares Held (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	330,755	17.69%
Custody Bank of Japan, Ltd. (trust account)	141,079	7.55%
STATE STREET BANK AND TRUST COMPANY 505001	103,759	5.55%
JP MORGAN CHASE BANK 385632	86,600	4.63%
Nippon Life Insurance Company	85,863	4.59%
STATE STREET BANK WEST CLIENT - TREATY 505234	37,003	1.98%
GOVERNMENT OF NORWAY	28,022	1.50%
JP MORGAN CHASE BANK 385781	26,826	1.44%
STATE STREET BANK AND TRUST COMPANY 505223	26,551	1.42%
Custody Bank of Japan, Ltd., as trustee for Mizuho Bank, Ltd., Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	25,014	1.34%

Notes: 1. The Company held 39,117,888 own shares as of March 31, 2025, which are excluded from the above table.
2. The own shares listed above do not include the Company's own shares held in trusts.
3. Own shares are not included in the computing of shareholding ratio.

5) Shares Granted to Directors as Compensation during the Fiscal Year

The status of shares granted to Directors as compensation for their execution of duties during the fiscal year under review is as follows:

Category	Class and number of shares	Number of grantees
Directors (excluding Outside Directors)	Ordinary shares of the Company 20,696 shares	5

Note: The above shares are granted as restricted share-based compensation of the Company.

6) Other Important Matters Concerning Shares

- By increasing dividends according to profit growth and improving capital efficiency through flexible acquisition of own shares, we aim to achieve a DOE of 8% or more in fiscal 2025.
- In light of this target, the Company acquired 38,711,900 own shares for the cost of JPY199,999,497,200 from April 26, 2024, to January 9, 2025, to increase shareholder returns and enhance capital efficiency. All the acquired shares were cancelled as of January 31, 2025.
- In order to take flexible actions in response to the situation where the Company believes that its future profitability is not fully reflected in its share price, the Company acquired 13,971,600 own shares for the cost of JPY49,999,898,300 from March 3 to April 8, 2025. The Board of Directors ("the Board") resolved at the meeting held on April 25, 2025, to cancel all the acquired own shares on May 30, 2025.
- In order to enable flexible acquisition of own shares based on comprehensive consideration such as share price level and other factors, the Board resolved at the meeting held on April 25, 2025, to establish upper limits of 80 million shares and JPY200 billion for the acquisition of its own shares from May 1, 2025, through March 24, 2026.

3. Matters regarding Directors and Audit & Supervisory Board Members

(1) Status of Directors and Audit & Supervisory Board Members (As of March 31, 2025)

Name	Position and Assignments, etc.	Material Concurrent Positions	Relationship between companies where they have material concurrent positions and the Company
Sunao Manabe	Representative Director, Executive Chairperson, and CEO		
Hiroyuki Okuzawa	Representative Director, President and COO		
Shoji Hirashima	Representative Director Senior Executive Officer and Head of Japan Business Unit		
Takashi Fukuoka	Head of Global Corporate Strategy, CStO Director, Senior Executive Officer		
Takashi Matsumoto	Head of Global HR, CHRO Director, Executive Officer		
Kazuaki Kama	Outside Director	Honorary Advisor of IHI Corporation Outside Director of Japan Exchange Group, Inc.	No material business relationship
Sawako Nohara	Outside Director	President of IPSe Marketing, Inc. Outside Director of Keikyu Corporation Outside Director of Resona Holdings, Inc.	No material business relationship
Yasuhiro Komatsu	Outside Director	Professor Emeritus and Professor (Specially appointed for Quality & Safety Science) at Gunma University Vice president, Itabashi Chuo Medical Center Advisory Board Member of Gunma University Hospital	No material business relationship
Takaaki Nishii	Outside Director	Senior Corporate Advisor of Ajinomoto Co., Inc. Outside Director of Kao Corporation	No material business relationship
Yo Honma	Outside Director	Chief Corporate Advisor of NTT Data Group	No material business relationship
Kenji Sato	Full-time Audit & Supervisory Board Member		
Miyuki Arai	Full-time Audit & Supervisory Board Member		
Yukiko Imazu	Outside Audit & Supervisory Board Member	Partner, Attorney-at-Law of Anderson Mōri & Tomotsune Outside Director (Audit & Supervisory Committee Member) of dip Corporation Outside Director of ALCONIX CORPORATION	No material business relationship
Masako Watanabe	Outside Audit & Supervisory Board Member	Outside Director of SAKATA SEED CORPORATION	No material business relationship

Name	Position and Assignments, etc.	Material Concurrent Positions	Relationship between companies where they have material concurrent positions and the Company
Mitsuhiro Matsumoto	Outside Audit & Supervisory Board Member	Outside Director of Japan Exchange Group, Inc.	No material business relationship

Notes:

1. The Board consists of 10 Directors and 5 Audit & Supervisory Board Members, totaling 15, and including 4 female members (the ratio of female members is 26.6%).
2. In the above, Outside Director means an outside director prescribed by Article 2, Item 15 of the Companies Act and Outside Audit & Supervisory Board Member means an outside audit & supervisory board member prescribed by Article 2, Item 16 of the Companies Act.
3. The Company has designated all Outside Directors (Kazuaki Kama, Sawako Nohara, Yasuhiro Komatsu, Takaaki Nishii, and Yo Honma) and Outside Audit & Supervisory Board Members (Yukiko Imazu, Masako Watanabe and Mitsuhiro Matsumoto) as Independent Directors/Corporate Auditors and filed them with the Tokyo Stock Exchange accordingly.
4. Masako Watanabe, Outside Audit & Supervisory Board Member, is a certified public accountant and has considerable knowledge in finance and accounting.
5. No Directors or Audit & Supervisory Board Members resigned or were removed during this fiscal year. Director Masahiko Ohtsuki retired following the end of his tenure of office at the conclusion of the 19th Ordinary General Shareholders Meeting held on June 17, 2024.
6. The position and responsibilities of directors were changed as follows as of April 1, 2025.
   - Hiroyuki Okuzawa was removed as Representative Director, President, and COO and appointed Representative Director, President, and CEO.
   - Sunao Manabe will continue to serve as Representative Director and Executive Chairperson.

(2) Status of Outside Directors and Outside Audit & Supervisory Board Members

1) Relationship between Companies where they have Material Concurrent Positions and the Company (As of March 31, 2025)

- The relationship between companies where they have material concurrent positions, and the Company is as described in (1) Status of Directors and Audit & Supervisory Board Members.

2) Major Activities During this Fiscal Year

Position	No. of attendance	Major activities
Kazuaki Kama		
Outside Director Chairperson of the Board Member of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 14/14 (100%) [Nomination Committee meetings] 12/12 (100%) [Compensation Committee meetings] 11/11 (100%)	Kazuaki Kama has a wealth of experience and a wide range of knowledge in overall corporate management as well as finance and accounting, developed through his management experience at a comprehensive heavy-industry manufacturer. He attended all Board meetings held during this fiscal year. Since June 2023, he has served as Chairperson of the Board as an Outside Director. By making useful comments and proposals as needed based on the above experience, professional insight and objective standpoint, as well as appropriately managing the proceedings of the Board meetings, he has contributed to the separation of execution and oversight, and appropriately fulfilled his roles including the oversight on execution of the operation. Furthermore, he attended all meetings of the Nomination Committee and the Compensation Committee held during this fiscal year and provided valuable opinions, contributing to the enhancement of the Committees' oversight functions on management.
Sawako Nohara		
Outside Director Chairperson of the Compensation Committee Member of the Nomination Committee	[The Board meetings] 14/14 (100%) [Nomination Committee meetings] 12/12 (100%) [Compensation Committee meetings] 11/11 (100%)	Sawako Nohara has a wealth of experience and a wide range of knowledge in such fields as overall corporate management, IT, business strategies and marketing strategies, developed through her experience as the founder of a company engaging in the Internet and digital business and management experience. She attended all Board meetings held during this fiscal year. By making useful comments and proposals as needed at the Board meetings based on the above experience, professional insight and objective standpoint, she has appropriately fulfilled her roles including the oversight on execution of the operation. Furthermore, as Chairperson of the Compensation Committee (appointed in June 2022), she attended all meetings of the Committee held during this fiscal year and appropriately managed the proceedings of meetings of the Committee from an external perspective. In addition, as a member of the Nomination Committee, she attended all meetings of the Committee held during this fiscal year and made useful comments as needed, contributing to the enhancement of the Committees' oversight functions on management.

Position	No. of attendance	Major activities
Yasuhiro Komatsu		
Outside Director Member of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 14/14 (100%) [Nomination Committee meetings] 12/12 (100%) [Compensation Committee meetings] 11/11 (100%)	Yasuhiro Komatsu has a wealth of experience and a wide range of knowledge in medical care, clinical governance, public health, drug safety, and risk management, etc. from his experience as a medical doctor. He attended all Board meetings held during this fiscal year. By making useful comments and proposals as needed at the Board meetings based on the above experience, professional insight and objective standpoint, he has appropriately fulfilled his roles including the oversight on execution of the operation. Furthermore, he attended all meetings of the Nomination Committee and the Compensation Committee held during this fiscal year and provided valuable opinions, contributing to the enhancement of the Committees' oversight functions on management.
Takaaki Nishii		
Outside Director Chairperson of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 14/14 (100%) [Nomination Committee meetings] 12/12 (100%) [Compensation Committee meetings] 11/11 (100%)	Takaaki Nishii has a wealth of experience and a wide range of knowledge in overall corporate management as well as overseas business and personnel strategy, developed through his management experience at a food/amino acid material manufacturer. He attended all Board meetings held during this fiscal year. By making useful comments and proposals as needed at the Board meetings based on the above experience, professional insight and objective standpoint, he has appropriately fulfilled his roles including the oversight on execution of the operation. Furthermore, as Chairperson of the Nomination Committee (appointed in June 2023), he attended all meetings of the Committee held during this fiscal year and appropriately managed the proceedings of meetings of the Committee from an external perspective. In addition, as a member of the Compensation Committee, he attended all meetings of the Committee held during this fiscal year and made useful comments as needed, contributing to the enhancement of the Committees' oversight functions on management.
Yo Honma		
Outside Director Member of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 11/11 (100%) [Nomination Committee meetings] 10/10 (100%) [Compensation Committee meetings] 9/9 (100%)	Yo Honma has a wealth of experience and a wide range of knowledge in overall corporate management, IT, and digital technology, developed through his management experience in the area of information technology. He attended all Board meetings held during this fiscal year after appointment as Director in June 2024. By making useful comments and proposals as needed at the Board meetings based on the above experience, professional insight and objective standpoint, he has appropriately fulfilled his roles including the oversight on execution of the operation. Furthermore, he attended all meetings of the Nomination Committee and the Compensation Committee during this fiscal year after appointment as Director in June 2024 and provided valuable opinions, contributing to the enhancement of the Committees' oversight functions on management.

Position	No. of attendance	Major activities
Yukiko Imazu		
Outside Audit & Supervisory Board Member Compensation Committee Observer	[The Board meetings] 14/14 (100%) [Audit & Supervisory Board meetings] 14/14 (100%) [Compensation Committee meetings] 11/11 (100%)	Yukiko Imazu has a wealth of experience and a wide range of knowledge in overall legal affairs, developed through her experience as a lawyer. She attended all Board meetings and Audit & Supervisory Board meetings held during this fiscal year and made useful comments and proposals as needed based on the above experience, professional insight and objective standpoint. She also assessed the status of decision making by the Board and other matters, thereby performing her duties to audit the execution of Directors' duties in an appropriate manner. In addition, she attended all meetings of the Compensation Committee held during this fiscal year as an observer and provided valuable opinions and advice as needed.
Masako Watanabe		
Outside Audit & Supervisory Board Member	[The Board meetings] 14/14 (100%) [Audit & Supervisory Board meetings] 14/14 (100%)	Masako Watanabe has a wealth of experience and a wide range of knowledge in overall finance and accounting, developed through her experience as a certified public accountant. She attended all Board meetings and Audit & Supervisory Board meetings held during this fiscal year and made useful comments and proposals as needed based on the above experience, professional insight and objective standpoint. She also assessed the status of decision making by the Board and other matters, thereby performing her duties to audit the execution of Directors' duties in an appropriate manner.
Mitsuhiro Matsumoto		
Outside Audit & Supervisory Board Member Nomination Committee Observer	[The Board meetings] 14/14 (100%) [Audit & Supervisory Board meetings] 14/14 (100%) [Nomination Committee meetings] 12/12 (100%)	Mitsuhiro Matsumoto served in key leadership positions in the National Police Agency, and has a wealth of experience and a wide range of knowledge in such as public administrations, the operation of large organizations, domestic/international risk management. He attended all Board meetings and Audit & Supervisory Board meetings held during this fiscal year and made useful comments and proposals as needed based on the above experience, professional insight and objective standpoint. He also assessed the status of decision making by the Board and other matters, thereby performing his duties to audit the execution of Directors' duties in an appropriate manner. In addition, he attended all meetings of the Nomination Committee held during this fiscal year as an observer and provided valuable opinions and advice as needed.

Note: The number of meetings attended by Yo Honma indicates only the number of such meetings held after his assumption of office on June 17, 2024.

3) Outline of the Terms of Liability Limitation Agreement

- With regard to liability for damages under Article 423, Paragraph 1 of the Companies Act, the Company has entered into agreements with Outside Directors Kazuaki Kama, Sawako Nohara, Yasuhiro Komatsu, Takaaki Nishii, and Yo Honma, and Outside Audit & Supervisory Board Members Yukiko Imazu, Masako Watanabe, and Mitsuhiro Matsumoto to limit their liabilities based on the Articles of Incorporation in the event that the case falls under the requirements defined in laws and ordinances (Liability Limitation Agreement), and the maximum amount of liabilities under such agreement is the minimum liability amount as provided by applicable laws and ordinances.

(3) Matters regarding Directors and Officers Liability Insurance Policy

- The Company has entered into a directors and officers liability insurance policy with an insurance company. In the event of a claim for damages filed against an insured by a shareholder or a third party, this insurance policy covers such damages as compensation for damages and litigation cost to be borne by the insured. However, this policy does include certain exemption clauses, for instance,

not covering damages attributable to acts in violation of laws or regulations carried out by an insured with full knowledge of his/her illegality, so as not to impair the appropriateness of execution of duties by directors and other officers.

- The insureds of this insurance policy are Directors, Audit & Supervisory Board Members and Corporate Officers of the Company and domestic Group companies as well as key Executive Persons and managerial employees of overseas Group companies (excluding those in the U.S.)*. The insurance premiums are fully paid by companies to which the insureds belong.
  * Group companies in the U.S. have separately entered into an insurance policy similar to the directors and officers liability insurance policy.

(4) The Amount of Compensation and Related Payments to Directors and Audit & Supervisory Board Members for Fiscal 2024

Classification	Total amount of compensation and related payments (Millions of JPY)	Total amount of compensation and related payments to Directors and Audit & Supervisory Board Members by type (Millions of JPY)				Number of Directors and Audit & Supervisory Board Members to be paid (Number of persons)
		Basic compensation	Annual performance-based bonuses	(Non-monetary compensation) Restricted share-based compensation	(Non-monetary compensation) Medium-term performance-based share compensation	
Directors (excluding Outside Directors)	1,009	348	492	112	55	6*
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	93	93	–	–	–	2
Outside Directors	111	111	–	–	–	5
Outside Audit & Supervisory Board Members	61	61	–	–	–	3

Note: The amount of compensation and related payments to Directors (excluding Outside Directors) and the number of persons to be paid include those of one Director who retired following the end of his tenure of office at the conclusion of the 19th Ordinary General Meeting of Shareholders held on June 17, 2024.

1) Basic compensation

- The total amount of "basic compensation" paid to Directors shall be JPY630 million or less per fiscal year (including the total amount of basic compensation paid to Outside Directors at JPY140 million or less per fiscal year) (excluding the portion of salaries for Directors concurrently working as employees) and the total amount of compensation paid to Audit & Supervisory Board Members shall be JPY180 million or less per fiscal year as approved at the 16th Ordinary General Meeting of Shareholders held on June 21, 2021 (the Company had nine Directors, including four Outside Directors, and five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members, at the close of said Ordinary General Meeting of Shareholders).

2) Annual performance-based bonuses

- "Annual performance-based bonuses" above represent an estimated amount to be paid as "Annual performance-based bonuses" for the fiscal year under review. In addition to the total amount of basic compensation, the total amount of "annual performance-based bonus" paid to Directors (excluding Outside Directors) shall be JPY850 million or less per fiscal year as approved at the 16th Ordinary General Shareholders Meeting held on June 21, 2021 (the Company had nine Directors, including four Outside Directors, at the close of said Ordinary General Shareholders Meeting).
- The amount of "annual performance-based bonuses" will be decided according to the degree of achievement of the earnings forecasts announced at the beginning of the fiscal year about revenue, core operating profit ratio, and profit attributable to owners of the Company, and the degree of achievement of each Director's goals and tasks set at the beginning of the fiscal year. Setting the

degree of achievement of the earnings forecasts for the relevant fiscal year about "revenue," which indicate the size of business, "core operating profit ratio," which indicates the efficiency of business activities, and "profit attributable to owners of the Company," which indicates the final outcome of corporate activities, as the evaluation criteria, it is intended to provide a strong motivation to commit to achieving the targets as short-term incentive compensation.

- The formula for calculating the amount of payment is as follows.

* 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

The targets and actual results of indices for "Annual performance-based bonuses" for the fiscal year under review are as follows:

Breakdown of annual target achievement ratio (Fiscal 2024)

Index for the achievement of annual targets	Evaluation ratio	Evaluation coefficient fluctuation range	Target	Achievement	Evaluation factor	Bonus payment rate
Revenue	10%	0%-200%	JPY1,750 billion	JPY1,886.3 billion	200.0%	200.0%
Core operating profit ratio	10%	0%-200%	12.0%	16.6%	200.0%	
Profit attributable to owners of the Company	80%	0%-200%	JPY190 billion	JPY295.8 billion	200.0%	

3) Restricted share-based compensation

- The amount of "restricted share-based compensation" above represents the amount recorded as expenses for restricted share-based compensation in this fiscal year. This restricted share-based compensation with a maximum limit of JPY160 million in total per fiscal year was approved to be paid to Directors (excluding Outside Directors) of the Company ("Target Directors") at the 16th Ordinary General Meeting of Shareholders held on June 21, 2021, separately from the aforementioned total amount of basic compensation and annual performance-based bonuses. At the same time, the total number of ordinary shares of the Company to be issued or disposed of, in order to be delivered to Directors (excluding Outside Directors), was also approved to be 240 thousand shares or less per year (if the Company performs a share split (including allotment of shares without contribution) or a share consolidation of its ordinary shares, or any other reason requiring an adjustment to the total number of such shares arises, the said total number shall be reasonably adjusted in accordance with the share split or share consolidation ratio) (The Company had nine Directors (of which four were Outside Directors) at the conclusion of the said Ordinary General Meeting of Shareholders.).

  The content of restricted share-based compensation paid to Directors (excluding Outside Directors) as non-monetary compensation for the fiscal year under review is as follows:
  - Target Directors and number of shares granted: Five Directors (excluding Outside Directors) of the Company; 20,696 shares
  - Grant date: July 16, 2024
  - Method for grant: Disposal of own shares (contribution in kind of monetary compensation receivables provided to Target Directors as property to be contributed to acquire restricted shares)
  - Conditions for providing restricted shares: Conclusion of a restricted share allotment agreement (hereinafter the "Allotment Agreement")
    (Overview of the Allotment Agreement)

a. Restricted period
The restricted period shall be the period extending to the time immediately after resignation or retirement from the position of Director or Corporate Officer not concurrently serving as Director of the Company from July 16, 2024 (the "Disposal Date").
b. Terms for lifting of transfer restriction of shares
A Target Director must continue to be a Director or Corporate Officer not concurrently serving as Director of the Company during the period from July 16, 2024, to the time immediately before the conclusion of the first Ordinary General Meeting of Shareholders after the Date (the "Period of Service").
However, in the event that an Target Director resigns or retires from the position of Director or Corporate Officer not concurrently serving as Director of the Company during the restricted period due to the end of his/her tenure of office, attainment of retirement age or any other justifiable reason in the Period of Service, the transfer restriction shall be lifted at the time immediately after the resignation or retirement regarding the number of shares reasonably adjusted according to the period until the resignation or retirement date.
c. Acquisition without contribution by the Company
The Company, shall, by rights, acquire without contribution any allotted shares on which the transfer restriction has not been lifted at the expiration of the restricted period or at the time of lifting the transfer restriction.

4) Medium-term performance-based share compensation

- As approved at the 16th Ordinary General Meeting of Shareholders held on June 21, 2021 (the Company had nine Directors, including four Outside Directors at the close of said Ordinary General Meeting of Shareholders), the total amount of "medium-term performance-based compensation" is targeted at the Company's Directors (excluding Outside Directors) and Corporate Officers (hereinafter, the "Target Directors & Officers") and is set separately from the above total amount of basic compensation, total amount of annual performance-based bonus and total amount of restricted share-based compensation, at JPY800 million per fiscal year for the fiscal years covered by the medium-term business plan (hereinafter, the "Target Period," and the initial Target Period is the 5-year business plan from fiscal 2021 to fiscal 2025), multiplied by the number of fiscal years corresponding to the Target Period (for the initial Target Period commencing from fiscal 2021, the upper limit shall be JPY4.0 billion for five fiscal years) as the upper limit (for amount to be contributed); in addition, the maximum number of the Company's shares, etc. to be delivered to Target Directors & Officers shall be 500 thousand shares per fiscal year, multiplied by the number of fiscal years corresponding to the Target Period (for the initial Target Period commencing from fiscal 2021, the maximum number shall be 2.5 million shares for five fiscal years).
- The medium-term performance-based share compensation, which serves as long-term incentive and links pay to the achievement of performance during a series of fiscal years subject to a medium-term business plan, aims to promote management with a focus on increasing shareholder value over the medium to long term, and is a trust-type and share-based compensation plan which has the nature of performance-based share compensation. The performance-based coefficient shall be determined according to the degree of achievement of targets of the Company'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 the medium-term business plan announced in fiscal 2021 are adopted), with the intention to provide a strong motivation to commit to achieving the targets of the medium-term business plan.
- In order to pay future medium-term performance-based share compensation, the above amount of medium-term performance-based share compensation is recorded as expenses for the fiscal year when medium-term performance-related points are allocated based on share delivery rules. Moreover, for medium-term performance-based share compensation, a trust-type share-based compensation plan, a trust to deliver the Company's Shares, etc., was established on March 7, 2025.
- Regarding the compensation, the 17th Ordinary General Shareholders Meeting approved on June 27, 2022 that when it is not possible to establish the trust, amend the trust agreement, make additional contribution to the Trust with justifiable reason, or when delivery of the Company's Shares, etc. to Target Directors & Officers from the trust is not possible because Target Directors & Officers are non-resident of Japan, or with any other justifiable reason, the Company may, within the upper limit of money to be contributed by the Company, make monetary payments of the amount reasonably

calculated based on the number and the share price of the Company's Shares, etc. that should be delivered in accordance with the plan to Target Directors & Officers, etc. (The number of Directors of the Company will be nine, including four outside Directors, at the conclusion of the said General Shareholders Meeting). While the compensation shall, in principle, be paid after the performance of the medium-term business plan is finalized, considering situations where the trust has not been established yet, etc. regarding the compensation as an alternative to delivery of the Company's Shares, etc. via the trust, the Company made monetary payments of the amount reasonably calculated based on the number and the share price of the Company's Shares, etc. that should be delivered in accordance with such plan to Director who retired due to expiration of his term of office at the conclusion of the 19th General Shareholders Meeting held on June 17, 2024.

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

- The Company has established a policy regarding decisions of the content of individual compensations for 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 and November 30, 2023. 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

Directors (excluding Outside Directors)

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.

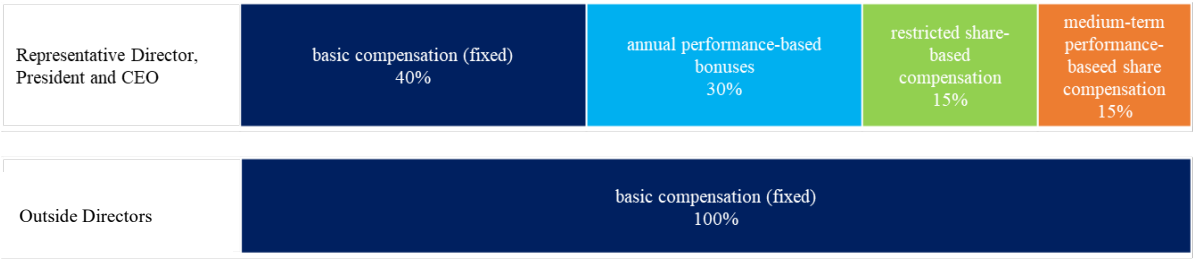
4. Ratio of the composition of compensations

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.

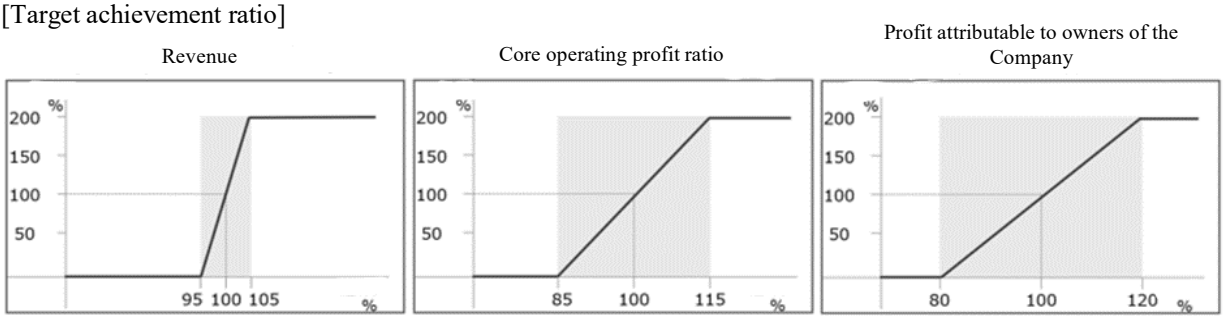
(1) Calculation formula for annual performance-based bonus

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*	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%	

* 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. 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, 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.

Consolidated Statement of Financial Position (IFRS)
(As of March 31, 2025)

(Millions of JPY)

Account	19th Fiscal Period (for reference)	20th Fiscal Period
[ASSETS]		
Current assets		
Cash and cash equivalents	647,180	639,838
Trade and other receivables	454,188	619,101
Other financial assets	577,040	80,890
Inventories	438,111	514,910
Other current assets	32,999	47,443
Subtotal	2,149,521	1,902,183
Assets held for sale	24,503	7,250
Total current assets	2,174,024	1,909,433
Non-current assets		
Property, plant and equipment	421,692	498,517
Goodwill	108,498	108,429
Intangible assets	168,300	235,839
Investments accounted for using the equity method	608	5,600
Other financial assets	147,906	139,175
Deferred tax assets	249,354	305,019
Other non-current assets	190,749	254,104
Total non-current assets	1,287,111	1,546,685
Total assets	3,461,135	3,456,119

Note: Figures are rounded down to the nearest million JPY.

(Millions of JPY)

Account	19th Fiscal Period (for reference)	20th Fiscal Period
[LIABILITIES AND EQUITY]		
Current liabilities		
Trade and other payables	557,131	579,957
Bonds and borrowings	399	399
Other financial liabilities	12,775	14,720
Income taxes payable	46,391	60,369
Provisions	15,435	5,804
Contract liabilities	57,435	67,956
Other current liabilities	22,345	24,825
Subtotal	711,914	754,032
Liabilities directly associated with assets held for sale	11,484	–
Total current liabilities	723,399	754,032
Non-current liabilities		
Bonds and borrowings	101,314	100,933
Other financial liabilities	46,229	43,675
Post-employment benefit liabilities	1,291	1,559
Provisions	13,978	13,030
Contract liabilities	680,166	751,038
Deferred tax liabilities	12,858	11,066
Other non-current liabilities	193,294	157,365
Total non-current liabilities	1,049,133	1,078,670
Total liabilities	1,772,532	1,832,703
[EQUITY]		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	1,962	–
Treasury shares	(36,629)	(147,321)
Other components of equity	283,998	263,693
Retained earnings	1,388,842	1,457,044
Total equity attributable to owners of the Company	1,688,173	1,623,416
Non-controlling interests	429	–
Total equity	1,688,603	1,623,416
Total liabilities and equity	3,461,135	3,456,119

Note: Figures are rounded down to the nearest million JPY.

Consolidated Statement of Profit or Loss (IFRS)
(From April 1, 2024 to March 31, 2025)

(Millions of JPY)

Account	19th Fiscal Period (for reference)	20th Fiscal Period
Revenue	1,601,688	1,886,256
Cost of sales	415,322	415,797
Gross profit	1,186,366	1,470,458
Selling, general and administrative expenses	636,997	731,200
Research and development expenses	365,169	435,965
Other income	27,477	28,739
Other expenses	88	107
Operating profit	211,588	331,925
Financial income	31,487	34,103
Financial expenses	6,026	11,854
Share of profit (loss) of investments accounted for using the equity method	184	1,457
Profit before tax	237,234	355,631
Income taxes	36,217	59,874
Profit for the year	201,016	295,756
Profit attributable to:		
Owners of the Company	200,731	295,756
Non-controlling interests	285	–
Profit for the year	201,016	295,756

Note: Figures are rounded down to the nearest million JPY.

Non-Consolidated Balance Sheet (Japanese GAAP)
(As of March 31, 2025)

(Millions of JPY)

Account	19th Fiscal Period (for reference)	20th Fiscal Period
[ASSETS]	**2,563,981**	**2,697,206**
I. Current assets	1,495,071	1,257,803
Cash and time deposits	575,347	316,672
Accounts receivable – trade	367,220	375,568
Securities	159,970	20,000
Merchandise and finished goods	88,406	49,582
Raw materials	191,455	271,599
Prepaid expenses	3,717	4,322
Short-term loans receivable	14,786	24,501
Accounts receivable – other	28,232	49,606
Other current assets	68,910	148,887
Provisions for doubtful accounts	(2,974)	(2,937)
II. Non-current assets	1,068,909	1,439,402
Property, plant and equipment	87,000	91,595
Buildings and structures	58,502	55,955
Machinery	321	452
Vehicles, tools, furniture and fixtures	10,340	15,020
Land	16,473	16,474
Construction in progress	1,363	3,692
Intangible assets	28,385	38,387
Patent rights	201	135
Software	1,432	2,920
Others	26,751	35,331
Investments and other assets	953,523	1,309,419
Investment securities	61,240	49,122
Shares in subsidiaries and associates	310,035	495,181
Investments in capital of subsidiaries and associates	154,505	220,613
Long-term loans receivable	138,043	163,788
Prepaid pension costs	31,445	37,409
Deferred tax assets	113,807	150,547
Others	144,580	192,847
Provisions for doubtful accounts	(134)	(91)
Total	2,563,981	2,697,206

Note: Figures are rounded down to the nearest million JPY.

(Millions of JPY)

Account	19th Fiscal Period (for reference)	20th Fiscal Period
[LIABILITIES]	**1,459,461**	**1,758,539**
I. Current liabilities	510,101	590,631
Accounts payable – trade	53,742	53,912
Short-term borrowings	27	–
Accounts payable – other	206,073	249,551
Accrued expenses	30,077	42,178
Income taxes payable	36,673	50,136
Consumption taxes payable	1,665	273
Deposit received	70,065	60,987
Contract liabilities	56,259	77,086
Provisions for environmental measures	6,624	1,385
Other current liabilities	48,892	55,119
II. Non-current liabilities	949,360	1,167,908
Bonds	100,000	100,000
Long-term accounts payable – other	1,835	2,732
Contract liabilities	678,519	867,956
Provisions for environmental measures	13,015	11,583
Other non-current liabilities	155,988	185,636
[NET ASSETS]	**1,104,519**	**938,666**
I. Shareholders' equity	1,076,863	915,959
Share capital	50,000	50,000
Capital surplus	434,014	297,471
Legal reserve	179,858	179,858
Other capital surplus	254,156	117,613
Retained earnings	629,478	715,810
Other retained earnings	629,478	715,810
Reserve for advanced depreciation of property, plant and equipment	4,378	4,039
Retained earnings carried forward	625,099	711,770
Treasury shares	(36,629)	(147,321)
II. Valuation and translation adjustments	27,096	22,281
Net unrealized gain or loss on investment securities	27,328	22,281
Deferred gains or losses on hedges	(232)	–
III. Subscription rights to shares	560	424
Total	**2,563,981**	**2,697,206**

Note: Figures are rounded down to the nearest million JPY.

Non-Consolidated Statement of Income (Japanese GAAP)
(From April 1, 2024 to March 31, 2025)

(Millions of JPY)

Account	19th Fiscal Period (for reference)	20th Fiscal Period
Net sales	1,214,732	1,357,334
Cost of sales	305,414	248,478
Gross profit	909,317	1,108,855
Selling, general and administrative expenses	805,236	949,731
Operating income	104,081	159,123
Non-operating income	87,380	47,560
Interest income	9,379	14,012
Interest on securities	42	76
Dividend income	69,677	27,327
Rental income	4,118	3,847
Foreign exchange gains, net	2,932	–
Other non-operating income	1,229	2,296
Non-operating expenses	8,731	4,465
Interest expenses	3,948	679
Interest on bonds	984	907
Foreign exchange losses, net	–	1,031
Cost of rental income	1,612	1,106
Depreciation of idle non-current assets	4	14
Other non-operating expenses	2,181	726
Ordinary income	182,730	202,218
Extraordinary gains	18,505	29,658
Gain on sales of non-current assets	37	2
Gain on sales of investment securities	9,831	14,848
Gain on transfer of subsidiaries and associates	7,230	5,061
Gain on liquidation of subsidiaries and associates	–	4,960
Subsidy income	1,385	3,911
Business transfer price adjustment	–	710
Other extraordinary gains	22	165
Extraordinary losses	7,029	2,618
Loss on disposal of non-current assets	730	1,209
Provisions for environmental measures	4,571	–
Loss compensation	1,343	1
Other extraordinary losses	383	1,406
Income before income taxes	194,206	229,259
Income taxes – current	33,035	63,110
Income taxes – deferred	(22,951)	(34,590)
Net income	184,122	200,740

Note: Figures are rounded down to the nearest million JPY.

Translation of a report originally issued in Japanese

Independent Auditor's Report

May 15, 2025

To the Board of Directors of Daiichi Sankyo Company, Limited:

KPMG AZSA LLC
Tokyo Office, Japan

Kanako Ogura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroshi Tani
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yusuke Matsumoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Daiichi Sankyo Company, Limited ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 10, "Notes Concerning Significant Subsequent Events, (1) Establishment of Upper Limits for Acquisition of Own Shares" to the consolidated financial statements. The Company approved at the Board of Directors meeting held on April 25, 2025 to establish upper limits for the

acquisition of its own shares.

Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board and Its Members for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit and Supervisory Board and its members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion

on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit and Supervisory Board and its members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit and Supervisory Board and its members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Translation of a report originally issued in Japanese

Independent Auditor's Report

May 15, 2025

To the Board of Directors of Daiichi Sankyo Company, Limited:

KPMG AZSA LLC
Tokyo Office, Japan

Kanako Ogura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroshi Tani
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yusuke Matsumoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and others") of Daiichi Sankyo Company, Limited ("the Company") as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 10, "Notes Concerning Significant Subsequent Events, (3) Establishment of Upper Limits for Acquisition of Own Shares" to the financial statements. The Company approved at the Board of Directors meeting held on April 25, 2025 to establish upper limits for the acquisition of its own

shares.

Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and others does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and others, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board and Its Members for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and others in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and others, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Board and its members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and others.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit at the time of risk assessment in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and others or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and others, including the disclosures, and whether the financial statements and others represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit and Supervisory Board and its members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit and Supervisory Board and its members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:
This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Translation of a report originally issued in Japanese

AUDIT REPORT

In the following report, we, Audit & Supervisory Board, have prepared the results of consultation based on the Audit Reports compiled by each Audit & Supervisory Board Member, with respect to the audit of the performance of duties by Directors during the 20th business year from April 1, 2024 to March 31, 2025.

1. Auditing methods used by Audit & Supervisory Board Members and Audit & Supervisory Board, and details of audit

(1) Audit & Supervisory Board specified the audit standard, and the audit policy and the audit plan for the 20th fiscal year ended March 31, 2025, and received reports on the status and results of the audit carried out by each Audit & Supervisory Board Member based on said standard, policy and plan, as well as received reports from Directors and accounting auditors on the status of the execution of their duties and asked them for explanations as needed.

(2) Each Audit & Supervisory Board Member, according to the audit standard set up by Audit & Supervisory Board described in (1), has maintained good communications with Directors, the audit division and employees of other divisions, and strived to collect information and improve the audit environment. We have executed the audit based on the following methods.

1) Each Audit & Supervisory Board Member attended the Board meetings and other meetings as deemed important, received from Directors and employees reports on the execution of their duties, asked for explanations as necessary, perused the documents whereby the important decisions were made, and examined business and financial conditions at the head office and its major business offices. With regard to subsidiaries, in addition to maintaining good communications and exchanging information with Directors, Audit & Supervisory Board Members and others of the subsidiaries of the Company, and, as needed, receiving from the subsidiaries reports on their business conditions. Also, full-time Audit & Supervisory Board Members of the Company concurrently served as part-time Audit & Supervisory Board Members of principal domestic subsidiaries.

2) We have monitored and verified the details of the resolution made by the Board concerning the establishment of systems defined in Article 100, Paragraph 1 and Paragraph 3 of the Regulation for Enforcement of the Companies Act as what is necessary for ensuring compliance with laws and regulations and the Company's Articles of Incorporation in the execution of duties by Directors, which are described in the Business Report, and for ensuring the proper operation of the Group consisting of the Company and its subsidiaries. We have also monitored and verified the status of the systems established based on the said resolution (internal control systems) by periodically receiving from Directors and employees reports on the status of development and operation of such systems.

3) We have received from the accounting auditors' reports on the execution of their duties and asked them for explanations as necessary. We were reported by the accounting auditors that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Regulation on Corporate Accounting) have been established in accordance with the Quality Control Standards Concerning Audit (Business Accounting Council), etc., and asked them for explanations as necessary. We have monitored and verified whether the accounting auditors maintain independency and properly implement audit.

In light of the audit conducted based on methods mentioned above, we have reviewed the Business Report, their supplementary schedules, financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to non-consolidated financial statements), their supplementary schedules and consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements) for the said fiscal year.

2. Results of Audit

(1) Results of audit of the Business Report, etc.

1) We consider that the Business Report and their supplementary schedules fairly present the situation of the Company in accordance with relevant laws and regulations and the Company's Article of Incorporation.

2) With respect to the performance of duties by Directors, we have found neither undue transactions nor material facts that violate relevant laws and regulations or the Company's Article of Incorporation.

3) We consider that the details of the resolution made by the Board concerning internal control systems are proper. With respect to the details described in the Business Report and the performance of duties by Directors regarding the said internal control systems, we have found no items to be pointed out.

(2) Results of audit of financial statements and their supplementary schedules

We consider that the auditing methods and results of the Company's Accounting Auditors, KPMG AZSA LLC, are proper.

(3) Results of audit of consolidated financial statements

We consider that the auditing methods and results of the Company's Accounting Auditors, KPMG AZSA LLC, are proper.

May 19, 2025

Audit & Supervisory Board of Daiichi Sankyo Company, Limited

Full-time Audit & Supervisory Board Member	Kenji Sato (Seal)
Full-time Audit & Supervisory Board Member	Miyuki Arai (Seal)
Outside Audit & Supervisory Board Member	Yukiko Imazu (Seal)
Outside Audit & Supervisory Board Member	Masako Watanabe (Seal)
Outside Audit & Supervisory Board Member	Mitsuhiro Matsumoto (Seal)