[Translation]

REPORT TO SHAREHOLDERS OF THE 21st ORDINARY GENERAL SHAREHOLDERS MEETING

For the Fiscal Year Ended March 31, 2026

- ✓ **Business Report for the 21st 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 21st 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 certain illustrations contained in the Japanese original.

[Translation]

Business Report for the 21st Fiscal Period

(From April 1, 2025 to March 31, 2026)

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

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

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

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

(JPY)

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

a. Revenue

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

b. Core operating profit

- Core operating profit increased by JPY47.1 billion, or 15.1% year on year, to JPY360.0 billion.
- Cost of sales was JPY441.3 billion, constituting an increase of JPY25.6 billion, or 6.2% year on year, due to an increase in revenue.
- Selling, general and administrative expenses increased by JPY134.8 billion, or 18.6%, to JPY859.6 billion mainly due to the cost increase by an increase in profit sharing with AstraZeneca.
- Research and development expenses increased by JPY29.3 billion, or 6.8% year on year, to JPY462.1 billion due to increased R&D investment in 5DXd ADCs (trastuzumab deruxtecan, datopotamab deruxtecan, patritumab deruxtecan: HER3-DXd/U3-1402, ifinatamab deruxtecan: I-DXd/DS-7300, raludotatug deruxtecan: R-DXd/DS-6000) and DS-3939.
- The positive effect on core operating profit from foreign exchange was JPY14.7 billion in total.

c. Operating profit

- Operating profit decreased by JPY102.8 billion, or 31.0% year on year, to JPY229.1 billion.
- Compensation for losses paid to the contract manufacturer, and others were recorded as temporary expenses in the fiscal 2025, resulting in a decrease in operating profit.

d. Profit before tax

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

e. Profit attributable to owners of the Company

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

f. Total comprehensive income

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

[Revenue by Business Unit]

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

a. Japan Business Unit

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

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

The following describes the major progress in the fiscal 2025.

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

b. Daiichi Sankyo Healthcare Unit

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

c. Oncology Business Unit

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

Revenue from the Unit increased by JPY145.0 billion, or 31.3% year on year, to JPY608.8

billion and the revenue in local currency increased by USD998 million, or 32.8%, to USD4,038 million due to the growth of Enhertu in the U.S. and Europe, and the sales contribution of Datroway.

The following describes the major progress in the fiscal 2025.

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

d. American Regent Unit

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

e. EU Specialty Business Unit

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

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

f. ASCA Business Unit

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

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

[*1] Asia, South & Central America

The following describes the major progress in the fiscal 2025.

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

2) Status of R&D

The Group focuses on accelerating global clinical development and is working on research and development in accordance with the “5DXd ADCs[*1] and Next Wave” Strategy, which

intensively allocates resources to 5DXd ADCs for maximizing their product values, and aims to deliver medicines that change SOC[*2] for realization of sustainable growth (Next Wave).

In the medium to long term, the Group aims to develop therapeutic drugs for various diseases in addition to oncology by utilizing its competitive science and technology, and strives to strengthen drug discovering capabilities by technology research of new modalities[*3].

[*1] ADC: Abbreviation for Antibody Drug Conjugate, drug composed of an antibody drug and a payload (a small molecule drug) linked via appropriate linker. By using a monoclonal antibody that binds to a specific target expressed on cancer cells, a cytotoxic payload is delivered to cancer cells effectively with reducing systemic exposure. DXd ADCs are drugs that combine the Company's proprietary drugs and linkers with antibodies.

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

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

[5DXd ADCs]

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

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

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

The following describes the major progress in the fiscal 2025.

- In April 2025, the application was approved in Europe and the application for approval was accepted in China for chemotherapy naïve hormone receptor (HR) positive and HER2 low or HER2 ultralow breast cancer.
- In April 2025, the Phase III clinical trial to evaluate triple combination therapy with fluoropyrimidine and pembrolizumab as the first line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric05) was initiated.
- In April 2025, the outline of the interim analysis data of the Phase III clinical trial for the first line treatment for HER2 positive breast cancer (trial name: DESTINY-Breast09) was presented.
- In April 2025, the application for approval was accepted in Japan for HER2 positive advanced or recurrent multiple solid tumors.
- In May 2025, the outline of the major analysis data of the Phase III clinical trial for neoadjuvant therapy of high-recurrence-risk HER2 positive early-stage breast cancer (trial name: DESTINY-Breast11) was presented.

- In June 2025, the first data of the Phase III clinical trial for the second line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric04) was presented at the American Society of Clinical Oncology (ASCO).
- In June 2025, first data of the DESTINY-Breast09 clinical trial was presented at ASCO.
- In June 2025, the Phase III clinical trial to evaluate combination therapy with rilvegostomig or pembrolizumab as the first line treatment for HER2 expressing (IHC 3+ or 2+) endometrial cancer (trial name: DESTINY-Endometrial01) was initiated.
- In July 2025, the combination therapy with pertuzumab was granted Breakthrough Therapy Designation[*4] by the U.S. Food and Drug Administration (FDA) for the first line treatment for HER2 positive breast cancer.
- In August 2025, the application was approved in Japan for HR positive and HER2 low or HER2 ultralow breast cancer.
- In September 2025, the application for approval was accepted in Europe for HER2 positive (IHC 3+) advanced or recurrent multiple solid tumors.
- In September 2025, the application for approval for the combination therapy with pertuzumab was accepted and Priority Review Designation[*5] was granted in the U.S. for the first line treatment for HER2 positive breast cancer.
- In September 2025, the outline of the data of the Phase III clinical trial for HER2 positive breast cancer with residual invasive disease after neoadjuvant therapy and high risk of disease recurrence (trial name: DESTINY-Breast05) was presented.
- In October 2025, the application for approval was accepted in the U.S. for the neoadjuvant therapy with high-recurrence-risk HER2 positive early-stage breast cancer.
- In October 2025, the application for approval for the combination therapy with pertuzumab was accepted in Japan for the first line treatment for HER2 positive breast cancer.
- In October 2025, the latest data for DESTINY-Breast05 clinical trial and DESTINY-Breast11 clinical trial was presented at the European Society of Medical Oncology (ESMO).
- In October 2025, the Phase III clinical trial for the first line treatment for nonsquamous NSCLC with HER2 overexpression, no actionable gene mutations*[6], and a PD-L1 TPS of <50% (trial name: DESTINY-Lung06) was initiated.
- In December 2025, the randomized part of the Phase III clinical trial for the first line maintenance therapy for HER2 expressing (IHC 3+/2+/1+) ovarian cancer following treatment with platinum-based chemotherapy in combination with bevacizumab (trial name: DESTINY-Ovarian01) was initiated.
- In December 2025, the application for the combination therapy with pertuzumab was approved in the U.S. for the first line treatment for HER2 positive breast cancer.
- In December 2025, the Phase III clinical trial for the adjuvant therapy for HER2 expressing (IHC 3+ or 2+) endometrial cancer (trial name: DESTINY-Endometrial02) was initiated.
- In December 2025, HER2 positive breast cancer with residual invasive disease after neoadjuvant therapy and high risk of disease recurrence was granted Breakthrough Therapy Designation by the FDA.
- In December 2025, the application was approved in China for chemotherapy naïve hormone receptor (HR) positive and HER2 low or HER2 ultralow breast cancer.

- In January 2026, the application for approval for the combination therapy with pertuzumab was accepted in Europe for the first line treatment for HER2 positive breast cancer.
- In January 2026, the application was approved in China for the second line treatment for HER2 positive gastric cancer.
- In February 2026, the application for approval was accepted in Europe for HER2-directed therapy targeting HER2 positive (IHC 3+ or ISH+) breast cancer with residual invasive disease after neoadjuvant therapy.
- In February 2026, the application for approval for adjuvant drug therapy was accepted in Japan for HER2 positive breast cancer.
- In March 2026, the application for approval was accepted in the U.S. for HER2-directed therapy targeting HER2 positive (IHC 3+ or ISH+) breast cancer with residual invasive disease after neoadjuvant therapy and Priority Review Designation was granted.
- In March 2026, the prescribing information in Japan was revised to allow the use for second line treatment for HER2 positive gastric cancer.
- In March 2026, approval was obtained in Japan for HER2 positive (HER2 gene amplification or IHC 3+) advanced or recurrent solid tumors.
- In March 2026, approval was obtained in China for neoadjuvant treatment targeting HER2 positive (IHC 3+ or ISH+) early-stage breast cancer with high risk of disease recurrence, involving the administration of ENHERTU followed by paclitaxel, trastuzumab and pertuzumab (THP).

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

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

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

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

The following describes the major progress in the fiscal 2025.

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

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

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

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

The following describes the major progress in the fiscal 2025.

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

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

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

The following describes the major progress in the fiscal 2025.

- In April 2025, trial results were obtained from the Phase II clinical trial for the second or later line treatment for extensive-stage small cell lung cancer (trial name: IDeate-Lung01).
- In May 2025, the Phase III clinical trial for the second line treatment for esophageal

squamous cell carcinoma (trial name: IDeate-Esophageal01) was initiated.

- In June 2025, the Phase III clinical trial for metastatic castration-resistant prostate cancer with no history of chemotherapy (trial name: IDeate-Prostate01) was initiated.
- In August 2025, Breakthrough Therapy Designation was granted by the FDA for the treatment of extensive-stage small cell lung cancer with disease progression on or after platinum-based chemotherapy.
  - In September 2025, the latest data of the Phase II clinical trial for previously treated extensive-stage small cell lung cancer (trial name: IDeate-Lung01) was presented at the World Conference on Lung Cancer (WCLC).

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

The following describes the major progress in the fiscal 2025.

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

[Next Wave]

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

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

(2) 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 JPY 135.3 billion on plants and equipment.

(3) Status of Financing

- During this fiscal period, the Company issued unsecured corporate bonds totaling ¥200.0 billion in October 2025, the proceeds of which were allocated to the repayment of short-term borrowings and

working capital requirements for securing inventories related to ADC products.

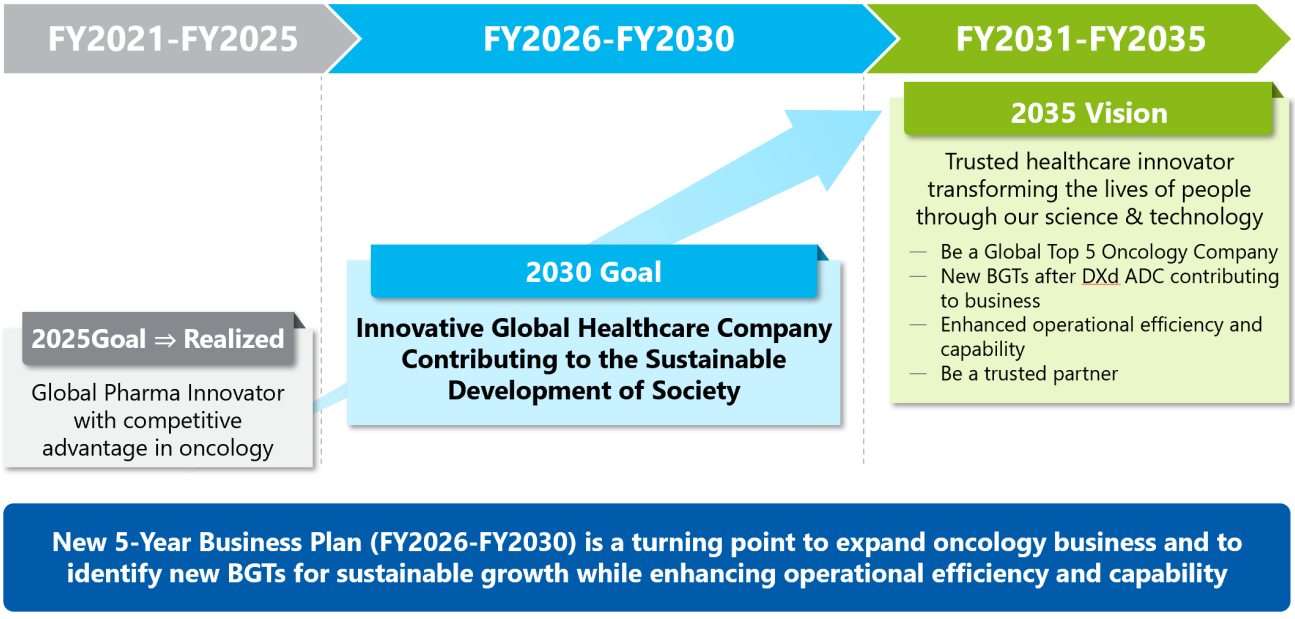
(4) Prospective Challenges

1) 2035 Vision

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

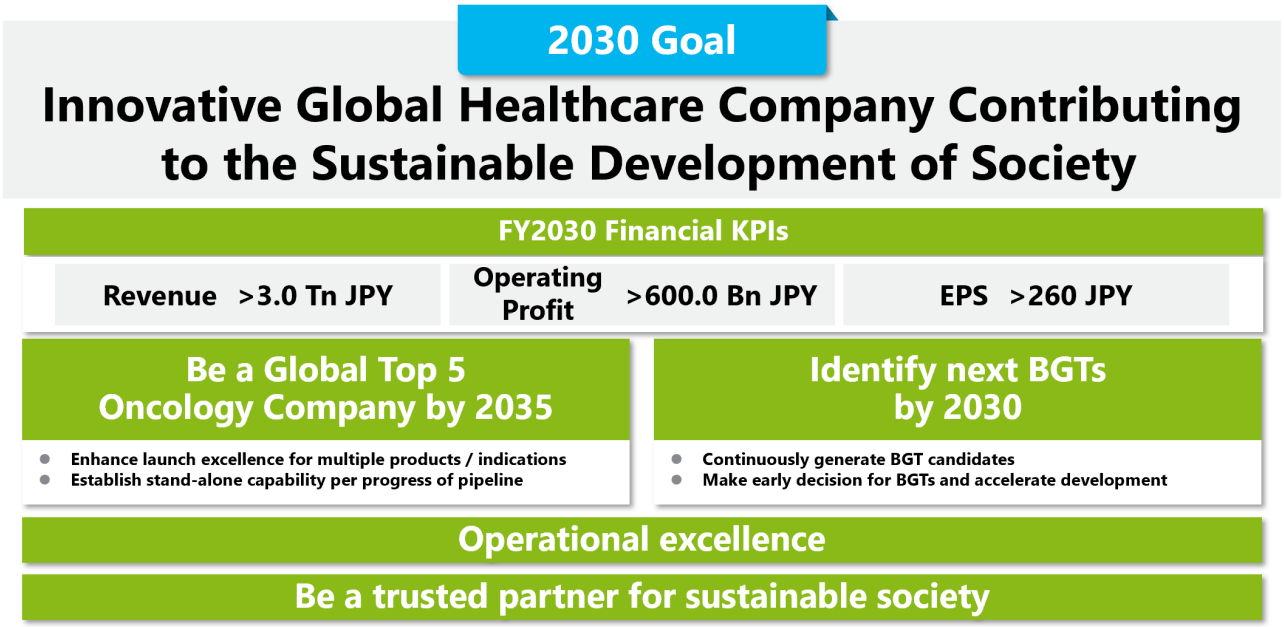
[*1] A drug discovery technology platform designed to deliver more innovative medicines to patients faster

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



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

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



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

a. FY2030 Financial Key Performance Indicators (KPIs)

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

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

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

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

- Identifying next-generation BGTs by 2030 is our key strategic objective.

- Our first BGT, DXd ADC, currently includes two launched products - Enhertu and Datroway - with multiple additional programs in development. Building on the expertise and track record established through DXd ADC, we will accelerate research and development across multiple modalities beyond ADC, in addition to further advancing ADC technologies.
- To support the continuous generation of BGT candidates, we will work to establish next-generation technologies and build an ecosystem for target identification through the expansion of research facilities both in Japan and overseas, the promotion of AI- and data-driven drug discovery, and the enhancement of open innovation[*2].
- Through these initiatives, we aim to identify multiple BGTs by FY2030 and accelerate their development in order to realize sustainable growth.

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

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

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

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

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

- We regard contributing to the realization of a sustainable society as a trusted partner of society as a core component of our management. We will advance Patient Centricity in our operations while contributing to the medical community based on the highest ethical standards.
- In addition, we will attract and develop world-class talent, further enhance our corporate

culture and working environment, and maintain a high standard of compliance.

- Furthermore, we will strive to reduce environmental burden across its entire value chain, while working to build trusted relationships with long-term oriented investors.

Shareholder Return Policy

- In order to secure sustainable growth in corporate value, one of the fundamental business policies of the Company is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders. We will introduce a progressive dividend policy to support stable and long-term shareholder returns.
- During the 5-Year Business Plan (FY2021-FY2025) period, we increased dividends annually in line with profit growth, with the annual dividend expected to rise from JPY 27 per share in FY2021 to JPY 78 per share in FY2025. During the next 5-Year Business Plan (FY2026-FY2030) period, in order to further reinforce this trend of dividend increases, we adopt a progressive dividend policy under which dividends will in principle be maintained or increased each fiscal year, and sets an adjusted DOE[*4] of 10.0% or more per fiscal year as a benchmark for the dividend level.
- In addition to dividends, the acquisition of own shares is also positioned as an option for shareholder returns. While prioritizing progressive dividends, we will consider flexible acquisition of own shares based on a comprehensive assessment of our financial condition, market environment, and other relevant factors.

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

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

(Millions of JPY, unless otherwise stated)

Category	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 (20th Fiscal Period)	Year ended March 31, 2026 (Current fiscal year; 21st Fiscal Period)
Revenue	1,044,892	1,278,478	1,601,688	1,886,256	2,123,045
Operating profit	73,025	120,580	211,588	331,925	229,089
Profit before tax	73,516	126,854	237,234	355,631	263,432
Profit attributable to owners of the Company	66,972	109,188	200,731	295,756	259,874
Basic earnings per share (JPY)	34.94	56.96	104.69	155.96	140.44
Return on equity attributable to owners of the Company (ROE) (%)	5.1	7.8	12.8	17.9	15.8
Annual dividend per share (JPY)	27	30	50	60	78
Total assets	2,221,402	2,508,889	3,461,135	3,456,119	4,005,390
Equity attributable to owners of the Company	1,350,872	1,445,854	1,688,173	1,623,416	1,664,179

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

(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 43 subsidiaries and its 1 associate, a total of 45 companies.
Material subsidiaries are as follows: (As of March 31, 2026)

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 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 resolved to transfer all of its shares in Daiichi Sankyo Healthcare Co., Ltd. to Suntory Holdings Limited at the Board meeting held on March 31, 2026. The stock transfer will be carried out in stages and is scheduled to be completed during fiscal 2029.

2) Status of Material Alliances, etc.

a. In-licensing of technology

Partner	Country	Details of Technology
For Daiichi Sankyo Company, Limited		
Amgen Inc.	USA	Technology related to Denosumab, an anti-RANKL antibody
MedImmune, LLC	USA	Technology related to FluMist; a live attenuated influenza vaccine administered as a nasal spray
Ultragenyx Pharmaceutical Inc.	USA	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
For American Regent, Inc.		
Vifor (International) Ltd.	Switzerland	Technology related to Venofer and Injectafer, drugs for treating anemia

b. Distribution agreement and others (in-licensing)

Partner	Country	Details
For Daiichi Sankyo Company, Limited		
UCB Biopharma Sprl	Belgium	Exclusive sale and co-promotion in Japan of Vimpat, a treatment for epilepsy
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 USA	Exclusive sale and co-promotion in Japan of the migraine prevention drug Emgality
Esperion Therapeutics, Inc.	USA	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
For Daiichi Sankyo Europe GmbH		
Esperion Therapeutics, Inc.	USA	Exclusive sale in Europe of the hypercholesterolemia treatment, bempedoic acid

c. Distribution agreement and others (out-licensing)

Partner	Country	Details
For 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.	USA	Joint development and commercialization collaboration, worldwide except for Japan, of ADC HER3-DXd, I-DXd, DS-6000, and MK-6070*
For American Regent, Inc.		
Fresenius USA Manufacturing, Inc.	USA	Exclusive sale in the U.S. of the anemia treatment, Venofer for dialysis patients
For Daiichi Sankyo Northern Europe GmbH		
Organon Trade LLC	USA	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.

(8) The Principal Offices, Laboratories, and Plants (As of March 31, 2026)

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)

Note: Regarding names of the Pharmaceutical Sales Departments were changed from "Pharmaceutical Sales Department" to "Branch" as of April 1, 2026.

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

Plants: Onahama Plant (Fukushima), Tatebayashi Plant (Gunma), Hiratsuka Plant (Kanagawa), and Odawara Plant (Kanagawa)

2) Subsidiaries

a. Japan

Daiichi Sankyo Healthcare* Co., Ltd.	Chuo-ku, Tokyo
Daiichi Sankyo Biotech Co., Ltd.	Kitamoto, Saitama
Daiichi Sankyo Business Associe Co., Ltd.	Chuo-ku, Tokyo
Daiichi Sankyo Happiness Co., Ltd.	Hiratsuka, Kanagawa

*Note: The Company resolved to transfer all of its shares in Daiichi Sankyo Healthcare Co., Ltd. to Suntory Holdings Limited at the Board meeting held on March 31, 2026. The stock transfer will be carried out in stages and is scheduled to be completed during fiscal 2029 .

b. Outside Japan

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

(9) Status of Employees (As of March 31, 2026)

Number of Employees		Change from Previous Fiscal Year-End
20,171		406 (increased)
Japan	9,531	169 (increased)
North America	4,098	73 (increased)
Europe	3,468	101 (increased)
Other regions	3,074	63 (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, 2026)

- Not applicable.

(11) Litigation and Other Matters

Patent Dispute Between Daiichi Sankyo and Seagen Inc.

- As announced in the press release dated December 3, 2025, the U.S. Court of Appeals for the Federal Circuit (the Federal Circuit) reversed a decision*1 from the U.S. District Court for the Eastern District of Texas that found Seagen Inc.'s U.S. Patent not invalid. In view of the reversal, the Federal Circuit vacated the Texas court's related infringement judgment and damages award*1 against Daiichi Sankyo..

- In a separate decision, the Federal Circuit also dismissed as moot Seagen Inc.'s appeal from the U.S. Patent and Trademark Office's January 2024 Final Written Decision*2 that invalidated all challenged claims of their U.S. patent, which Daiichi Sankyo had challenged in a post-grant review proceeding (PGR). This appeal was rendered moot by the Federal Circuit's holding that the same claims were invalid in the appeal from the Texas decision.

- As announced in the press release dated March 10, 2026, on March 2, 2026, the deadlines for the parties to seek review of these decisions passed, thereby concluding this dispute.

*Note 1: Judgments finding Seagen Inc.'s U.S. Patent not invalid and Daiichi Sankyo's infringement and requiring Daiichi Sankyo to pay damages and royalties based on U.S. sales of ENHERTU®.
*Note 2: A decision invalidating all challenged claims of Seagen Inc.'s U.S. patent

2. Matters regarding Shares

(1) Status of Shares (As of March 31, 2026)

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

2) Total Number of Issued Shares: **1,894,350,529 shares** (including 60,523,331 own shares)

Note: 13,971,600 own shares were cancelled as of May 30, 2025

3) Number of Shareholders: **199,641** (increase of 80,584 from March 31, 2025)

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)	312,068	17.02
Custody Bank of Japan, Ltd. (trust account)	128,365	7.00
Nippon Life Insurance Company	71,095	3.88
STATE STREET BANK AND TRUST COMPANY 505001	59,872	3.26
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	53,134	2.90
STATE STREET BANK AND TRUST COMPANY 505223	33,388	1.82
JPMorgan Securities Japan Co., Ltd.	33,322	1.82
JP MORGAN CHASE BANK 385781	27,282	1.49
GOVERNMENT OF NORWAY	24,025	1.31
The Shizuoka Bank, Ltd.	22,422	1.22

Notes: 1. The Company held 60,523,331 own shares as of March 31, 2026, which are excluded from the above table.
2. The own shares mentioned above do not include the Company's shares held in trusts.
3. The shareholding ratio is calculated excluding own shares.

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 44,923 shares	6 grantees

Note: The above shares are granted as restricted share-based compensation and medium-term performance-based share 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. As a result, the DOE for fiscal 2025 stood at 8.7%.
- 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. All the acquired own shares were cancelled 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 established upper limits of 80 million shares and JPY200 billion for the acquisition of its own shares from May 1, 2025, through March 24, 2026, and during the period, a total of 31,457,200 shares valued at JPY91,846,787,000 were acquired. Additionally, it resolved at the Board of Directors meeting held on May 11, 2026 to cancel all the acquired shares on June 10, 2026

3. Matters regarding Directors and Audit & Supervisory Board Members

(1) Status of Directors and Audit & Supervisory Board Members (As of March 31, 2026)

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		
Hiroyuki Okuzawa	Representative Director, President and CEO		
Takashi Matsumoto	Head of Global HR, CHRO Director, Senior Executive Officer		
Joseph Kenneth Keller	Head of Oncology Business Unit of the Group, Director	President, Daiichi Sankyo U.S. Holdings, Inc. President & CEO, Daiichi Sankyo, Inc.	
Shizuko Ueno	Head of Japan Business Unit of the Group, Director, Executive Officer, Head of Japan Business Unit, Head of Medical Affairs Division, Japan Business Unit of the Company Special Assignment on Patient Centricity		
Yasuhiro Komatsu	Outside Director	Professor Emeritus and Professor (Specially appointed for Quality & Safety Science) at Gunma University Advisory Board Member of Gunma University Hospital Vice president, Itabashi Chuo Medical Center	No material business relationship
Takaaki Nishii	Outside Director	Outside Director of Kao Corporation	No material business relationship
Yo Honma	Outside Director	Chief Corporate Advisor of NTT Data Group Corporation Outside Director of Mitsui Fudosan Co, Ltd.	No material business relationship
Akihiro Watanabe	Outside Director	Chairman of Asia Corporate Finance at Houlihan Lokey Outside Director of SAPPORO HOLDINGS LTD.	No material business relationship
Reiko Kinoshita	Outside Director	Representative Director of Admiral Capital Co., Ltd. Outside Director of Helios Techno Holding Co.,Ltd. Outside Director of KUSURI NO AOKI HOLDINGS CO., LTD.	No material business relationship
Miyuki Arai	Full-time Audit & Supervisory Board Member		
Terumichi Yokoyama	Full-time Audit & Supervisory Board Member		
Yukiko Imazu	Outside Audit & Supervisory Board Member	Partner, Attorney-at-Law of Anderson Mōri & Tomotsune 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 5 female members (the ratio of female members is 33.3%).
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 (Yasuhiro Komatsu, Takaaki Nishii, Yo Honma, Akihiro Watanabe, and Reiko Kinoshita) 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. Akihiro Watanabe, Outside Director, and Masako Watanabe, Outside Audit & Supervisory Board Member, are certified public accountants and have considerable knowledge in finance and accounting.
5. No Directors or Audit & Supervisory Board Members were dismissed during this fiscal year. Directors Shoji Hirashima, Takashi Fukuoka, Kazuaki Kama, and Sawako Nohara retired following the end of their tenure of office at the conclusion of the 20th Ordinary General Shareholders Meeting held on June 23, 2025. Audit & Supervisory Board Member Kenji Sato resigned at the conclusion of the 20th Ordinary General Shareholders Meeting held on June 23, 2025.

(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, 2026)

- 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
Takaaki Nishii		
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] 10/10 (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. Since June 2025, 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.
Yasuhiro Komatsu		
Outside Director Member of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 14/14 (100%) [Nomination Committee meetings] 10/10 (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.

Position	No. of attendance	Major activities
Yo Honma		
Outside Director Chairperson of the Compensation Committee Member of the Nomination Committee	[The Board meetings] 14/14 (100%) [Nomination Committee meetings] 10/10 (100%) [Compensation Committee meetings] 11/11 (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. 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 Compensation Committee (appointed in June 2025), 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 Nomination 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.
Akihiro Watanabe		
Outside Director Chairperson of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 11/11 (100%) [Nomination Committee meetings] 8/8 (100%) [Compensation Committee meetings] 8/8 (100%)	Akihiro Watanabe has extensive experience and broad knowledge in general corporate management, finance and accounting, capital markets, and M&A, developed through his experience as the founder and CEO of a global M&A advisory firm and as a certified public accountant. He attended all Board meetings held during this fiscal year after appointment as Director in June 2025. 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 2025), 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.

Position	No. of attendance	Major activities
Reiko Kinoshita		
Outside Director Member of the Nomination Committee Member of the Compensation Committee	[The Board meetings] 11/11 (100%) [Nomination Committee meetings] 8/8 (100%) [Compensation Committee meetings] 8/8 (100%)	Reiko Kinoshita has extensive experience and broad knowledge in general corporate management, finance and accounting, business strategy and marketing, and corporate restructuring from an investor's perspective, developed from her experience as a founder and executive of an investment fund management firm, as well as her background in the financial industry. She attended all Board meetings held during this fiscal year after appointment as Director in June 2025. 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, she attended all meetings of the Nomination Committee and the Compensation Committee during this fiscal year after appointment as Director in June 2025 and provided valuable opinions, contributing to the enhancement of the Committees' oversight functions on management.
Yukiko Imazu		
Outside Audit & Supervisory Board Member Observer of the Compensation Committee	[The Board meetings] 14/14 (100%) [Audit & Supervisory Board meetings] 14/14 (100%) [Compensation Committee meetings] 11/11 (100%)	Yukiko Imazu has accumulated extensive experience and broad knowledge in legal affairs, through her career as an attorney. 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 accumulated extensive experience and broad knowledge in finance and accounting, through her career 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.

Position	No. of attendance	Major activities
Mitsuhiro Matsumoto		
Outside Audit & Supervisory Board Member Observer of the Compensation Committee	[The Board meetings] 14/14 (100%) [Audit & Supervisory Board meetings] 14/14 (100%) [Nomination Committee meetings] 10/10 (100%)	Mitsuhiro Matsumoto served in key leadership positions in the National Police Agency, and has accumulated extensive experience and a broad knowledge in areas 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 Akihiro Watanabe and Reiko Kinoshita indicates the number only to such meetings held after their assumptions of office on June 23, 2025.

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 Yasuhiro Komatsu, Takaaki Nishii, Yo Honma, Akihiro Watanabe and Reiko Kinoshita 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, 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 2025

Classification	Total amount of compensation and related payments (Millions of yen)	Total amount of compensation and related payments to Directors and Audit & Supervisory Board Members by type (Millions of yen)				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)	818	319	101	87	309	7*
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	93	93	–	–	–	3*
Outside Directors	116	116	–	–	–	7*
Outside Audit & Supervisory Board Members	61	61	–	–	–	3

*Note: The amount of compensation and related payments to Directors (excluding Outside Directors) and Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), and Outside Directors and the number of persons to be paid, include those of two Directors (excluding Outside Directors), one Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Members), and two Outside Directors who retired following the end of their tenure of office at the close of the 20th Ordinary General Shareholders Meeting held on June 23, 2025.

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 Shareholders Meeting 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 Shareholders Meeting).

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 2025)

Index for the achievement of annual targets	Evaluation ratio	Evaluation coefficient fluctuation range	Target	Achievement	Evaluation factor	Bonus payment rate
Revenue	10%	0%-200%	JPY2,000 billion	JPY2,123 billion	200%	54.4%
Core operating profit ratio	10%	0%-200%	17.5%	17.0%	79.2%	
Profit attributable to owners of the Company	80%	0%-200%	JPY300 billion	JPY259.9 billion	33.1%	

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 Shareholders Meeting 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 Shareholders Meeting.).

  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: Four Directors (excluding Outside Directors) of the Company; 24,123 shares
  - Grant date: July 22, 2025
  - 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")

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 22, 2025.
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 22, 2025, to the time immediately before the conclusion of the first Ordinary General Shareholders Meeting after the date.
However, in the event that a Target Director resigns or retires from the position of Director or Corporate Officer not concurrently serving as Director of the Company 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 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 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 (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).

(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 meetings held on May 19, 2022, November 30, 2023, and July 31, 2025. The outline is as follows.

1. Compensation 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

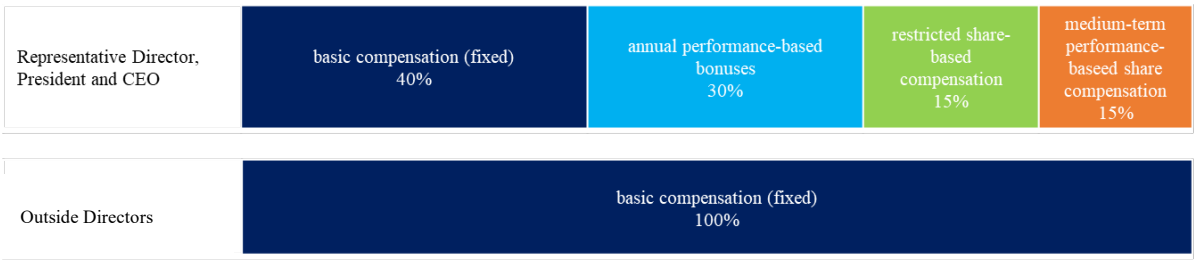
Compensation to Outside Directors who are in charge of management oversight and are not in the position to take charge of business execution is only basic, fixed compensation. Incentive bonuses and retirement benefit system are not adopted.

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 revenue, core operating profit ratio, and profit attributable to owners of the Company, 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.

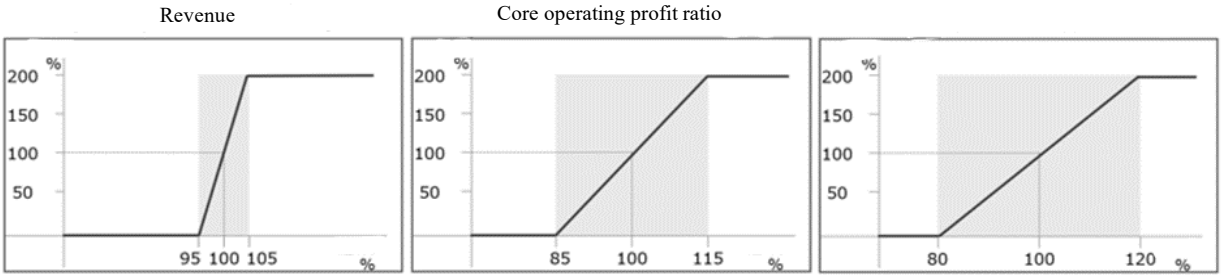
(1) Calculation formula for annual performance-based bonus

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%	

Profit attributable to owners of the Company



(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 Chairperson and the President will be determined after deliberation at the joint meeting of the Nomination and Compensation committees.

(ii) For other Directors, the evaluation decided by the 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
Chairperson / President	Company-wide tasks such as R&D progress Successor training, etc.	50%-150%	Decided after consultation with the joint meeting of the Nominating and Compensation committees
Other Directors	Department (individual) goals	80%-120%	Performance evaluation (CEO)

7. Restricted Share-based Compensation (Long-term Incentive)

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, the Company 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 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, is 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 the 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 is determined within the range between 0% and 200% 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 Daiichi Sankyo's 5-year business plan announced in fiscal 2021 are adopted), and one ordinary share in the Company 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.

When it is not possible to establish the trust, amend the trust agreement, or 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 amount 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, 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 and 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%	

Note: TSR: Total Shareholder Returns

9. Clawback provision

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

10. Malus clause

In the event of misconduct, such as a violation of laws and regulations or a serious breach of internal rules, the Company shall establish a malus clause, following consultation with the Compensation Committee and a resolution by the Board of Directors, whereby the Company may withhold the delivery of all or part of the Company's shares and the proceeds from their sale under the stock grant program with respect to medium-term performance-based share compensation.

11. Compensation governance and decision-making process

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

The Compensation Committee will thoroughly deliberate on the compensation policy, the compensation levels, the compensation structure, the compensation allocation ratios, the clawback provisions, malus clause, the compensation governance and decision-making procedures, the payment of annual performance-based bonuses, the allocation of the restricted share, and results of the evaluation coefficients for the medium-term performance-based share compensation. In addition, the committee will discuss and confirm the detailed design of performance indicators and other aspects of each compensation package, and review 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 Shareholders Meeting.

- As stated in the above policy, the Compensation Committee has fully deliberated about the compensation policy, the compensation levels, the compensation structure, the compensation allocation ratios, the clawback provisions, the compensation governance and decision-making procedures, the payment of annual performance-based bonuses, the allocation of the restricted share, and results of the evaluation coefficients for the medium-term performance-based share compensation. The content of individual compensation for Directors in the current fiscal year is also decided by Board of Directors after being first deliberated by the Compensation Committee. Board of Directors of the Company judges 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 Company's policy regarding the determination of individual compensation and other benefits for Audit & Supervisory Board Members is as follows.

- Compensation to Audit & Supervisory Board Members is only basic, fixed compensation because they are in charge of management oversight and are not in the position to take charge of business execution.
- The level of basic compensation 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 by market capitalization among the companies listed on the Tokyo Stock Exchange, and also refer to the levels of major domestic pharmaceutical companies.
- The individual compensation amounts for each Audit & Supervisory Board Member are determined by the Audit & Supervisory Board through consultation and with the unanimous consent of all Audit & Supervisory Board Members, within the total compensation amount approved by the General Shareholders Meetings.

Consolidated Statement of Financial Position (IFRS)
(As of March 31, 2026)

(Millions of JPY)

Account	20th Fiscal Period (for reference)	21st Fiscal Period
[ASSETS]		
Current assets		
Cash and cash equivalents	639,838	449,807
Trade and other receivables	619,101	741,145
Other financial assets	80,890	104,736
Inventories	514,910	692,378
Other current assets	47,443	32,279
Subtotal	1,902,183	2,020,346
Assets held for sale	7,250	122,162
Total current assets	1,909,433	2,142,509
Non-current assets		
Property, plant and equipment	498,517	596,563
Goodwill	108,429	97,353
Intangible assets	235,839	241,064
Investments accounted for using the equity Method	5,600	4,918
Other financial assets	139,175	194,435
Long-term advance payments	167,428	192,906
Deferred tax assets	305,019	465,299
Other non-current assets	86,675	70,338
Total non-current assets	1,546,685	1,862,880
Total assets	3,456,119	4,005,390

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

(Millions of JPY)

Account	20th Fiscal Period (for reference)	21st Fiscal Period
[LIABILITIES AND EQUITY]		
Current liabilities		
Trade and other payables	579,957	596,856
Bonds and borrowings	399	404
Other financial liabilities	14,720	13,630
Income taxes payable	60,369	88,303
Provisions	5,804	49,811
Contract liabilities	67,956	74,405
Other current liabilities	24,825	30,060
Subtotal	754,032	853,471
Liabilities directly associated with assets held for sale	–	31,552
Total current liabilities	754,032	885,023
Non-current liabilities		
Bonds and borrowings	100,933	300,077
Other financial liabilities	43,675	39,219
Post-employment benefit liabilities	1,559	1,452
Provisions	13,030	164,572
Contract liabilities	751,038	806,809
Deferred tax liabilities	11,066	3,230
Other non-current liabilities	157,365	140,825
Total non-current liabilities	1,078,670	1,456,186
Total liabilities	1,832,703	2,341,210
[EQUITY]		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	–	–
Treasury shares	(147,321)	(247,993)
Other components of equity	263,693	311,619
Retained earnings	1,457,044	1,550,553
Total equity attributable to owners of the Company	1,623,416	1,664,179
Total equity	1,623,416	1,664,179
Total liabilities and equity	3,456,119	4,005,390

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

Consolidated Statement of Profit or Loss (IFRS)
(From April 1, 2025 to March 31, 2026)

(Millions of JPY)

Account	20th Fiscal Period (for reference)	21st Fiscal Period
Revenue	1,886,256	2,123,045
Cost of sales	415,797	669,045
Gross profit	1,470,458	1,454,000
Selling, general and administrative expenses	731,200	780,683
Research and development expenses	435,965	466,005
Other income	28,739	22,100
Other expenses	107	323
Operating profit	331,925	229,089
Financial income	34,103	40,815
Financial expenses	11,854	7,986
Share of profit (loss) of investments accounted for using the equity method	1,457	1,513
Profit before tax	355,631	263,432
Income taxes	59,874	3,558
Profit for the year	295,756	259,874
Profit attributable to:		
Owners of the Company	295,756	259,874
Profit for the year	295,756	259,874

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

[For Reference] Consolidated Statement of Comprehensive Income
(From April 1, 2025 to March 31, 2026)

(Millions of JPY)

	20th Fiscal Period (for reference)	21st Fiscal Period
Profit for the year	295,756	259,874
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	5,252	4,753
Remeasurements of defined benefit plans	3,702	(4,981)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(15,790)	50,185
Cash flow hedges	886	77
Other comprehensive income for the year	**(5,948)**	**50,034**
Total comprehensive income for the year	**289,808**	**309,908**
Total comprehensive income attributable to:		
Owners of the Company	289,808	309,908

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

Non-Consolidated Balance Sheet (Japanese GAAP)
(As of March 31, 2026)

(Millions of JPY)

Account	20th Fiscal Period (for reference)	21st Fiscal Period
[ASSETS]	**2,697,206**	**3,386,628**
I. Current assets	1,257,803	1,524,662
Cash and time deposits	316,672	212,218
Accounts receivable – trade	375,568	482,421
Securities	20,000	29,903
Merchandise and finished goods	49,582	57,023
Work in process	–	70,046
Raw materials	271,599	415,663
Prepaid expenses	4,322	7,035
Short-term loans receivable	24,501	61,264
Accounts receivable – other	49,606	84,321
Other current assets	148,887	107,907
Provisions for doubtful accounts	(2,937)	(3,142)
II. Non-current assets	1,439,402	1,861,965
Property, plant and equipment	91,595	270,059
Buildings and structures	55,955	126,627
Machinery	452	53,281
Vehicles, tools, furniture and fixtures	15,020	19,867
Land	16,474	16,516
Leased assets	–	112
Construction in progress	3,692	53,654
Intangible assets	38,387	66,748
Patent rights	135	70
Software	2,920	22,765
Others	35,331	43,913
Investments and other assets	1,309,419	1,525,157
Investment securities	49,122	40,652
Shares in subsidiaries and associates	495,181	647,273
Investments in capital of subsidiaries and associates	220,613	274,658
Long-term loans receivable	163,788	7,178
Long-term accounts receivable	–	83,043
Prepaid pension costs	37,409	39,612
Long-term advance payments	167,428	192,906
Deferred tax assets	150,547	217,655
Others	25,418	22,268
Provisions for doubtful accounts	(91)	(91)
Total	2,697,206	3,386,628

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

(Millions of JPY)

Account	20th Fiscal Period (for reference)	21st Fiscal Period
[LIABILITIES]	**1,758,539**	**2,280,704**
I. Current liabilities	590,631	735,514
Accounts payable – trade	53,912	53,147
Short-term borrowings	–	1,700
Accounts payable – other	249,551	326,578
Accrued expenses	42,178	40,176
Income taxes payable	50,136	77,776
Consumption taxes payable	273	2,063
Deposit received	60,987	60,630
Contract liabilities	77,086	80,691
Provisions for loss compensation	–	36,075
Provisions for environmental measures	1,385	10,460
Other current liabilities	55,119	46,212
II. Non-current liabilities	1,167,908	1,545,189
Bonds	100,000	300,000
Long-term accounts payable – other	2,732	3,239
Contract liabilities	867,956	916,147
Provisions for loss compensation	–	146,108
Provisions for environmental measures	11,583	16,731
Other non-current liabilities	185,636	162,963
[NET ASSETS]	**938,666**	**1,105,923**
I. Shareholders' equity	915,959	1,085,162
Share capital	50,000	50,000
Capital surplus	297,471	248,278
Legal reserve	179,858	179,858
Other capital surplus	117,613	68,420
Retained earnings	715,810	1,034,877
Other retained earnings	715,810	1,034,877
Reserve for advanced depreciation of property, plant and equipment	4,039	3,747
Retained earnings carried forward	711,770	1,031,129
Treasury shares	(147,321)	(247,993)
II. Valuation and translation adjustments	22,281	20,379
Net unrealized gain or loss on investment securities	22,281	20,379
III. Subscription rights to shares	424	381
Total	**2,697,206**	**3,386,628**

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

Non-Consolidated Statement of Income (Japanese GAAP)
(From April 1, 2025 to March 31, 2026)

(Millions of JPY)

Account	20th Fiscal Period (for reference)	21st Fiscal Period
Net sales	1,357,334	1,807,048
Cost of sales	248,478	292,988
Gross profit	1,108,855	1,514,059
Selling, general and administrative expenses	949,731	1,073,582
Operating income	159,123	440,477
Non-operating income	47,350	85,282
Interest income	14,012	9,606
Interest on securities	76	115
Dividend income	27,327	48,497
Rental income	3,847	2,303
Foreign exchange gains, net	–	24,407
Other non-operating income	2,086	352
Non-operating expenses	4,465	6,626
Interest expenses	679	884
Interest on bonds	907	2,589
Foreign exchange losses, net	1,031	–
Cost of rental income	1,106	660
Depreciation of idle non-current assets	14	229
Bond issuance costs	–	515
Other non-operating expenses	726	1,747
Ordinary income	202,008	519,133
Extraordinary gains	29,869	125,975
Gain on sales of non-current assets	2	6
Gain on sales of investment securities	14,848	11,220
Gain on extinguishment of tie-in shares	–	83,033
Subsidiary Income	3,911	17,942
Gain on sale of subsidiaries and associates	5,061	7,844
Compensation Received	210	5,061
Gain on liquidation of subsidiaries and associates	4,960	–
Business transfer price adjustment	710	–
Other extraordinary gains	165	866
Extraordinary losses	2,618	156,403
Loss on disposal of non-current assets	1,209	3,070
Provisions for environmental measures	–	16,000
Loss on restruturing of the production structure	–	115,718
Loss on liquidation of subsidiaries	–	17,675
Loss compensation	1	–
Other extraordinary losses	1,406	3,938
Income before income taxes	229,259	488,705
Income taxes – current	63,110	103,326
Income taxes – deferred	(34,590)	(62,507)
Net income	200,740	447,886

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

Translation of a report originally issued in Japanese

Independent Auditor's Report

May 14, 2026

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

KPMG AZSA LLC
Tokyo Office, Japan

Hiroshi Tani
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Terukazu Nagamine
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, 2026 and for the year from April 1, 2025 to March 31, 2026 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 of public interest entities 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.

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 14, 2026

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

KPMG AZSA LLC
Tokyo Office, Japan

Hiroshi Tani
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Terukazu Nagamine
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, 2026 and for the year from April 1, 2025 to March 31, 2026 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 of public interest entities 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.

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 21st business year from April 1, 2025 to March 31, 2026.

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 21st fiscal year ended March 31, 2026, 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.

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 18, 2026

Audit & Supervisory Board of Daiichi Sankyo Company, Limited

Full-time Audit & Supervisory Board Member	Miyuki Arai (Seal)
Full-time Audit & Supervisory Board Member	Terumichi Yokoyama (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)