



## Press Release

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(Code no.: 4568, Prime Market, Tokyo Stock Exchange)

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### **Notice on the Determined Basic Policy for Absorption-type Merger of Daiichi Sankyo with Its Wholly Owned Subsidiaries, Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma (Simplified Merger/Short Form Merger)**

**Tokyo, Japan – (October 31, 2023)** – Daiichi Sankyo Company, Limited (TSE: 4568; hereafter “the Company”) today announced that at the meeting of the Board of Directors held on October 31, 2023, the Company passed a resolution on the basic policy for carrying out an absorption-type merger (hereafter “the Merger”) of its wholly owned subsidiaries, Daiichi Sankyo Propharma Co., Ltd. (hereafter, “Daiichi Sankyo Propharma”) and Daiichi Sankyo Chemical Pharma Co., Ltd. (hereafter, “Daiichi Sankyo Chemical Pharma”), effective on April 1, 2025.

Note that the Company has omitted some of the disclosure items and details as the Merger is a simplified absorption-type merger of its wholly owned subsidiaries.

#### 1. Purpose of merger

Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma manufacture the Company’s ethical pharmaceuticals and investigational new drugs. To stably supply antibody drug conjugates (ADCs)\*, which drive the Company’s growth, and accelerate the development of new modalities, it needs to further deepen the alignment between the manufacturing function and pharmaceutical technology development function. The current consolidation of the functions, which had been divided among three companies, into one company can organically fuse the processes from development to commercial production and take advantage of the experience which they have cultivated within the Company, leading to improved rapidity, improved productivity, and a reinforced production system, indispensable to the development and production of anticancer agents.

## 2. Summary of merger

### (1) Merger schedule

Date of the resolution of the Board of Directors on the determined basic policy (the Company): October 31, 2023

Date of the resolution of the Board of Directors on the approval of signing of the merger agreement (the Company): November 2024 (planned)

Date of signing of the merger agreement: November 2024 (planned)

The merger date (effective date of the Merger): April 1, 2025 (planned)

\* Note that the Merger falls under a simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act in relation to the Company and it falls under a short form merger as prescribed in Article 784, Paragraph 1 of the Companies Act in relation to Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma. Therefore, the merger agreement will be approved without convening a general meeting of shareholders at each company.

### (2) Form of merger

The merger will be an absorption-type merger, in which the Company will be the surviving company while Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma will be extinct companies. Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma will be dissolved.

### (3) Allocations with merger

As Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma are the Company's wholly owned subsidiaries, no new shares will be issued and no cash will be allocated due to the Merger.

### (4) Handling of subscription rights to shares and bonds with subscription rights to shares of extinct company

Daiichi Sankyo Propharma and Daiichi Sankyo Chemical Pharma have not issued any subscription rights to shares or bonds with subscription rights to shares.

## 3. Outline of merging companies

|  | Surviving company  | Extinct company   | Extinct company  |
|--|--|---|--|
| (1) Company name                         | Daiichi Sankyo Company, Limited  | Daiichi Sankyo Propharma Co., Ltd.                        | Daiichi Sankyo Chemical Pharma Co., Ltd.   |
| (2) Headquarters location                | 3-5-1, Nihonbashi-honcho, Chuo-ku, Tokyo, Japan  | 3-5-1, Nihonbashi-honcho, Chuo-ku, Tokyo, Japan           | 3-5-1, Nihonbashi-honcho, Chuo-ku, Tokyo, Japan  |
| (3) Name and title of the representative | Hiroyuki Okuzawa, Representative Director, President & COO                                       | Tatsuro Morino, Representative Director & President       | Takanobu Ikeya, Representative Director & President  |
| (4) Type of business                     | Research and development, manufacturing, import, sales, and marketing of pharmaceutical products | Manufacturing of pharmaceuticals and clinical trial drugs | Manufacturing of pharmaceutical substances, intermediates and clinical trial drug substances |
| (5) Paid-in capital                      | 50 billion yen   | 100 million yen   | 50 million yen   |
| (6) Foundation date                      | September 28, 2005   | October 3, 2006   | October 15, 2007   |
| (7) Number of ordinary shares            | 1,947,034,029 shares   | 200 shares  | 200 shares   |

|   |   |             |                                       |             |                                       |
|---|---|-------------|---------------------------------------|-------------|---------------------------------------|
| issued  |   |             |                                       |             |                                       |
| (8) Settlement of accounts  | March 31  |             | March 31                              |             | March 31                              |
| (9) Primary shareholders and percent of shares held (as of the end of September 2023)   | <ul style="list-style-type: none"> <li>▪ The Master Trust Bank of Japan, Ltd. (trust account):<br/>16.99%</li> <li>▪ Custody Bank of Japan, Ltd. (trust account):<br/>8.67%</li> <li>▪ JP MORGAN CHASE BANK 385632:<br/>6.73%</li> <li>▪ Nippon Life Insurance Company:<br/>4.48%</li> <li>▪ STATE STREET BANK AND TRUST COMPANY 505001:<br/>2.93%</li> </ul> |             | Daiichi Sankyo Company, Limited: 100% |             | Daiichi Sankyo Company, Limited: 100% |
| (10) Financial position and operating results for immediately preceding business year (ending March 2023)   |   |             |                                       |             |                                       |
| * Surviving company reports consolidated results under international accounting standards, whereas each extinct company reports non-consolidated results under Japanese accounting standards. |   |             |                                       |             |                                       |
| Total equity  | 1,445,854   | million yen | 58,313                                | million yen | 39,175 million yen                    |
| Total assets  | 2,508,889   | million yen | 87,118                                | million yen | 104,633 million yen                   |
| Total equity per share  | 754.  | 9 yen       | 291,569,923.                          | 58 yen      | 195,877,169. 3 yen                    |
| Revenue   | 1,278,478   | million yen | 32,083                                | million yen | 37,627 million yen                    |
| Operating profit (loss)   | 120,580   | million yen | 592                                   | million yen | -1,577 million yen                    |
| Ordinary profit (loss)  | —   | million yen | 453                                   | million yen | -1,617 million yen                    |
| Profit (loss) for the year  | 109,188   | million yen | 277                                   | million yen | -1,587 million yen                    |
| Basic earnings (loss) per share   | 56.   | 96 yen      | 1,389,729.                            | 64 yen      | -7,935,495. 41 yen                    |

#### 4. Situation after merger

No changes will be made in Daiichi Sankyo's company name, headquarters location, name and title of the representative, type of business, paid-in capital, and accounts settlement date with the Merger.

#### 5. Expected effect of merger on results

As the Merger is with wholly owned subsidiaries, its impact on the Company's consolidated financial results is immaterial.

\* Antibody drug conjugate (ADC) is targeted cancer medicines that deliver medicines (small molecular compounds) to cancer cells via a linker attached to a monoclonal antibody that binds to a specific target expressed on cancer cells. It is designed to deliver chemotherapy inside cancer cells enhancing the capability to attack cancer cells and reduce systemic exposure to the medicine.

### **About Daiichi Sankyo**

Daiichi Sankyo is an innovative global healthcare company contributing to the sustainable development of society that discovers, develops, and delivers new standards of care to enrich the quality of life around the world. With more than 120 years of experience, Daiichi Sankyo leverages its world-class science and technology to create new modalities and innovative medicines for people with cancer, cardiovascular, and other diseases with high unmet medical need. For more information, please visit <http://www.daiichisankyo.com/>.