



Press Release

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Plexxikon Obtains 182 Million USD Settlement Resolving U.S. Patent Infringement Lawsuit against Novartis

Tokyo – (December 6 2023) – Daiichi Sankyo (TSE: 4568) today announced that Plexxikon Inc. (“Plexxikon”), a Daiichi Sankyo subsidiary, and Novartis Pharmaceuticals Corporation (“Novartis”) have settled Plexxikon’s patent infringement lawsuit against Novartis regarding the sale of the Novartis BRAF inhibitor Tafinlar® in the U.S.

The U.S. District Court for the Northern District of California previously issued an order sustaining a jury verdict in favor of Plexxikon, finding that Novartis’s BRAF inhibitor Tafinlar® infringes Plexxikon's U.S. Patents 9,469,640 and 9,844,539 ("the patents"). The court subsequently issued a judgment requiring Novartis to pay 177.8 million USD in damages, pre- and post-judgment interest, and a 9% royalty on U.S. sales of Tafinlar® until the expiration of the patents. Novartis commenced an appeal to the U.S. Court of Appeals for the Federal Circuit on October 27, 2022 seeking review of that judgment.

Pursuant to the settlement, Plexxikon will receive a lump sum payment from Novartis of approximately 182 Million USD. The settlement will result in the dismissal of Novartis’s appeal and full satisfaction of the judgment entered against Novartis.

A lump sum payment following the settlement of approximately 26.4 billion JPY which will be received from Novartis is expected to be recorded as "temporary income" in the consolidated financial results (core base) for the first nine months of the year ending March 31, 2024. (Converted amount in JPY based on assumed exchange rate for the third and fourth quarter of USD/JPY = 145; Expected to be recorded as "other income" in full-based consolidated financial statements in accordance with International Financial Reporting Standards).

The settlement has not been incorporated into the forecasts of consolidated financial results for the year ending March 31, 2024, which was announced on October 31, 2023, and it will be an increasing factor for "operating profit", "profit before tax" and "profit attributable to owners of the Company".

The forecasts of consolidated financial results including the settlement will be announced together with the consolidated financial results for the first nine months of the year ending March 31, 2024 which is scheduled at the end of January 2024.

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 www.daiichisankyo.com.

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