

Press Release

Daiichi Sankyo Announces Occurrence of Losses Related to Review of Product Supply Plans and Revision of Consolidated Financial Forecast for Fiscal Year Ending March 31, 2026

Tokyo, Japan - (May 8, 2026) – Daiichi Sankyo (TSE: 4568) today announced that, as a result of conducting a review of the supply plan for our products, we have determined that losses are expected to occur in the consolidated financial results for the fiscal year ending March 31, 2026. Accordingly, at the Board of Directors meeting held on May 8, 2026, it was resolved to revise the full-year consolidated financial forecast for the fiscal year ending March 31, 2026 as described below.

1. Revision of FY2025 Consolidated Financial Forecast (April 1, 2025 to March 31, 2026)

	Revenue (JPY million)	Core Operating Profit (JPY million)	Operating Profit (JPY million)	Profit before tax (JPY million)	Profit for the year (JPY million)	Profit attributable to owners of the Company (JPY million)	Basic earnings per share (JPY)
Previously announced forecast (A)*	2,100,000	350,000	335,000	355,000	288,000	288,000	155.59
Revised forecast (B)	2,123,000	360,000	229,000	264,000	260,000	260,000	140.51
Difference (B-A)	23,000	10,000	-106,000	-91,000	-28,000	-28,000	-
Change (%)	1.1	2.9	-31.6	-25.6	-9.7	-9.7	-
Previous year result (FY2024)	1,886,256	312,835	331,925	355,631	295,756	295,756	155.96

* Forecast as of October 31, 2025

2. Reasons for Revision

Operating profit is expected to be JPY229.0 billion, a decrease of JPY106.0 billion from the previous forecast, primarily due to the following reasons:

- (1) Provision for CMO Compensation fee: JPY75.7 billion

In launching the DXd ADC** business, the Company has been securing initial manufacturing capacity by making investments in its own facilities while also utilizing contract manufacturing organizations (“CMOs”) for outsourced production.

Under this strategy, estimated demand for the ADC Portfolio expanded significantly beyond plan, and the Company adopted a policy of securing manufacturing capacity sufficient to cover maximum demand without risk adjustment, with the highest priority placed on 'ensuring a stable supply to all patients.' Under this policy, when entering into contracts with CMOs, the Company concluded agreements involving long-term commitments, including the setting of minimum purchase obligations and the securing of dedicated production lines, given that the Company's own manufacturing capacity was limited at the time and the number of CMOs capable of handling ADC manufacturing was restricted.

Subsequently, based on the results of each clinical trial for the ADC Portfolio, revisions to the target patient populations and delays in product launch timelines led to a reduction in the original demand forecast. As a short-term response, in the second quarter of fiscal year 2025, the Company recorded a loss compensation payment to a CMO (JPY12.7 billion), as well as inventory valuation losses (JPY4.6 billion).

The Company thereafter updated the strategy for the ADC portfolio and transitioned to a new supply plan incorporating risk adjustment. In addition, the Company revised indication approval and launch plans based on clinical trial results for the ADC portfolio and reflected these updates in the supply plan. As a result, compared with the previous supply plan, which was premised on maximum historical demand, against the revised supply plan over the period covered by the 5-year Business Plan (FY2026 - FY2030) indicates that a reduction of cumulative volume is expected.

As a result, a gap has emerged between the new supply plan and the minimum purchase obligations stipulated in the contracts with CMOs. Accordingly, for the portion of this gap attributable to short-term differences, the company recorded the currently estimated amount of compensation to CMOs as a one-time expense in FY2025. As for the medium- to long-term differences between the minimum purchase obligation and the revised supply plan, no provision has been recognized at this stage due to the high level of uncertainty.

**ADC is an 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) Impairment loss and Compensation fee of ADC-related capital equipment at Odawara Plant in Japan: JPY19.3 billion

As part of the redesign of the global supply chain accompanying the revision of the supply plan described in (1) above, we conducted a review of the production plans at existing manufacturing sites as well as newly planned capital investment projects. As a result, we determined that it would not be reasonable to continue additional investment in ADC-related equipment at the Odawara Plant in Japan under the revised supply plan and accordingly decided to discontinue the relevant investment project.

As a consequence, we will record an impairment loss on the relevant equipment, as well as an estimated loss for compensation fee arising from the cancellation and termination of related contracts with construction companies.

In light of the decline in operating profit, our consolidated financial results for the fiscal year ending March 2026 are expected to show profit before tax of JPY264.0 billion, falling JPY91.0 billion short of the previous forecast, profit for the year of JPY260.0 billion, falling JPY28.0 billion short of the previous forecast, and profit attributable to owners of the Company of JPY260.0 billion, also falling JPY28.0 billion short of the previous forecast.

In addition, with respect to the non-consolidated financial results for the same period, we expect to record an extraordinary loss of JPY149.4 billion, primarily due to the revision factors (1) and (2) described above.

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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