Daiichi Sankyo Group’s Value Chain and Organization

Daiichi Sankyo Group’s value chain primarily encompasses research & development, biologics, pharmaceutical technologies, supply chain, marketing & sales, medical affairs, and quality & safety management. In conjunction with this value chain, we operate our organization independently while utilizing our unique strengths: Science & Technology, Global Organization & Talent, and Presence in Japan.

**Business Activities**

**R&D Unit**: The R&D Unit is responsible for continuously uncovering the seeds of new drugs and cultivating these seeds into innovative pharmaceuticals by refining them, taking them through pre-clinical and clinical trials, and acquiring manufacturing and marketing approval.

**Pharmaceutical Technology Unit**: The Pharmaceutical Technology Unit supplies high-quality investigational drugs, develops manufacturing processes for the drug substances and formulations needed to stably produce high-quality pharmaceuticals, and adds value to products through means such as making them easier to use.

**Supply Chain Unit**: The Supply Chain Unit leverages our technological processes to efficiently manufacture high-quality pharmaceuticals while supporting the swift launch of new products, the stable supply, and quality assurance of products, and the ongoing pursuit of cost reductions.

**Biologics Unit**: The Biologics Unit is responsible for the research and development as well as developing drug technologies in biologics, which are prepared using genes, proteins, cells, viruses, and other substances derived from biological functions and continuously develops innovative biologics.

**Quality & Safety Management**: The Quality & Safety Management Unit fulfills the mission of ensuring product quality, patient safety, data and application material reliability, creating information that responds to medical needs, and promoting regulatory compliance.

**Medical Affairs Unit**: The Medical Affairs Unit collects, analyzes, evaluates, creates, and distributes information on pharmaceuticals to maximize the value of Daiichi Sankyo products evaluated as contributing to treatment in the medical field.

**Marketing & Sales**: The Sales & Marketing Unit leverages Daiichi Sankyo’s strong presence as the No. 1 pharmaceutical company in Japan to develop operations focused on innovative pharmaceuticals (new drugs) that are protected by patent protection and by patents during exclusivity periods.

**Generic Business**: Daiichi Sankyo Espha Co., Ltd. takes advantage of the reputation for reliability we have fostered as an innovative pharmaceutical manufacturer to develop a generic business centered on authorized generics (AGs).

**Vaccine Business**: Developing a vaccine business that creates the vaccines needed in Japan and making comprehensive contributions to medicine in Japan through a stable supply of high-quality vaccines.

**OTC Related Business**: Daiichi Sankyo Healthcare Co., Ltd. is engaged in an over-the-counter (OTC) business that contributes to self-medication and self-care in Japan and Asia through the provision of OTC medicines and skincare and oral care products.

**Innovative Pharmaceutical Business**: Daiichi Sankyo, Inc. (DSUSB) develops innovative pharmaceutical operations in the United States focused on pain, oncology, and other specialty fields.

**American Regent, Inc.**: American Regent, Inc., offers an iron injection franchise for treating iron deficiency anemia as well as a generic injection franchise in the United States.

**Daiichi Sankyo Europe GmbH**: Daiichi Sankyo Europe GmbH provides innovative pharmaceuticals for the cardiology, oncology, and other specialty fields in 12 European countries.

**ASCA* Company**: The ASCA Company develops pharmaceutical operations based on regional value in China, Brazil, South Korea, Taiwan, Hong Kong, Thailand, and other parts of the ASCA region.

* Abbreviation for Asia, South & Central America
Global Management Structure (As of June 18, 2019)

Business Activities

Functional Units

Corporate Units

Value Report 2019
Daiichi Sankyo Group

Global Management Structure / Business Units

Innovative Pharmaceuticals Business: Sales & Marketing Unit

The Sales & Marketing Unit delivers a wide range of high-quality innovative pharmaceuticals to patients, ranging from Lixiana and other primary areas* to specialty areas** centered on the oncology products. Taking the perspective of total care centered on patients, we aim to meet the needs of each customer and to contribute to healthcare in Japan by providing relevant information correctly, quickly, and carefully to all healthcare professionals who treat patients with diverse symptoms and conditions.

*1 Drugs mainly prescribed by general practitioners
*2 Drugs mainly prescribed by hospital specialists

Toward a Trusted Medical Partner.

Based on the BRIDGE* activity concept, which wants to be a bridge between patients, their families and healthcare professionals by emphasizing the connection between people and providing proper information and products, we aim to be recognized as a reliable medical partner by everyone involved in healthcare. In addition to fostering MRs that can respond to a wide range of information needs that change on a daily basis, we are increasing the number of MRs with cancer-related expertise and raising the level of expertise. In addition, each employee strives to improve the correct understanding of dementia and cardic diseases, and promotes to take training courses for supporting of dementia and to obtain a certification in Dementia care.

Satoru Kimura
Head of Sales & Marketing Unit

Progress in Medium-Term Management Planning of Pharmaceutical Sales Units.

Target | Major Achievements in Fiscal 2018 | Initiatives for Fiscal 2019
--- | --- | ---
Enhance Daiichi Sankyo’s reputation as a trusted medical partner by improving information provision activities based on the BRIDGE concept | MRs ranked No. 1 for the seventh consecutive year | Maintain MR No. 1 ranking with high-quality information provision
| | • Ranked No. 1 in Japan in an overall assessment of MR activities in both the entire market and the hospital and general practice market categories in the survey conducted by an external organization** | • Implement MR activities that contribute to the realization of medical care that all involved in medical care thinks by providing corrected information to patients, their families and medical personnel
| | • In the entire market category, we have maintained the top ranking for seven consecutive years since fiscal 2012 | • All MRs passed the certificate test for the tenth consecutive year
| | • All MRs have passed the certificate test for the ninth consecutive year since fiscal 2010 (Total pass rate in fiscal 2018: 75.9%) | • Implement MR activities that contribute to the improvement of high-quality introductory training

Maximize revenue by promoting field and product strategies | Domestic prescription drug share ranked No.1 for third consecutive year | Expand major domestic products and early market penetration of new products
| | • Ranked No. 1 in Japanese prescription drug share for three consecutive years due to expansion of Lixiana and other major products | • Achieve sustainable growth through further sales expansion of major products, mainly Lixiana, and early market penetration of new products
| | | • Establish a multi-channel system that enables MRs to conduct activities in accordance with the needs of physicians, pharmacists, nurses, and other healthcare professionals in charge of team medical care, and provide accurate and quick information

Construct systems and functions in response to environmental changes | Established sales networks in the specialty care area | Establish an operating structure that can respond to total care
| | • Established a domestic sales networks and information provision system to meet the market introduction of specialty products centered on cancer products, and the launch of new large-scale products such as Tarlige and Minnebro | • Establish an operating structure to further increase the level of expertise based on an internal oncology certification system and to respond to the total care of patients waiting for treatment
| | • Established domestic sales networks and information provision system to meet the market introduction of specialty products centered on cancer products, and the launch of new large-scale products such as Tarlige and Minnebro | • Provide accurate information to all healthcare professionals
| | | • In response to the diverse needs of healthcare professionals, a multi-channel approach using lectures, web seminars, internet, etc. through MRs gained a high evaluation (which is well retained in the memory of physicians) in the survey** on promotion by external organizations | • Build a multi-channel system that enables MRs to conduct activities in accordance with the needs of physicians, pharmacists, nurses, and other healthcare professionals in charge of team medical care, and provide accurate and quick information

Promote a multichannel approach | Utilized multichannel approach to meet individual needs |
Daiichi Sankyo Group Value Report 2019

Generics Business: Daiichi Sankyo Espha Co., Ltd.

Daiichi Sankyo takes pride in being as an innovator in the domestic generic pharmaceutical industry and provides authorized generics (AGs), or a new standard for generics featuring formulation, labeling, and packaging innovations that are easy to swallow but hard to swallow accidentally based on the quality-level and stable supplies of Daiichi Sankyo groups. Through a promotion of the newly launched anticancer AG drug, we will create an environment where those who need generic drugs can use with peace of mind, while addressing various needs, in order to contribute to national medicine.

Kentaro Murakawa
Daiichi Sankyo Espha Co., Ltd. President

Packaging that reduces the risk of accidental ingestion and can safely carry drugs

Daiichi Sankyo Espha is working on devices for formulation and packaging labels to prevent medical adverse events due to errors in taking drugs. Since there have been cases in which relatively high-risk drugs such as anticancer drugs are accidentally taken by families other than patients, especially small children, we have developed an external case for PET sheets (named C-guard child-guard) for the purpose of preventing children from taking the drugs by mistake and preventing drug miscontact and pop-out.

Progress of Daiichi Sankyo Espha’s 5-Year Business Plan

<table>
<thead>
<tr>
<th>Target</th>
<th>Major Achievements in Fiscal 2018</th>
<th>Initiatives for Fiscal 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen the authorized generic (AG) lineup</td>
<td>Launched AGs with 3 new active ingredients</td>
<td>Expand product portfolio focused on AGs</td>
</tr>
<tr>
<td></td>
<td>• Launched levoketo/inoxacin intravenous infusion/infusion bag in June 2018 and gefitinib tablets and aliskiren tablets/OD tablets in March 2019</td>
<td>• Evolve from “Daiichi Sankyo Espha of AG” to “Daiichi Sankyo Espha AG with competitive advantage in oncology”</td>
</tr>
<tr>
<td></td>
<td>• Expanded our product portfolio to 186 products portfolio with 71 active ingredients (product portfolio for AGs expanded to 26 products with 8 active ingredients)</td>
<td>• As AG portfolio for anticancer drugs, add 3 active ingredients: bicalutamide tablets/OD tablets, anastrozole tablets, and tamoxifen tablets</td>
</tr>
<tr>
<td>Steadily launch AGs and other day-one generics and gain market shares</td>
<td>Promote anticancer AGs</td>
<td>Establish a stable supply system</td>
</tr>
<tr>
<td></td>
<td>• As AG leading company, expand market share by maximizing trust and expectations from patients, healthcare professionals, and the administration for AG and Daiichi Sankyo Espha through the promotion of anticancer AGs</td>
<td>Awareness and dissemination of vaccines</td>
</tr>
<tr>
<td></td>
<td>• 5th position in the domestic generic pharmaceutical sales ranking</td>
<td>Complete the establishment of a development and production system for pandemic influenza vaccines and maintain production systems in preparation for future pandemics</td>
</tr>
<tr>
<td>Step up coordination with partners in Japan and overseas</td>
<td>Promote management efficiency in response to changes in the market environment</td>
<td>Establishment of a pandemic influenza vaccine production system</td>
</tr>
<tr>
<td></td>
<td>• Strengthened coordination with contract manufacturers and promoted cost reduction efforts by changing ingredients and streamlining manufacturing</td>
<td>• Improved production methods for pandemic outbreaks were established, and the supply system for 40 million people within half a year could not be improved, but the public recruitment project was completed</td>
</tr>
<tr>
<td></td>
<td>• Promote management efficiency through further efforts to reduce cost and reduce costs by strengthening cooperation with contract manufacturers in response to changes in the market environment</td>
<td>• Conducted a training in preparation for pandemic outbreaks in established manufacturing methods</td>
</tr>
<tr>
<td></td>
<td>• New products with a new market penetration of new influenza vaccines expected to be more effective and new, highly convenient combination vaccines</td>
<td>Develop and encourage early market penetration of new influenza vaccines expected to be more effective and new, highly convenient combination vaccines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Promotion of development themes</td>
</tr>
</tbody>
</table>

Vaccine Business

In April 2019, the functions of Kitasato Daiichi Sankyo Vaccine (KDSV) like manufacturing and production technologies were transferred to Daiichi Sankyo Biotech, and the functions like R&D, quality & safety, and sales & marketing were transferred to Daiichi Sankyo. In addition, a portion of the Japan Vaccine business was transferred to Daiichi Sankyo to integrate dispersed vaccination functions. Daiichi Sankyo, as a manufacturer and distributor of vaccines, is more closely related to healthcare organizations and the government than ever before. By further improving stable supplies and quality levels, we aim to contribute more and more to the healthy lives and well-being of people.

Technical collaboration on MR-vaccine* manufacture in Vietnam.

KDSV participated in the MR Vaccine Manufacturing Technology Transfer Project in JICA for five years until March 2018, and contributed to the domestic manufacturing and stable supplies in Vietnam by implementing manufacturing technology transfer to Vietnam’s Vaccine Public. In October 2016, activities received the 14th JICA President’s Award and the 70th Health and Cultural Award. We also donated these awards to Saitama Prefecture’s National Midori Fund, where Daiichi Sankyo Biotech is located, to contribute to the conservation of surrounding natural environments. We also contributed to global medical activities by donating to medical institutions implementing medical activities in Vietnam.

Toshiaki Tojo, Ph.D.
Head of the Vaccine Business
OTC Related Business:
Daiichi Sankyo Healthcare Co., Ltd.

Daiichi Sankyo Healthcare handles a wide range of OTC drugs*, including skin care cosmetics and oral care products. Among the Daiichi Sankyo groups, OTC is a unit that is closer to customers more broadly. By promoting self-medication and self-care through the contact and communication with customers, we will contribute to improving the quality of life (QLQ) of many people who wish to be healthier and more attractive.

Katsuhiko Yoshida
Daiichi Sankyo Healthcare Co., Ltd, President

"Be more familiar with the use of medicines"
A website that uses portals and is more familiar to consumers

With the evolution of digital environments, we provide an easy-to-understand introduction to the company website about signs of familiar symptoms, how to deal with self-care, and points to go to the hospital, in keeping with the era of solving daily questions and shopping on smartphones. We also provide a contact point for people who are unaware of their symptoms and who are encouraged to manage their health. [Drug and Health Information Office as a portal, Health and Beauty School for Women, and Oekara for Men] The Store Search page allows you to search the nearest store that handles the desired product, and the Q&A allows you to check the detailed information about the product.

Progress of Daiichi Sankyo Healthcare’s 5-Year Business Plan

Target | Major Achievements in Fiscal 2018 | Initiatives for Fiscal 2019
--- | --- | ---
Improve product brand value in the OTC business | Expansion of key brands | Accelerate growth of skin care and oral care business
• Expanded key brands, including Lulu, Lexorin S, and Transino | • Accelerate growth of MINOX, Transino, Clean Dental, and Breath Labo
| Continue growth in the OTC business | Expanding the mainstay brand MINOX Ammo Moist | Strengthening operations in China, Hong Kong and Taiwan
• Expanded the number of sales stores in China | • Further expansion of the MINOX brand as a whole | • Increase the number of marketed products
| Strengthening the foundation to respond to changes in the needs of customers | Strengthening business infrastructure to respond to environmental change | Establishment of business infrastructure for OTC business
• Promoted continuous value creation based on perspectives originating from customers utilizing the functions of the CS* Department and the Product Strategy Department | • Collect customer’s voice and respond in timely manner in various ways
• Increased the number of site visitors by continuous improvement of Daiichi Sankyo Healthcare corporate website | • Streamline existing works by using AI and shift manpower to more creative works

Daiichi Sankyo, Inc. (DSUSB) – Daiichi Sankyo US Business

The year 2018 was another successful year of transformation for Daiichi Sankyo, Inc. We have taken great strides toward our goal of becoming a leader in oncology in the U.S. by building new teams with deep and broad cancer expertise. Our new structure will allow us to maximize our in-line medicines as we prepare to launch our oncology portfolio. Injectfex stands out as our growth driver with increased sales across all customer types and continues as the #1 iron therapy in oncology clinics by dose volume and the fastest growing iron therapy in the U.S.

Ken Keller
Daiichi Sankyo, Inc. President and CEO

Patient advocacy Initiatives
At Daiichi Sankyo, Inc., we believe our business extends beyond the discovery and development of therapies for unmet medical needs. It’s our mission to make a positive difference in the communities where we live and work. Our philanthropic initiatives help people identify, prevent and manage illness. In 2018, examples include support for AmericanCares, World Cancer Day, Zutal Mobile Health Van, Myelodysplastic Syndromes Foundation, and the Leukemia & Lymphoma Society.
American Regent, Inc.

American Regent, Inc., a developer, manufacturer, and distributor of diversified pharmaceutical products. We have a long history of supplying high quality injectable generics, branded IV iron, and veterinary medicine drugs to the US marketplace. Our growing business generates over $1 Billion dollars in revenue and is a highly profitable unit within Daiichi Sankyo. Taking advantage of our capabilities to develop difficult-to-manufacture and complex generics, we continue to launch competitive products. Our broad portfolio of more than 30 marketed products is constantly evolving to meet our customers needs.

Communication with community

At American Regent, Inc., we strive to make a positive impact in our communities. In FY2019, our company and our employees participated in numerous events to make a difference in the neighborhoods in which we work and live. Such examples include participating in Habitat for Humanity, which provide adequate and affordable housing, the Take Steps-Crohn's and Colitis Foundation walk, and our annual Holiday Adopt an Angel program.

Ken Keller
American Regent, Inc. President and CEO

### American Regent 5-Year Business Plan

<table>
<thead>
<tr>
<th>Target</th>
<th>Major Achievements in Fiscal 2018</th>
<th>Initiatives for Fiscal 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build Injectafer into flagship product and market leader</td>
<td>Secured market leader position</td>
<td>Continue market leadership for injectafer</td>
</tr>
<tr>
<td></td>
<td>• Our IV iron franchise is the #1 leader in the United States market, dominating market share with over 70% of all dollars in this category. Our two products, Injectafer and Venoferr, are highly valued by our customers. We are focused on both promoting this business and expanding the appropriate use of IV iron into new therapeutic areas of iron deficiency in Heart Failure patients, as well as growing penetration into IIA in women’s health and gastroenterology.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieved revenue target</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Injectafer achieved a record revenue level of $399 million, an increase of 29% over the previous year. Continued collaboration between American Regent, Inc. and DSUSB was a main driver of the growth of Injectafer in spite of increasing competitive pressure.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expand generic injectable portfolio with a variety of products to support customer needs</td>
<td>Expand generics portfolio</td>
</tr>
<tr>
<td></td>
<td>Bring new products to market</td>
<td>• American Regent successfully launched 7 new products in FY2018: Aesostigmine, Sterile Water, Hydrosolglucoronate Capsules, Fomipapac, Tensostatin Gynoprotex, Aminocaproic Acid and Droperidol.</td>
</tr>
<tr>
<td></td>
<td>Continue market leadership for injectafer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Injectafer revenue target in FY2019 is $418 million, $20M versus prior year despite increasing competitive threats. Growth drivers are:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increased share of voice to meet GI and OB/GYN customer needs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Continued awareness among dissatisfied oral iron patients</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accelerate life cycle management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• HEART-FID clinical study is ongoing. Study will assess the efficacy and safety of iron therapy using injectafer relative to placebo in treating patients with heart failure, iron deficiency, and a reduced ejection fraction.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brand refinement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We continue to launch competitive products. Our broad portfolio of more than 30 marketed products is constantly evolving to meet our customers needs.</td>
</tr>
</tbody>
</table>

Daiichi Sankyo Europe GmbH

FY2018 was a very successful year for Europe. LIXIANA® is continuously increasing its market share and we in-licensed bempedoic acid for patients who need additional LDL cholesterol lowering after maximum tolerated statin therapy. If authorized the new product will be a synergistic addition to our cardiovascular portfolio. We also established an effective commercial oncology organization to successfully launch our oncology products in Europe.

For both business areas we continue to work on our aspiration to become the benchmark for customer centricity and have implemented many projects and processes to achieve this goal.

Jan Van Ruymbeke, MD.
Daiichi Sankyo Europe GmbH Managing Director, CEO

My cancer therapy.eu: Video portal for patients with cancer

My cancer therapy.eu provides information in 16 different languages. It aims to help patients overcome barriers – often due to medical jargon, foreign language and a sense of being overwhelmed after a cancer diagnosis – in understanding their therapy journey.

Leading HCPs answer the most frequent patient questions in their native tongue on the main aspects of cancer treatment, including side-effects or types of treatment. The website supports physicians in patient education as it enables patients to have the most important information about cancer explained to them by experts at home.

Jan Van Ruymbeke, MD.
Daiichi Sankyo Europe GmbH Managing Director, CEO

### Daiichi Sankyo Europe 5-Year Business Plan

<table>
<thead>
<tr>
<th>Target</th>
<th>Major Achievements in Fiscal 2018</th>
<th>Initiatives for Fiscal 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximize LIXIANA’s potential</td>
<td>Increasing market share</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Since 2016 we launched LIXIANA® in all our European affiliates except for France and keep growing market shares.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• As a result, our EU market share in March 2019 is more than 12% (exit share in DOT – days of treatment) for LIXIANA®</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To leverage our cardiovascular success and heritage we have in-licensed bempedoic acid for patients who need additional LDL cholesterol lowering.</td>
<td></td>
</tr>
<tr>
<td>Establish oncology business</td>
<td>Thorough preparation for launches</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The European commercial organization is set up well to successfully launch our oncology products.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• We have hired talented professionals for medical, market access, marketing, field force and other functions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Our focus on customer centricity enables us to cater to the needs of the full set of stakeholders who contribute to patient care, among them oncologists and hematologists.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Launching with excellence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Our focus this year is the successful launch of VANFLYTA® in early 2020. Together with our partner AstraZeneca we are also preparing for the launch of DIS-8207.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focus on patients’ and customers’ needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• We are constantly evolving our organization to adapt to the changing healthcare environment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• In FY2019, we keep focusing on how to best meet patients’ needs as well as provide our stakeholders – e.g. HCPs, payers – with solutions for their requirements in both the cardiovascular and oncology field.</td>
<td></td>
</tr>
</tbody>
</table>
The keywords concerning the growth of ASCA Company are “Asia”, “South & Central America”, “Business Development” and “Oncology business.” In China, we aim to ensure growth and improve profitability by strengthening the business structure. For LIXIANA, we will take full advantage of the customer relationship that we have established for Omesarant and synergize both products. Regarding Business Development, we will explore new markets by in-licensing local products and establishing DS own companies. We will also build a business infrastructure and prepare for launch in China, Brazil, and other countries with a large market for oncology products in order to quickly deliver promising new drugs in the future.

Hiroyuki Okuzawa
ASCA Company President

More women playing active roles in ASCA Company
ASCA Company has affiliates in Asia and South and Central America, and is operating its business there. ASCA Company, whose operation is supported by approximately 2,120 employees, has improved women’s empowerment; women comprise more than 50% of its workforce, and women occupy more than 40% of managerial positions. For example, in Daichi Sankyo Taiwan, the President is a woman, and in addition, half of the senior members are women. We will make medical contributions matched to the specific needs of each country by promoting management based on Diversity and Inclusion, including women’s empowerment.

Junichi Koga, Ph.D.
Head of R&D Unit

“COMPASS” navigator for drug discovery required by patients
The R&D division conducts activities called COMPASS, which links the R&D field to the medical field. The activity name, COMPASS, is derived from the “Empathy for Patients Strategy” and is meant to be a “compass” for drug discovery based on patient needs. COMPASS develops three initiatives with the concepts of A (Alliance): know from activities in collaboration with patients’ organizations; B (Bedside): realize medical needs from experiences in healthcare settings; and C (Communication): learn from lectures and dialogue style conferences. We aim to achieve “patient oriented drug discovery” through opinion exchanges with patient organizations and healthcare professionals, lectures, and hospital training to see the field of medical care.

Progress of the R&D Unit’s 5-Year Business Plan

Target
Achieve revenue ¥100 billion (up 14.1% year on year)
Implement strategies that maximize the potential of the Chinese business (expanding on marketing territories to increase profitability)
Expand further revenue of LIXIANA in each country and implement initiatives in collaboration with various functions such as Marketing and Medical Affairs for launch and expansion in China
Launch LIXIANA in Latin America

Initiatives for Fiscal 2019
Achieved revenue ¥87.7 billion (up 9.0% year on year)
Existing mainstay products including OLAMETEC and CRAWAT steadily grow in each country where they are marketed. In China, the revenue increased by 9% compared with the previous year, and changes or optimizing alliance models with partners were extracted and countermeasures were implemented
LIXIANA grew to DOAC market share No.1 per month in South Korea, and Taiwan also continued to expand market share. In addition, it was launched in Brazil, and launched in Saudi Arabia and Indonesia through partners
Launched SMIWAN in China and PENTHROX in Taiwan

DS-8201(HER2-ADC)
- Submitted NDA (JP): relapsed/refractory metastatic breast cancer 3rd line
- Initiated phase 2 study of mAbs (US/EU)

Quizzartinib (FLT3 inhibitor)
- Submitted NDA (JP/US/EU): relapsed/refractory AML
- Designated as breakthrough therapy (US) as an orphan drug
- Phase 1 study of DS-1259 (AML) inhibitor
- Completed phase 2 study of DS-1647 (G47Δ) inhibitor

Maximize near-term revenue and grow future franchises in the specialty medicine area
- Obtained approval of esavasorone (JP)
- Obtained approval of migalabab in peripheral neuropathic pain
- Obtained approval of micabab (JP)

Maximize near-term revenue
- Obtained approval of esavasorone (JP)
- Obtained approval of esavasorone (JP)

Value Chain
Pharmaceutical Technology
Quality & Safety Management
Marketing & Sales
Medical Affairs
Biology

Daichi Sankyo Group
Value Report 2019
**Biologics Unit**

The Biologics Division is responsible for promoting the development of Daiichi Sankyo biologics from the viewpoint of technologies; by rapidly developing the required technologies, from molecular design to commercial manufacturing of biopharmaceuticals that are diversifying, including antibody pharmaceuticals and other proteinaceous pharmaceuticals, biological materials such as therapeutic cells, synthetic oligo nucleotides, and peptides. In addition, we aim to become a hub for the development of advanced biotechnology and the development and supply of in-house biotech human resources, and to be a driving force for sustainable company growth.

Masayuki Yabuta, Ph.D.  Head of Biologics Unit

To develop highly productive expression systems in novel CHO cell line*1

In the manufacture of antibody drugs, long-term cell culture is one of the high cost factors of antibody drugs. Daiichi Sankyo has participated in the Manufacturing Technology Association of Biologics, so-called MABI, supported by the AMED and IMT, and successfully obtained novel CHO cell line with high growth performance. In addition, a new CHO cell expression system developed by combination with an in-house developed vector showed about three times higher antibody productivity than the previous system. In the future, we will further exploit biopharmaceuticals by applying it to the production of biopharmaceuticals, and we hope that this cell will be widely used in other companies by the collaboration with MABI.

*1 Cell lines derived from Chinese hamster ovary cells. It is widely used in the manufacture of antibody drugs.

**Progress of the R&D Unit’s 5-Year Business Plan**

**Target**

**Initiatives for Fiscal 2019**

**Contribute to accelerating the launch of DS-8201 and other ADC franchise drugs**

- Establish commercial manufacturing process of antibodies for DS-8201
- *Established antibody manufacturing process for commercialization*  
- *Completed technology transfer to group companies responsible for commercial manufacturing*  
- *Started discussion on manufacturing process for large-scale manufacturing*  

**Develop biologics and accelerate clinical development**

- Develop cutting-edge technologies and apply them to development candidates
- *Develop antibody manufacturing process by using novel CHO cell line*  
- *Established strategic antibody manufacturing alliance including group companies for clinical/commercial provision*  
- *Utilize in-house technology for the manufacture of various modalities*  

**Discover innovative forms of modality**

- *The translation of drug development and therapeutic approaches such as protein drugs, nucleic acids and molecules, cell medicines and regenerative medicine including the molecular compounds, peptide (molecular biology)*

**Construct and strengthen technologies and human resource infrastructure that support commercialization of biologics including cell therapies**

- Promote cell therapy projects and R&D
- *Conducted various active for NDA of DS-8201*  
- *Conducted technology transfer of cell manufacturing methods in Axi-Cel (Axi-T) projects*  

**Pharmaceutical Technology unit**

The Pharmaceutical Technology Unit develops investigational drug products from new drug candidates through drug substance, drug product and analytical & quality evaluation research activities as well as CMC regulatory affairs related activities. We are also responsible for establishment of a robust commercial manufacturing processes that consistently provides high quality products. After commercial launch of products, we continue to improve manufacturing processes and formulations through the product life cycle, such as making drug products easier to administer, and implementing anti-counterfeiting drug measure. With regard to DS-8201, we re-organize the unit structure for expanding manufacturing capacity of investigational drug products so that we can support growing clinical studies and extended study durations. At the same time, we are supporting for establishment of commercial manufacturing facilities in order to deliver DS-8201 to the patients as early as possible.

Hiroto Kashiwase, DVM, Ph.D.  Global Head of Pharmaceutical Technology Unit

**Progress of the Pharmaceutical Technology Unit’s 5-Year Business Plan**

**Target**

**Initiatives for Fiscal 2019**

**Accelerate and improve the efficiency of oncology development**

- Steadily performed application-related work and technology transfer
- *Implemented process validation and prepared application dossier in order to achieve acceleration of DS-8201 manufacturing*  
- *Developed technology transfer for clinical manufacturing facilities for launch of DS-8201*  
- *Determined commercial manufacturing conditions for qSBE and pSBE*, which achieve good quality and productivity  
- *Prepared application dossiers for qSBE and pSBE*  

**Enhance fundamental technologies of biologics (ADCs)**

- *Enhance and deploy ADC-related technologies*  
- *Developed new formulations by using ADC-platform technologies (e.g., DS-6157 and DS-6000)*  
- *Developed ADC analysis technology that enable precise control of impurities*  

**Enhance and develop next generation ADCs**

- *Enhanced efficiency next-generation ADCs based on the existence of existing ADCs*  

**Develop high-value-added products, reduce costs, and establish new manufacturing processes**

- *Develop high-value-added products*  
- *Prepared application dossiers for novel ruboxistaurin formulation*  
- *Designed of a package capable of preventing exposure to oncology drugs*  
- *Device for reducing drug solutions through the mouth and nose*  

- *Established new manufacturing facilities in order to deliver DS-8201 to the patients as early as possible.*  

- *Develop technologies that address a variety of medical conditions*  
- *Established ultra-low temperature cold chain* that supports cell therapy and regenerative medicines  
- *Established technology and cold chain to reduce cost*  
- *Logistic method that maintains ultra-low temperature between manufacturing, transportation and consumer activities*
Supply Chain Unit

The Supply Chain Unit is rapidly transforming its organizational functions with the aim of a "supply chain with competitive advantages in oncology and biotechnology". In particular, for the launch of DS-8201, we are strengthening our stable production and supply system by investments in biologics manufacturing facilities, addition of contract manufacturers worldwide and continuing development of biotech personnel capabilities. In the meantime, we are working to achieve stable supply and reduce production cost in response to the growing demand in edoxaban, which supports our growth. We will continue to contribute to the creation of group profits by transforming and strengthening supply chain functions.

Junichi Fukute Head of Supply Chain Unit

Medical Affairs Unit

The Medical Affairs (MA) Unit will accelerate activity which has been working since fiscal 2018 to further prepare the MA system for the launch of new oncology products. In particular, for DS-8201, we will establish a collaborative relationship with its strategic partners, AstaZenza, to ensure that high-quality evidence is delivered to healthcare professionals and patients as soon as possible. In Japan, new products other than oncology have been launched, and in addition, we are enriching product information functions and enhancing the quality of the response to our client.

Yoshikazu Fukuchi Head of Medical Affairs Unit

In Initiatives for the dissemination of latest information to healthcare professionals and patients in the oncology field, novel cancer drugs provide new benefits to patients who failed conventional therapies, but they also could carry a variety of side effect risk. We will provide benefits to patients by finding new knowledge on efficacy and safety from various clinical studies and disseminating them to healthcare professionals and patients as soon as possible. To this end, we will strengthen our MSL* functions and also strengthen and maximize oncology and pipeline knowledge of our callcenters.

* Position responsible for collecting clinical evidence and identifying and answering clinical questions by engaging in medical and scientific discussions with healthcare professionals and researchers and by promoting clinical research and academic activities.

Progress of Supply Chain Unit’s 5-Year Business Plan

<table>
<thead>
<tr>
<th>Target</th>
<th>Major Achievements in Fiscal 2018</th>
<th>Initiatives for Fiscal 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transform and rebuild supply chain structures</td>
<td>Established a manufacturing system for anticancer drugs and biologics</td>
<td>Strengthen a manufacturing system for anticancer drugs and biologics</td>
</tr>
<tr>
<td>changes in the product mix</td>
<td>Established manufacturing facilities for drug substances and formulations in accordance with the development plan of the ADC franchise</td>
<td>Strength the global manufacturing and supply system for anticancer drugs and biologics, including investigational drugs</td>
</tr>
<tr>
<td></td>
<td>Secured and developed human resources in accordance with the human resources developing roadmap in biologics field</td>
<td>Secure manufacturing and analysis personnel based on the human resources developing roadmap in biologics field</td>
</tr>
<tr>
<td></td>
<td>Promoted preparation/considerations on initiatives for a stable supply globally in accordance with the mid-to-long term supply plan</td>
<td>Promote capital investment plan based on our future vision</td>
</tr>
</tbody>
</table>

Progress of Medical Affairs (MA) Unit’s 5-year Business Plan

<table>
<thead>
<tr>
<th>Target</th>
<th>Major Achievements in Fiscal 2018</th>
<th>Initiatives for Fiscal 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate and disseminate scientific evidence on edoxaban</td>
<td>Generate scientific evidence on edoxaban</td>
<td>Accelerate dissemination of edoxaban</td>
</tr>
<tr>
<td></td>
<td>Presented ELIANNATE* results at scientific conferences</td>
<td>Disseminate information from multiple Japanese and biotechnology conferences and publications</td>
</tr>
<tr>
<td></td>
<td>Presented patient background data from a large-scale registry study in Japan at scientific conferences</td>
<td>Promote research toward the end of various clinical research</td>
</tr>
<tr>
<td></td>
<td>Study in patients with atrial fibrillation who underwent catheter ablation</td>
<td></td>
</tr>
<tr>
<td>Generate and disseminate scientific evidence in the oncology field</td>
<td>Established launch readiness for oncology products</td>
<td>Generate and disseminate scientific evidence in the oncology field</td>
</tr>
<tr>
<td></td>
<td>Established a medical plan to prepare for the launch of quality and DS-8201</td>
<td>Establish a new Oncology Medical Science Department</td>
</tr>
<tr>
<td></td>
<td>Deployed oncology MSL in Japan</td>
<td>Implement a medical plan for quality and create evidence through a investigator-initiated study of DS-8201</td>
</tr>
<tr>
<td></td>
<td>Evidence generation and dissemination plan to contribute to medical practice</td>
<td></td>
</tr>
<tr>
<td>Generate and disseminate scientific evidence on other priority products</td>
<td>MA activities for esaxerenone and mirogabalin</td>
<td>Generate and disseminate evidence on other priority products</td>
</tr>
<tr>
<td></td>
<td>Developed activity plan for creation and dissemination of evidence for new products</td>
<td>Start clinical research studies of esaxerenone and mirogabalin</td>
</tr>
<tr>
<td></td>
<td>Data lock for PENDULUM study*</td>
<td>Present at a conference and publish paper on the results of a PENDULUM study</td>
</tr>
<tr>
<td></td>
<td>Investigation of thrombotic events, bleeding events, and platelet aggregation inhibition by edoxaban therapy in patients undergoing PCI</td>
<td>Information gathering through advisory meetings</td>
</tr>
<tr>
<td>Sophisticate MA operation in response to environmental changes</td>
<td>Reinforce infrastructures for the global MA operation</td>
<td>Reinforce the Global MA activities in the oncology field</td>
</tr>
<tr>
<td></td>
<td>Realized stable operation of the global MA (GM) activities</td>
<td>Further strengthen GM activities, mainly in the oncology field</td>
</tr>
<tr>
<td></td>
<td>Developed GM future plans and started initiatives to achieve MA Unit 2025 Vision</td>
<td>Sophisticate information generation and dissemination activities through deepening collaboration with relevant departments, such as R&amp;D and market access</td>
</tr>
<tr>
<td>Improve customer satisfaction, enhance medical information, and enrech practice of utilizing Voice of Customer (VOC)</td>
<td>Ranked No.1 for 4 consecutive years</td>
<td>Create more sophisticated medical Information’s functions</td>
</tr>
<tr>
<td></td>
<td>Our call center was ranked No.1 among pharmacists in health insurance pharmacies for 4 consecutive years based on a survey conducted by outside research company on 13 centers</td>
<td>Aim to continue to be ranked No.1 among pharmacists in medical insurance pharmacies for 5 consecutive years and also aim to be ranked No.1 among pharmacists in hospitals</td>
</tr>
<tr>
<td></td>
<td>Started inquiry responses operations activities using AI for the first time in industry</td>
<td>Commonly Guidelines for Sales Information Provision Activities</td>
</tr>
<tr>
<td></td>
<td>Established a dedicated line for inquiries about oncology field</td>
<td>Propose clinical questions by gathering, analyzing, and evaluating the voice of customers</td>
</tr>
<tr>
<td>Value chain</td>
<td>Pharmaceutical Technology</td>
<td>Value chain</td>
</tr>
<tr>
<td>Biology</td>
<td>Marketing &amp; Sales</td>
<td>Medical Affairs</td>
</tr>
<tr>
<td>Quality &amp; Safety Management</td>
<td>Medical Affairs</td>
<td>Head of Medical Affairs Unit</td>
</tr>
</tbody>
</table>

Value Report 2019
The Quality & Safety Management Unit is responsible for quality assurance and safety management of pharmaceuticals throughout the lifecycle using global standards. We will establish a safety management system to ensure the reliability of not only small molecule pharmaceuticals but also antibodies and new modality products, as well as a safety management system that can respond to the shift toward the cancer area. In addition, by ensuring to monitor adverse reactions and disseminate various information on proper use and safety management that enable to contribute to patient’s safety and security, we will be able to treat patients with high risk of side effects, and aim to suppress adverse reactions and diseases to become severe.

Miyuki Arai  
Head of the Quality & Safety Management Unit

Aiming to promote further diversity
In fiscal 2019, the percentage of women in The Quality & Safety division’s 340 employees is 42%, and the percentage of women in management positions is 28%. Many employees have returned to work after maternity leave. We have a team system that allows us to follow each other, so we are able to flexibly utilize flex-time, home-based work, and short working hour system to make balance of both work and private including childcare and nursing care. We also provide career change opportunities for senior employees to work that leverages their past experiences. We aim to promote further diversity in the future in order to foster a corporate culture in which everyone can work lively and be active in a variety of ways.

The Daiichi Sankyo Group is working to address many issues related to sustainability as part of our medium-to-long-term initiatives and challenges. We fulfill our corporate social responsibility (CSR) by addressing to resolve social challenges through business activities and enacting improvements for corporate value based on the DAIIICHI SANKYO Group Corporate Conduct Charter, which is the basis of its business activities. The following introduce the Group’s initiatives aimed at realizing a sustainable society.

**Daiichi Sankyo Group’s Initiatives for SDGs**

The Daiichi Sankyo Group is working to address business and sustainability issues based on the DAIIICHI SANKYO Group Corporate Conduct Charter.

In light of the Sustainable Development Goals (SDGs) and other international frameworks, the Group has made revisions to the DAIIICHI SANKYO Group Corporate Conduct Charter in April 2019 and has declared that it will contribute to the realization of a sustainable society.

With a philosophy of “Leave no one behind,” 17 Goals and 169 Targets to be accomplished by 2030 were established as SDGs to resolve global social issues for realizing a sustainable, diverse and inclusive society. This idea is in line with the philosophy of the Group, “to contribute to the enrichment of quality of life around the world.”

For “Goal 3: Ensure healthy lives and promote well-being for all at all ages” the Group is especially working to resolve unmet medical needs, such as cancer and other non-communicable diseases, rare diseases, malaria, tuberculosis, and neglected tropical diseases through innovation (Goal 9). To address climate change (Goal 13), the Group is working to reduce the environmental impact and risks in all its business activities and to effectively use resources. As for partnership (Goal 17), the Group is working together with various partners in the fields of industry, academia and government for the above initiatives.

https://www.daiichisankyo.com/about_us/responsibility/csr/sdgs/index.html#fc_list

* The SDGs are a set of goals for 2030 to address the key issues facing the world, and have been adopted by the member states of the United Nations. Seventeen goals to be accomplished by 2030 have 169 targets.

**Functional Units / Initiatives Aimed at Realizing a Sustainable Society**

### Progress of the Quality & Safety Management Unit’s 5-Year Business Plan

<table>
<thead>
<tr>
<th>Target</th>
<th>Major Achievements in Fiscal 2018</th>
<th>Initiatives for Fiscal 2019</th>
</tr>
</thead>
</table>
| Continue the post-marketing surveillance on LIXIANA and Effient to create additional evidence | • Published LIXIANA’s latest evidence and shared with healthcare professionals  
• Presented data on Effient’s large-scale real-world data on dosages suitable for the Japanese at the late breaking session of the Japanese Circulation Society for two consecutive years | Promote post-marketing surveillance on mainstay products and create additional evidence  
• Continue to prosecute large-scale studies on LIXIANA and Effient and present efficacy and safety information at major academic conferences, etc.  
• Start specific use results survey for new products such as Tarlge and Minnebro and plan database survey |
| Introduce quality risk analysis and evaluation systems for new fields and new technologies | Established a quality assurance system for products in new areas  
• Established a quality assurance system for commercialization of Axi-Cel*(CAR-T) and clarified challenges and risks | Establish a quality assurance system for products in new areas  
• Promote reliability assurance of DS-8201 BLA/ NDA data and response to regulatory inspections, and establish a manufacturing site control system including CMO  
• Complete NDA of DS-1647 (S474) and Axi-Cel*(CAR-T) as planned and respond to regulatory review  
* CMO: Contract Manufacturing Organization |
| Strengthen safety monitoring measures and verify the effectiveness of safety measures | Reinforced safety measures for new and mainstay products  
• Practiced integrated risk management and thorough safety measures in the global clinical trial of S200-S201  
• Built a framework that facilitates prompt communication with healthcare professionals on the safety information of oncology products  
• Improved productivity by automating routine tasks with RPA* implementation | Reinforce safety measures for new and mainstay products  
• Continue DS-8201 clinical trial safety measures, prepare package inserts and RMP* for approval, and establish a system to collect and provide information after launch  
• Contribute to the safety and security of patients by promoting a framework that facilitates prompt communication with healthcare professionals on the safety information of oncology products  
• RMP: Risk Management Plan |

**Business Activities**

### Initiatives Aimed at Realizing a Sustainable Society

**Ensure healthy lives and promote well-being for all at all ages**

The Group will contribute to ensuring healthy lives and promoting well-being for all by working to resolve unmet medical needs, such as cancer and other non-communicable diseases, rare diseases, malaria, tuberculosis, and neglected tropical diseases.

**Innovation**

The Group will promote human resource development and an organization that creates innovation, thereby contributing to fulfilling its mission through creating innovative pharmaceuticals.

**Climate Change**

The Group promotes the realization of a sustainable society through working to reduce environmental impact and risks in all its business activities and to effectively use resources.

**Partnership**

The Group addresses issues in research and development of medications and access barriers to innovation, thereby contributing to fulfilling its mission through creating innovative pharmaceuticals.
Initiatives for Sustainability Issues

The Daiichi Sankyo Group is working to address many CSR issues related to sustainability. So far, we have identified CSR issues based on international frameworks such as the Ten Principles of the United Nations Global Compact (UNGC) and the TCFD* and rankings by Access to Medicine Index, which evaluate practices and contributions to improving availability of pharmaceuticals in developing countries. We further categorize these issues into six priority areas for activities (promoting compliance management, mutual growth of employees and the Company, enhancing communication with stakeholders, promoting environmental management, improving access to healthcare, and social contribution activities).

In addition, among these six activity areas, we have set "promoting environmental management", "promoting compliance management", and "improving access to healthcare" as the medium-to-long-term initiatives in order to realize a sustainable society and to improve the corporate values in the medium-to-long-term.

Organizing Sustainability Issues

For our initiatives for Sustainability issues, we need to periodically conduct self-assessments and revise them according to the progress in resolving issues and changing requirements from stakeholders and society. In fiscal 2018, the third year of our 5-year business plan, we organized CSR issues for the purpose of appropriately responding to requirements and expectations found from assessment results by ESG rating agencies and through stakeholder communication. As a result of these efforts we established new issues to be addressed, consolidated issues, and lowered the priorities of issues that we determined have sufficiently been addressed. The result of this activity was discussed during a meeting of the Global Management Committee (GMC) in December 2018 and the issues were organized into 21 issues as shown in the table below.

Please refer to the Daiichi Sankyo website for the organized 21 CSR issues (list).

Initiatives for CSR issues organized into six priority areas for activities

<table>
<thead>
<tr>
<th>Priority areas for activities</th>
<th>Issues (21 items)</th>
<th>Examples of initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promoting Compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Observe group-wide codes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of conduct and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>thorough prevention of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>control</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consideration for R&amp;D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ethics, bioethics,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and genetic resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maintaining reliability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for ensuring product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>quality and safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ethical marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable procurement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report on breach of laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and legal cases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report for rights of all</td>
<td></td>
<td></td>
</tr>
<tr>
<td>people involved in business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Priority areas for activities

**Examples of initiatives**

- Continued operation of the compliance system
- Implementation of a Compliance Awareness Survey
- Spread of a Global Marketing Code of Conduct
- Prevention of Bribery and Corruption
- Compliance training and educational activities
- Response to thorough information (whistle-blower) security
- Spread of Global Policies Related to Preventing Bribery and Corruption
- GCP and other development-related training
- Through R&D ethics
- Fair utilization of genetic resources
- Safety-related training (SAF) training
- Quality audit of raw material and other suppliers
- Product recall information
- Compliance with the Guidelines on Providing Sale Information
- Strengthening the review system for sale promotion materials
- Proper advertisement
- MR accreditation test results
- Through compliance in procurement
- Implementation of self-CSF examinations
- Codes of conduct of business partners
- Disclosure of business and other risks
- Initiatives for promoting respect for human rights
- Training related to the UNGC
- Group talent management
- Creating Our Future (COF) project
- Recruitment activities
- Development of entry- and mid-level employees
- Cultivation of the management organization (heads)
- Daiichi Sankyo Human Resources Management Philosophy
- Acquisition of the Highest Level of Ethical Certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace
- Development of environment for balancing life- and work and work
- Development for the Women's Empowerment Principles (WEPs)
- Participation in UN Global Alliance
- Support for the Career Development and Work Styles of Women Employees
- Initiatives on the career development of employees in Japan
- Initiatives Based on Action Plan for Empowering Women
- Acquisition of the Kajima Foundation
- Promotion of the employment of individuals with disabilities
- Systems and measures to support diverse work styles (Japan)
- Training related to the UNGC
- Promotion of the "Work-Life Cycle" (Japan)
- Promotion of occupational health and safety
- Systems and initiatives for supporting occupational health and safety (Japan)
- 2016 Certified Health and Productivity Management Organization (Recognition Program Large Enterprise Category) = White 500
- Enforcement of the TCFD
- Initiatives based on energy conservation and prevention of global warming
- CO2 emissions reduction targets and performance
- Biodiversity initiatives
- Usage reduction and emission transfer control of chemical substances
- Response to water risk
- Appropriate use of water resources
- Environmental audit
- Waste reduction targets and performance
- Promotion of compliance waste management
- Participation in the Access Accelerated
- Participation in the GHF Fund
- Initiatives targeting rare diseases
- Mobile Healthcare Field Clinic Services in Tanzania
- Cultivation of healthcare workers in China
- Technical cooperation related to manufacturing the combined measles-
  mumps-rubella vaccine (MR vaccine) in Vietnam
- Clinical trials to be conducted from a humanitarian viewpoint
- Participation in the Manufacturing Technology Association of Biologics (MTAB) project
- Measures to combat counterfeit medicines
- Measures to combat counterfeit medicines
- Realization of pricing measures that take the situation of each country and region into consideration
- Patient Assistance Programs (United States)
- Support for cancer patients and their families
- Reciprocate Japan support following the Great East Japan Earthquake
- Support for mobile healthcare clinics (União Sãodas)
- Assistance during the SARS epidemic and Swine Flu epidemic in China
- Activities that promote good health for senior citizens (Taiwan)
- Advancement of medicine and pharmacology (scholarships, etc.)
- Social welfare (Table for Kids, etc.)
- Environmental preservation activities (cleanup activities around operating sites,etc.)
- Health development (science and pharmacology seminars for high school students, etc.)
- Support for cancer patients and their families
- Reciprocate Japan support following the Great East Japan Earthquake
- Support for mobile healthcare clinics (União Sãodas)
- Assistance during the SARS epidemic and Swine Flu epidemic in China
- Activities that promote good health for senior citizens (Taiwan)
- Advancement of medicine and pharmacology (scholarships, etc.)
- Social welfare (Table for Kids, etc.)
- Environmental preservation activities (cleanup activities around operating sites,etc.)
- Health development (science and pharmacology seminars for high school students, etc.)

Please refer to the Daiichi Sankyo website for the organized 21 CSR issues (list).

* TCFD (Task Force on Climate-related Financial Disclosures): This task force was established in December 2015 by the FSB (Financial Stability Board). The FSB is an international organization joined by central banks and financial regulators from the major powers.
The Daiichi Sankyo Group is working on CSR issues through its business under the global management structure. By establishing and continuing to promote a CSR management cycle which includes extracting and reviewing issues to be addressed based on requirements and expectations from society, addressing issues in cooperating with related divisions, and conducting self-assessment through stakeholder communication, we will improve corporate value in the long term.

**Extracting CSR issues**

Issues are extracted based on expectations and needs identified through stakeholder communications or investigations done by ESG rating agencies and various CSR initiatives, and these are shared with related divisions and group companies.

**Reviewing issues to be addressed**

Issues that need attention are reviewed based on business strategies and requests from stakeholders, etc. By continuing to conduct these activities and thereby improving external CSR/ESG evaluations and increasing awareness of employees, we improve long term cooperate value as a result.

**Stakeholder communication**

We conduct self-assessment based on stakeholder communication such as investigations by ESG rating agencies and disclosure of responses regarding issues.

The progress on addressing issues is reported during a meeting of the Global Management Committee (GMC) and other meetings along with evaluation from stakeholders, etc. By continuing to conduct these activities and thereby improving external CSR/ESG evaluations and increasing awareness of employees, we improve long term cooperate value as a result.

**Direction**

Addressing issues is promoted in cooperation with related sections.

The CSR management cycle

- **Extracting CSR issues**
- **Sharing**
  - Decisions on important issues
  - Reviewing issues to be addressed
- **Stakeholder communication**
- **Management Executive Meeting**
- **Propriety responding to issues to be addressed**

---

**Inclusion in ESG Indices in Reflection of External CSR and ESG Evaluations**

To address sustainability issues, we pursue ongoing improvements to our corporate values. These efforts have been highly appreciated, resulting in the Group being selected for the following ESG indices as of June 2019.

**Selected for the “World Index” in the pharmaceutical sector for two consecutive years**

The DJSI is jointly managed by S&P Dow Jones Indices LLC of the United States and RobecoSAM AG of Switzerland. This ESG index evaluates the sustainability of a company and provides important criterion for investors to select investment targets. The Company has been included in the DJSI World Index for two consecutive years since last year and the DJSI Asia-Pacific for nine consecutive years. The Group was selected for the DJSI World Index as the first Japanese corporation in the pharmaceutical sector last year as being selected as the only Japanese company among the seven companies selected for the pharmaceutical sector.

**Selected consecutively for eleven years/three years**

The FTSE4Good Index Series and the FTSE Blossom Japan Index are indices that reflect the performance of corporations that excel in environmental, society, and governance (ESG) factors, established by FTSE Russell, a global index provider and wholly-owned subsidiary of the London Stock Exchange.

The Company has been selected for eleven consecutive years as a component of the FTSE4Good Global Index from 2009 and for three consecutive years as a component of the FTSE Blossom Japan Index from 2017. This index is one of four indices selected by the Government Pension Investment Fund (GPIF) as an ESG Index in Japanese stocks.

**Selected consecutively for two years**

The SNAM Sustainability Index is an SRI fund managed by Sompo Japan Nipponkoa Asset Management Co., Ltd., aimed at pension funds and institutional investors that invest in a wide range of companies highly rated in terms of ESG factors (environment, society, governance). The Company has been included in this index for four consecutive years.

**Selected for the first time**

The MSCI Japan Empowering Women (MIN) Select Index is an index of MSCI in the U.S. that assesses gender diversity in corporations such as the percentage of females among new recruits, employees, average work years and the percentage of female executives, and comprises corporations that excel in these factors. The Company has been included in this index for two consecutive years from 2018. This index is one of four indices selected by the Government Pension Investment Fund (GPIF) as an ESG Index in Japanese stock.

**Selected consecutively for four years**

The SNAM Sustainability Index is an SRI fund managed by Sompo Japan Nipponkoa Asset Management Co., Ltd., aimed at pension funds and institutional investors that invest in a wide range of companies highly rated in terms of ESG factors (environment, society, governance). The Company has been included in this index for four consecutive years.

---

**As of June 2019**