

List of Materiality

	FY2025 KPI Targets	FY2023 results	① Economic value creation ② Social value creation	
Materiality on Business	Creating Innovative Pharmaceuticals <ul style="list-style-type: none"> ① 3ADC: 8 indications launched (as new indications during the mid term plan period) ② Multiple projects to become the new growth driver after 3ADCs are in or above late development or more advanced stage ③ Post DXd-ADC modality is in development stage ④ Number of designations to the priority review system (report the cumulative number) 		<ul style="list-style-type: none"> ① Expand R&D pipeline and acquire intellectual property contributing to future revenue and profit ② Contribute to the enrichment of quality of life around the world 	
	Providing a Stable Supply of Top-Quality Pharmaceutical Products	In house capital investment and CMO investment for the construction of ADC production system and stable supply of top quality pharmaceuticals to patients (including capital expenditure): Maximum 300 billion yen		
	Providing the Highest Quality Medical Information	Improvement of evaluation scores from stakeholders including healthcare professionals		
	Improving Access to Healthcare <ul style="list-style-type: none"> ① Increase the number of launched countries through collaboration with partners ② Achievement of supply of COVID-19 vaccine (AZD-1222) of AstraZeneca as planned (FY2021) to contribute to mitigating new risks through cooperation with the regulatory authorities and other companies, Progress in development of DS-5670 as planned 		<ul style="list-style-type: none"> ① Increase revenue and profit, reduce/prevent the risk of declining corporate value ② Contribute to the enrichment of quality of life around the world 	
Materiality on Business Foundations	Promoting Environmental Management <ul style="list-style-type: none"> ① Reduction of CO₂ emissions (Scope1 + Scope2)³ by 42% from FY2015 ② Reduction of CO₂ emissions intensity based on sales (Scope3, Cat1)³ by 15% from FY2020 <ul style="list-style-type: none"> • At least 70% of business partners (as procurement amount) set targets at the SBT level (1.5°C target)⁴ ③ Renewable electricity utilization rate more than 60% ④ Maintenance of waste plastic recycling rate by over 70% ⑤ Reduction of disposal of hazardous waste by 10% from FY2020 		<ul style="list-style-type: none"> ① 49.8% reduction from FY2015 (109,239t-CO₂⁶) ② 6.3% increase from FY2020 (242.7t-CO₂/billion yen) ③ Conducted engagement with 10 business partners in Japan ④ 80.0%⁵ ⑤ 72.4%⁵ ⑥ 2.3% reduction from FY2020 (5,474t⁶) 	<ul style="list-style-type: none"> ① Enhance of corporate value by improving evaluation of environmental management initiatives (reduction/avoidance of the damage risk to corporate value) ② Contribute to the development of sustainable living infrastructure through the early realization of a decarbonized society, solving of the marine plastic problem, and prevention of environmental pollution
	Promoting Compliance Management <ul style="list-style-type: none"> ① Number of significant compliance violations⁷: 0 ② Number of Notable Industry Code Violations (NICV)⁷: 0 ③ Improvement of periodic employee survey scores on ethical culture following baseline ④ Conducted continuous compliance and promotional activities monitoring at each company ⑤ Sustainable procurement survey coverage rate 75% ⑥ Internal education and dissemination of our thoughts with business partners, Disclosing the result of education and training ⑦ No case of violation with ILO Core Labour Standards⁸ as a result of human rights risk assessment through DS Group ⑧ Disclosure of results of business partners risk reduction initiatives related to ILO Core Labour Standards⁸ 		<ul style="list-style-type: none"> ① 0 ② 7 ③ 86% of positive response rate (+2 pt YoY) ④ Conducted monitoring at each company ⑤ Implemented the 3rd sustainable procurement survey globally ⑥ Conducted the first external training session (30 companies)and interviewed suppliers(3 companies) ⑦ Prepared 2nd internal risk assessment ⑧ Conducted engagement with 9 business partners in Japan 	<ul style="list-style-type: none"> ① Enhance of corporate value by improving trust in our corporate brand (mitigation/prevention of the risks of damage to corporate value) ② Maintain and enhance trust in the pharmaceutical industry, improving social compliance through sustainable procurement
	Corporate Governance Aimed at Fulfilling Our Mission <ul style="list-style-type: none"> ① Complying 100% with all the principles of the revised Corporate Governance Code in Japan ② Evaluating the effectiveness of the Board of Directors and implementing measures for improvement (including third party evaluation, two times by the end of FY2025) ③ Continuously evaluating and improving the effectiveness of the Audit & Supervisory Board ④ Disclosure through various communication materials with improved transparency in order to help stakeholders to understand the company's corporate governance 		<ul style="list-style-type: none"> ① Confirmed 100% compliance with the revised Corporate Governance Code ② Continued to optimize the operation of Board of Directors Meeting based on the revised agenda selection rules <ul style="list-style-type: none"> • Continued to discuss priority themes, as priority measures to address challenges identified in the Board Evaluation for FY2022. • Conducted self-assessment of the Board Evaluation for FY2023. Identified priority themes for FY2024. • Partially amended the Regulations of the Nomination/ Compensation Committee to promote the separation of management and execution. ③ Implemented improvement measures to address issues identified in the FY2022 effectiveness evaluation ④ Conducted self-evaluation on the FY2023 effectiveness evaluation of the Audit & Supervisory Board and identified challenges to be addressed in FY2024 ⑤ Enhanced the disclosure of corporate governance information in various media <ul style="list-style-type: none"> • Participation of the chairperson of the Board of Directors at the ESG Briefing (Feb.2023) 	<ul style="list-style-type: none"> ① Improve sustainable growth of the company and enhancement of corporate value in the mid-to-long-term ② Total value provided through our business operations, realize management with a high transparency to meet the expectations of shareholders, investors, and other stakeholders
	Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages <ul style="list-style-type: none"> ① Percentage of female in senior managerial employees⁹ to 30% ② Positive response rate (%) on corporate culture & work environment through engagement survey to 80% or more, or 10% or more increase compared to FY2021 ③ Positive response rate (%) on development & growth opportunities through engagement survey to 80% or more, or 10% or more increase compared to FY2021 ④ Disclosure of the result of the amount of training/development investments per employee 		<ul style="list-style-type: none"> ① 18.7% (-0.5pt YoY) ② 79% of positive response rate (+2pt YoY) ③ 76% of positive response rate (+1pt YoY) ④ 166,906 (+¥21,172 YoY) 	<ul style="list-style-type: none"> ① Enhance of corporate value through developing talents to carry out business activities ② Diversify of human resources, respect for human rights, talent development

*1 MR: Feb. 2024, INTAGE Healthcare Inc. (Rep-i), MA: Feb. 2024, INTAGE Healthcare Inc. Product Information Center: Nov. 2023, transcosomes inc. and The Japan Research Institute, Limited
 *2 Estimated based on the formula dividing "total sales volume" by the "amount of use required by one patient per year"
 *3 Scope1: Direct emissions from the reporting company's factories, offices, vehicles, Combustion of fuels etc.
 Scope2: Indirect energy-derived emissions from electric power and other energy consumed by the reporting company
 Scope3: Indirect emissions other than Scope1 and Scope2. Category 1 is emissions from activities up to manufacturing of raw materials, parts and containers/packaging materials
 *4 Addition of KPI target in FY2023

*5 Subject to the third-party assurance
 *6 Compliance violations which occur in domestic and overseas group companies are regarded as significant when disclosure under the relevant laws or regulations is required by the DS group
 *7 Cases where there have been healthcare-related findings by the pharmaceutical regulatory authorities and industry-related organizations that may materially discredit or reduce confidence in Daiichi Sankyo Group of companies
 *8 Freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation, occupational safety and health
 *9 Senior managerial employees: percentage of women who are in positions equivalent to division heads or higher positions. The definition of senior managerial employees in the Group companies was changed in FY2020.