

1

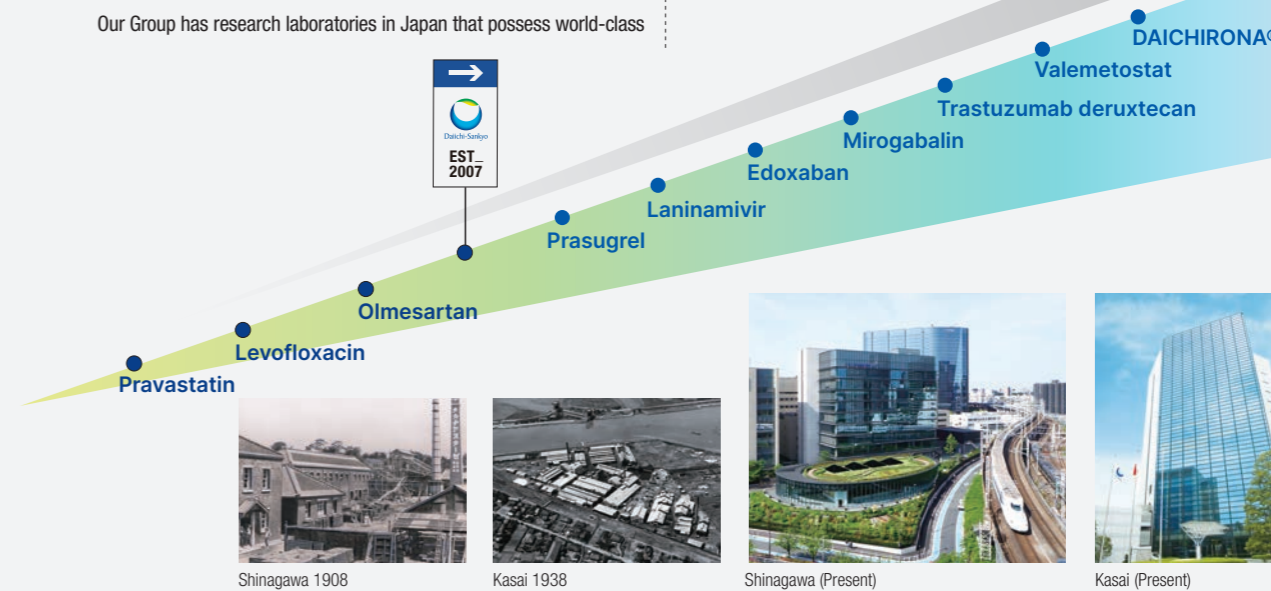
# The Accumulated R&D Capabilities of Daiichi Sankyo

## A Strong R&D DNA Inherited Over the Years as a Drug Discovery Company

Since our founding, our Group has grown by leveraging the strong R&D DNA that has been honed over many years, as a Japanese pharmaceutical company since its founding. We began our journey with the extraction of Adrenalin, the discovery of Oryzanin®, and the domestic production of Salvarsan, expanding our business with a focus on in-house drug discovery. Subsequently, we have continued to release numerous global products such as olmesartan and edoxaban, which were developed from the S&T of our former companies.

research and development capabilities and have developed new cancer therapies, including Enhertu®. These institutes serve as the foundation for our in-house drug discovery. To achieve sustained growth beyond 2030, we are committed to investing in our in-house drug discovery foundation and leveraging our global research innovation hubs to continuously improve the productivity of our research functions.

Our Group has research laboratories in Japan that possess world-class



### Incorporated as drug discovery-oriented companies originating from Japan

**1902**  
Launched Adrenalin (product name: Adrenalin), the world's first adrenal cortex hormone agent to be extracted successfully

**1910**  
Discovered the world's first vitamin B1 (Oryzanin) from rice bran, establishing the foundation for the theory of vitamins

**1915**  
Realized domestic production of Salvarsan, a treatment for syphilis, which was a common disease in Japan

### Creating and cultivating innovative pharmaceuticals in Japan

**1965**  
Launched tranexamic acid (product name: Transamin®), an anti-plasmin agent

**1981**  
Launched ticlopidine (product name: Panaldine®), a drug that pioneered antiplatelet therapy

**1986**  
Launched loxoprofen (product name: Loxonin®), an anti-inflammatory and analgesic drug that is now also available as an over-the-counter (OTC) medication

### Research capabilities producing groundbreaking products globally

**1989**  
Launched pravastatin (product name: Mevalotin®), a cholesterol-lowering medication developed by applying biological fermentation technology, which revolutionized the world of medicine as an antihyperlipidemic agent.

**1993**  
Launched levofloxacin (product name: Levaquin®), a broad-spectrum oral antibacterial agent that left a mark on the history of not only Japan but also the entire world with its broad spectrum of antibacterial activity

### Development capabilities executing large-scale global clinical trials successfully

**2002**  
Launched olmesartan (product names: Olmetec®, Benicar®), an antihypertensive agent on the global market. Japanese launch took place in 2004.

**2009**  
Launched prasugrel (product name: Effient®), an antiplatelet agent developed for the global market

**2011**  
Launched edoxaban (product names: LIXIANA®, SAVAYSA®), an anticoagulant developed for the global market

**2020**  
Launched trastuzumab deruxtecan (product name: Enhertu®), an anti-cancer agent developed for the global market that utilizes our proprietary DXd ADC technology



Special Feature



# Daiichi Sankyo's

# “People”

## Generating our Continued Innovation



Daiichi Sankyo Group is accelerating growth through the global expansion of our oncology business, with a particular focus on antibody-drug conjugates (ADCs), aiming for continued growth toward 2030 and beyond. To adapt to the rapidly changing business environment and contribute to a greater number of people worldwide, we are striving for further optimization across the entire organization. This approach aims to maximize our existing pipeline while continuously fostering the next wave of innovation.

The strength of our Science & Technology (S&T) capabilities, rooted in Japan, and the "people" of Daiichi Sankyo who have demonstrated this strength, has continuously served as a driving force for innovation across different eras. We aim to further strengthen our research and development capabilities by harnessing the full potential of each employee. By optimizing human capital to adapt to changing market conditions and achieving a transformation towards a more productive and efficient organization through globalizing our talent, we will realize our sustainable value creation.



## Innovation is Driven by Excellent “Talent” and the “Organization” that Makes Best Use of Them

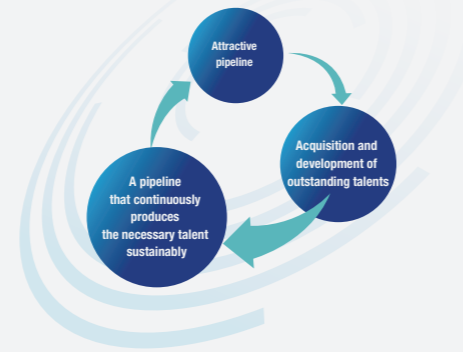
The foundation for creating innovative pharmaceuticals in response to evolving needs is built on Daiichi Sankyo's strengths in S&T, such as “scientific assessment capabilities” and “technological capabilities to refine medicines,” developed over a long period. This foundation is driven by the “people” at Daiichi Sankyo who generate these innovations.

**1 Organizational Culture that Promotes Innovation:** Our company has an organizational culture that nurtures highly specialized talents who have long tenures and continue to pursue scientific research. This environment fosters innovation within our organization. Additionally, our culture promotes diversity, including the active participation of women and international talents and experts. This diversity contributes to the creation of further innovations.

**2 Creation of Education and Growth Opportunities at Overseas Research Laboratories:** Our company creates opportunities for many researchers to study at overseas research laboratories with cutting-edge science. The growth and development of these employees lead to their active contributions upon returning to our research laboratories, thereby revitalizing the organization.

**3 Human Resource Enhancement in Key Areas:** Our top-class achievements in drug discovery research have attracted exceptional talent

in Japan. By continuously hiring outstanding talents, we aim to strengthen our workforce of employees with scientific and technological expertise. In addition, we strategically reassign highly skilled researchers within the company to key areas, fostering the development of specialized drug discovery talent. Furthermore, the high level of trust from management to the R&D organization leads to a strong motivation for the entire organization and individual researchers to produce results, creating a positive cycle that generates new value.



For more information on Daiichi Sankyo's pipeline, click [here](#)

### Message from the Head of R&D Division

Since before the incorporation, Daiichi Sankyo has been creating numerous new medicines. From the 1980s onwards, we have contributed to global healthcare by developing renowned medications such as Mevalotin, Cravit, Olmetec, Lixiana, and Enhertu, and have experienced substantial growth. The Shinagawa and Kasai research centers have served as the breeding grounds for such drug discoveries. With exceptional researchers coming together and keeping patients in mind, our research laboratories engage in the daily challenge of drug development. A culture of collaboration has taken root, where full and frank discussions occur, and individuals mutually enhance each other. In the development process, we have gained valuable experience through the formulation and implementation of development strategies that significantly transform the standard of care (SOC) in various therapeutic areas, allowing us to deliver our innovations to a greater number of patients. We believe that our growing research and development talents, along with this cycle of challenges and learning, form the foundation for the next wave of innovation and serve as the continuous source of our S&T strength.



Head of R&D Division  
Executive Officer  
**Toshinori Agatsuma**

## Further enhancing the strengths of S&T for the continuous creation of innovation

### Measures to strengthen science capabilities

In our research, we are focusing on multi-modality research with the goal of creating a new pillar following DXd ADC. We are advancing the application of Data-Driven Drug Discovery to various modalities and further promoting Research DX, including the smartification of our research laboratories. Additionally, we will further expand our Research Institutes established in Boston and Munich. In translational research, which connects research with clinical trials, we aim to improve the success rate of clinical trials through patient selection and dose

optimization, and achieve precision medicine in real-world clinical settings. In addition to advancing various analytical technologies such as omics and pathology, we will leverage the vast analytical data obtained from clinical trials of our extensive pipeline to strengthen our understanding of diseases and patient backgrounds, and to elucidate mechanisms. We will also further develop systems to utilize these clinical insights in exploratory research.

### Strengthening organizational culture and human resources

In addition to the accumulation of experience in continuously creating innovative pharmaceuticals, Daiichi Sankyo's strength lies in respecting individual craftsmanship and fostering an organizational culture where open and free exchange of ideas is encouraged. Through hosting internal academic events such as R&D Forums and Science Symposium,

we aim to activate and deepen communication, while also advancing global talent development and proactive career recruitment, particularly in the development sector. Our achievement of creating DXd ADC attracts outstanding talent and enables further strengthening of our S&T capabilities.



### Message from the Head of Therapeutic Area Strategies, Research & Development Unit

I'm proud that Daiichi Sankyo is committed to building a culture of learning by reflecting on successes and failures. This will be vital to achieving our Purpose and Mission. The concept of "Intelligent Failure," also known around the world as "kaizen," is deeply rooted within the Daiichi Sankyo organization. In some business cultures, there is a prioritization of moving on to new challenges immediately after a project is completed, rather than taking the time to reflect. However, even if we make mistakes, I believe it is crucial to reflect on our actions by focusing on facts rather than judging people, and we can promote next challenges through this Lessons Learned processes by broadening our perspective, sharing with other teams, and accepting new discoveries flexibly. I believe this is extremely important to maintain our excellent DNA rooted in Daiichi Sankyo, which continuously generates innovation. Expanding this concept of "Intelligent Failure" to more functions and sections throughout our global organization will further enhance Daiichi Sankyo's strengths in Science & Technology and drive our initiative for growth.



Head of Therapeutic Area Strategies,  
Research & Development Unit  
Daiichi Sankyo, Inc.  
Corporate Officer  
**Atsushi Tsukamoto**

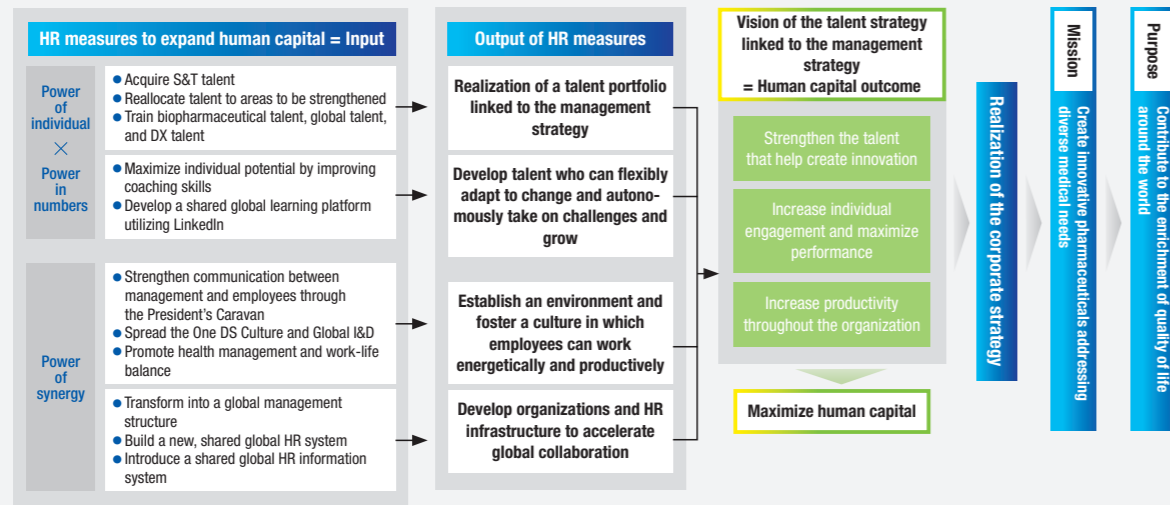
## 2

# Strengthening Talent for Achieving an Innovative Global Healthcare Company

### Approach to Human Capital Strategy

We empower our people as they are the most important asset. To achieve our Purpose and Mission, we aim to maximize human capital through the promotion and development of talent across various areas of the value chain, striving for mutual sustainable growth for both employees and the company. All business activities are supported by talent, and we believe that acquiring diverse talent and implementing effective human capital management in our global business expansion are sources of competitiveness. In our Group,

“human capital” is defined as a combination of three elements: “Power of individual” (strengthening individual strengths), “Power in numbers” (continuous supply of talent to areas of focus), and “Power of synergy” (structures, systems, and measures to create synergy among people and organizations). In line with our business strategy, we monitor the various elements of human capital that need strengthening, while working on evaluating the effectiveness of measures and further enhancing human capital expansion.



### Global Initiatives

We have established a global common top-level concept and guideline known as “People Philosophy,” and based on this, we design and promote each HR measure. We are also committed to fostering a global common corporate culture, “One DS Culture,” and through the practice of the three Core Behaviors, we strive to build trust across functions and regions and achieve collaboration. Since 2022, we have been implementing the “Core Behavior Awards,” which recognize and reward employees who embody Core Behaviors, to promote and encourage these Behaviors. Additionally, to promote sustainable growth through global collaboration, we are advancing the construction and implementation of a global common HR system and HR information system.

In the FY2023, we have seconded 111 employees from Japan to the United States, 32 employees to Europe, and 22 employees to Asia, Central and South America. This allows for talent development through exposure to different cultures and management practices. Also, we have 11 employees seconded from overseas group companies to Japan, facilitating mutual exchange and development opportunities. Additionally,

to support further employee growth, we have created global standardized content and conducted coaching and feedback training targeted at management positions. Furthermore, we have established the “Global I&D Statement,” which clearly outlines our stance and approach to Inclusion & Diversity (I&D) both internally and externally. We believe that having all employees be accepted and able to fully demonstrate their abilities leads to global business expansion and the creation of innovation.

Number of employees transferred under the secondment program (as of FY2023)

Department	Areas to be transferred	Number of seconded employees
Japan	US	111
	EU	32
	Asia, and Central and South America	22
Overseas Group Companies	Japanese domestic	11

### Global Culture Initiatives: Comment from Core Behavior Awards Recipient

As Daiichi Sankyo Europe GmbH consists of diverse backgrounds, having a mutual culture to unite us is very important to collaborate with each other. To exchange ideas and best practices about Core Behaviors, I held “Culture Talks” for members from different departments. I'm deeply honored to be recognized for embracing “Collaborate & Trust”. It highlights how building trusting relationships can lead to real innovations and team success.



Global Corporate Planning Management  
Excellence EUCD  
Graduate Trainee  
**Eva Papamichali**

### Initiatives towards Developing Specialized Professionals

Our Group is experiencing accelerated global growth, and the business environment is changing rapidly. As a result, the skills required of employees are also changing significantly. To robustly support this situation, we have identified our specialized professionals as “Biopharmaceutical (process development, manufacturing, quality assurance, etc.),” “Global Business,” and “DX” as key areas for strengthening. We have established organizations responsible for developing specialized talent in these areas and are constructing systematic training programs. Additionally, to increase the number of specialized professionals, we implement an inter-

national recruitment system (Career Challenge Program) to support employees' autonomous career development and reskilling efforts. Furthermore, to foster a “culture of learning and training” within the organizations responsible for development, we conduct “Trainer-Trainee Training” aimed at developing essential mindsets and skills for both trainers and trainees. We are planning to invest approximately 1 billion yen starting from the FY2023 towards developing specialized talent in three areas, including investment in necessary manufacturing facilities for the development of biopharmaceutical professionals.

#### Specialized Professional Development (Focus Areas)

<b>Biopharmaceutical Professional</b>	(Antibody Manufacturing Process Development)
<b>Global Professional</b>	(Quality Control/Assurance, Regulatory Affairs, Manufacturing)

#### Desired Talent Profile

Individuals who thoroughly understand the manufacturing processes related to biopharmaceuticals and can conduct process development research that contributes to drug discovery research and cost reduction of 5DXd ADCs.
Individuals who understand the manufacturing processes of biopharmaceuticals and can demonstrate expertise within the technology unit and across the entire value chain to advance biopharmaceutical-related operations.
Individuals who can rapidly and equitably share information and decision-making globally, possess global skills (such as proficiency in English, cross-cultural adaptability, and an international perspective), and are capable of performing global tasks regardless of their location.
Individuals who understand both the business requirements and digital/data aspects across the Daiichi Sankyo Group's value chain, and can drive DX transformation in existing businesses and operational processes.

## 3

# Expected Outputs and Outcomes

By implementing the above human capital measures, our Group believes that we can achieve the enhancement of S&T and global talent, support individual growth, and establish an organizational culture and environment where diverse talents can thrive. To deliver innovative

pharmaceuticals and treatment solutions to people around the world, we aim to maximize human capital and strengthen our business foundation. This will drive the transformation into a highly productive, innovative organization and achieve sustainable value creation.