

Achieving Sustainable Value Creation through Value Co-Creation with Stakeholders

The Daiichi Sankyo Group, as a global pharmaceutical company, is addressing various demands from society, including responding to unmet medical needs. To meet these demands, we invest various forms of capital, including human and intellectual capital, and leverage our strength in Science & Technology—our source of competitive advantage—across the entire value chain. Through the development of pharmaceuticals that address diverse medical needs, the reduction of environmental impact, and the active participation of diverse talents, we provide social and economic value to a wide range of stakeholders, including patients and society at large. We aim to enhance our Group’s sustainable corporate value and contribute to the sustainable development of society by co-creating value with stakeholders and continuously circulating the value creation.

Requirements from Society

- Work environments where a diverse range of people can maximize their potential
- Unmet medical needs
- Improved access to pharmaceuticals
- Corporate management with high ethical standards as a life science company
- Global environmental issues
- ESG initiatives, and other requirements

INPUT

Human capital

- Number of global employees: 18,726 (as of March 31, 2024)
Japan: 9,468, North America: 3,573, Europe: 2,901, Asia, and other regions: 2,784
- Number of new employees (global): 2,840
- Training/development investments: 3.1 billion yen (FY2023)

Intellectual capital

- Oncology and other pipelines
- Technologies and know-how for discovering and delivering new drugs
- Accumulated pharmaceutical information
- Research and development investments: 364.3 billion yen (FY2023)

Manufactured capital

- 13 production sites globally
- Utilization of our collaboration with CMOs (Contract Manufacturing Organizations)
- Capital investments: 89.4 billion yen including CMO investments (FY2023)

Social and relationship capital

- Footprint in 30 countries/regions around the world (FY2023)
- Firm relationship with stakeholders
- Ensuring trust through compliance

Natural capital

- Total energy used: 732,769MWh (FY2023)
- Water consumed: 8,191 kilo m³ (FY2023)

Financial capital

- Equity capital (total equity): 1.6886 trillion yen (as of March 31, 2024)
- Borrowed capital (total liabilities): 1.7725 trillion yen (as of March 31, 2024)

Our Mission

- Purpose** Contribute to the enrichment of quality of life around the world
- Mission** Create innovative pharmaceuticals addressing diverse medical needs
- 2030 Vision** Innovative Global Healthcare Company Contributing to the Sustainable Development of Society

Current 5-year business plan (FY2021 to FY2025)

- Maximize 3ADCs**
- Profit growth for current business and products**
- Identify and build pillars for further growth**
- Create shared value with stakeholders**

Sources of Competitive Advantage



Materiality on Business

- Creating Innovative Pharmaceuticals
- Providing a Stable Supply of Top-Quality Pharmaceutical Products
- Providing the Highest Quality Medical Information
- Improving Access to Healthcare

Materiality on Business Foundations

- Promoting Environmental Management
- Promoting Compliance Management
- Corporate Governance Aimed at Fulfilling Our Mission
- Promoting the Success and Development of a Diverse Range of People Who Create Our Competitive Advantages

Core Values / Core Behaviors

OUTPUT

Pharmaceuticals Responding to Diverse Medical Needs

- Innovative pharmaceuticals
- Generic pharmaceuticals
- Vaccines
- Consumer healthcare products

Reducing Environmental Footprint

(Carbon neutrality)

Diverse Range of People

Value Created for Stakeholders



Patients

Reform standard of care
Improve Quality of Life

Example Outcomes

- Expand Enhertu® indications as well as launched countries and regions
- Achieve early launch and expansion of indications of innovative pharmaceuticals
- Create pharmaceutical information in line with medical needs



Shareholders and investors

Enhance corporate value
Improve total shareholder return

Example Outcomes

- Achieve DOE exceeding the cost of equity



Society and the natural environment

Respond to climate change
Respond to emerging and re-emerging infectious diseases of the future

Example Outcomes

- Decrease CO₂ emissions
- Decrease water consumption



Employees

Encourage the mutual continuous growth of both our employees and our Group

Example Outcomes

- The cultivation of specialized professionals who contribute to the creation of innovation
- Improve engagement

Sustainable enhancement of corporate value through

the value creation cycle

*DOE: Dividend on Equity = Total dividend amount / Equity attributable to owners of the company