



October 31, 2024

Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2025 (Fiscal 2024) <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
 Listed exchange: the Tokyo Stock Exchange
 Stock code number: 4568
 URL: <https://www.daiichisankyo.com>
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 Preparing supplementary material (Reference Data) on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors, analysts and the press)

(All amounts have been rounded down to the nearest million JPY)

1. Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2025 (from April 1, 2024 to September 30, 2024)

(1) Consolidated Financial Results (cumulative)

(Percentages indicate changes from the same period in the previous fiscal year)

| | Revenue | | Core Operating profit | | Operating profit | | Profit before tax | |
|-------------------------------------|-----------------|------|-----------------------|------|------------------|-------|-------------------|------|
| | Millions of JPY | % | Millions of JPY | % | Millions of JPY | % | Millions of JPY | % |
| Six months ended September 30, 2024 | 882,727 | 21.5 | 166,588 | 74.8 | 186,900 | 96.6 | 192,586 | 88.6 |
| Six months ended September 30, 2023 | 726,344 | 19.5 | 95,326 | 12.4 | 95,063 | (0.5) | 102,097 | 11.9 |

| | Profit for the period | | Profit attributable to owners of the Company | | Total comprehensive income | | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|-----------------------|------|--|------|----------------------------|--------|--------------------------|----------------------------|
| | Millions of JPY | % | Millions of JPY | % | Millions of JPY | % | JPY | JPY |
| Six months ended September 30, 2024 | 146,675 | 51.2 | 146,675 | 51.2 | 110,089 | (37.5) | 76.83 | 76.79 |
| Six months ended September 30, 2023 | 97,006 | 66.4 | 97,006 | 66.4 | 176,094 | 24.2 | 50.59 | 50.56 |

Note: Daiichi Sankyo discloses core operating profit, which excludes non-recurring gains and losses from operating profit, as an indicator of underlying profitability. For the definition of core operating profit, please refer to "1. Results of Operations (1) Operating Results for the first six months of the year ending March 31, 2025" on page 2 of the attached material.

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of the Company | Ratio of equity attributable to owners of the Company to total assets | Equity per share attributable to owners of the Company |
|--------------------------|-----------------|-----------------|--|---|--|
| | Millions of JPY | Millions of JPY | Millions of JPY | % | JPY |
| As of September 30, 2024 | 3,297,129 | 1,622,802 | 1,622,802 | 49.2 | 855.86 |
| As of March 31, 2024 | 3,461,135 | 1,688,603 | 1,688,173 | 48.8 | 880.40 |

2. Cash Dividends

| | Annual dividend per share | | | | |
|---------------------------------------|---------------------------|----------------|---------------|-----------------|-------|
| | First quarter | Second quarter | Third quarter | Fiscal year-end | Total |
| | JPY | JPY | JPY | JPY | JPY |
| Year ended March 31, 2024 | – | 20.00 | – | 30.00 | 50.00 |
| Year ending March 31, 2025 | – | 30.00 | | | |
| Year ending March 31, 2025 (Forecast) | | | – | 30.00 | 60.00 |

Note: Revision to the forecast of most recently announced figures: No

3. Forecast of Consolidated Financial Results for Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate changes from the previous fiscal year)

| | Revenue | | Core operating profit | | Operating profit | | Profit before tax | | Profit for the year | |
|-----------|-----------------|------|-----------------------|------|------------------|------|-------------------|------|---------------------|------|
| | Millions of JPY | % | Millions of JPY | % | Millions of JPY | % | Millions of JPY | % | Millions of JPY | % |
| Full year | 1,830,000 | 14.3 | 260,000 | 33.2 | 280,000 | 32.3 | 285,000 | 20.1 | 225,000 | 11.9 |

| | Profit attributable to owners of the Company | | Basic earnings per share |
|-----------|--|------|--------------------------|
| | Millions of JPY | % | JPY |
| Full year | 225,000 | 12.1 | 118.66 |

Note: Revision of the forecast from most recently announced figures: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Excluded: One company Daiichi Sankyo Espha Co., Ltd.

Note: Please see “2. Condensed Interim Consolidated Financial Statements with Primary Notes, (5) Notes to Condensed Interim Consolidated Financial Statements, Significant changes in the scope of consolidation during the period” on page 19.

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: No

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

(3) Number of ordinary shares issued

1) Number of issued shares at the end of the period (including own shares)

| | |
|--------------------------|----------------------|
| As of September 30, 2024 | 1,947,034,029 shares |
| As of March 31, 2024 | 1,947,034,029 shares |

2) Number of own shares at the end of the period

| | |
|--------------------------|-------------------|
| As of September 30, 2024 | 50,922,621 shares |
| As of March 31, 2024 | 29,531,339 shares |

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-------------------------------------|----------------------|
| Six months ended September 30, 2024 | 1,909,037,972 shares |
| Six months ended September 30, 2023 | 1,917,389,332 shares |

*The Japanese-language originals of the attached consolidated semi-annual financial statements are exempt from review conducted by certified public accountants or an audit firm.

*Disclaimer regarding forward-looking information including appropriate use of forecast financial results

The forecast information included in these materials is based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and results may differ from those forecast due to various factors.

Please see “1. Results of Operations (3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements” on page 9 for matters related to the above forecasts.

Attached Material

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1. Results of Operations

(1) Operating Results for the first six months of the year ending March 31, 2025

1) Overview

[Consolidated Financial Results (Core Base)]

(Millions of JPY; all amounts have been rounded down to the nearest million JPY.)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 | YoY change |
|--|--|--|-------------------|
| Revenue | 726,344 | 882,727 | 156,383 21.5% |
| Cost of sales* | 188,361 | 193,011 | 4,649 2.5% |
| Selling, general and administrative expenses* | 276,645 | 329,851 | 53,206 19.2% |
| Research and development expenses* | 166,010 | 193,275 | 27,264 16.4% |
| Core operating profit* | 95,326 | 166,588 | 71,262 74.8% |
| Temporary income* | 687 | 20,311 | 19,624 — |
| Temporary expenses* | 950 | 0 | -949 -100.0% |
| Operating profit | 95,063 | 186,900 | 91,836 96.6% |
| Profit before tax | 102,097 | 192,586 | 90,488 88.6% |
| Profit attributable to owners of the Company | 97,006 | 146,675 | 49,669 51.2% |
| Total comprehensive income | 176,094 | 110,089 | -66,005 -37.5% |

* Daiichi Sankyo Group (hereinafter, “the Group”) discloses core operating profit, which excludes temporary income and expenses from operating profit, as an indicator of ordinary profitability. Temporary income and expenses include gains/losses on sale of non-current assets, gains/losses associated with business restructuring (excluding gains/losses on sales of developed products and products on the market), impairment losses on property, plant and equipment, intangible assets, and goodwill, compensation for damages or settlement, and non-recurring and large gains/losses.

This table shows the actual results of cost of sales, selling, general and administrative expenses, and research and development expenses, exclusive of temporary income and expenses. The adjustment table from operating profit to core operating profit is stated in the reference data.

<JPY exchange rates for major currencies (average rate for the period)>

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---------|--|--|
| USD/JPY | 141.00 | 152.62 |
| EUR/JPY | 153.38 | 165.93 |

a. Revenue

- Revenue in the first six months of the year ending March 31, 2025 increased by JPY156.4 billion, or 21.5% year on year, to JPY882.7 billion.
- Revenue increased year on year due to the achieved growth with global mainstay products such as Enhertu (generic name: trastuzumab deruxtecan, T-DXd/DS-8201) and Lixiana (generic name: edoxaban), the positive effect from foreign exchange by the depreciation of JPY and others.
- The positive effect on revenue from foreign exchange was JPY39.6 billion in total.

b. Core operating profit

- Core operating profit increased by JPY71.3 billion, or 74.8% year on year, to JPY166.6 billion.
- Cost of sales was contained to JPY193.0 billion, constituting an increase of JPY4.6 billion, or 2.5% year on year, due to an improvement in cost-to-sales ratio as a result of a change in the product mix and others, despite an increase in revenue.
- Selling, general and administrative expenses increased by JPY53.2 billion, or 19.2%, to JPY329.9 billion due to the cost increase by an increase in profit sharing with AstraZeneca related to Enhertu.
- Research and development expenses increased by JPY27.3 billion, or 16.4% year on year, to JPY193.3 billion due to increased R&D investment in 5DXd ADCs (trastuzumab deruxtecan, datopotamab deruxtecan: Dato-DXd/DS-1062, patritumab deruxtecan: HER3-DXd/U3-1402, ifinatamab deruxtecan: I-DXd/DS-7300, DS-6000).
- The negative effect on core operating profit from foreign exchange was JPY1.4 billion in total.

c. Operating profit

- Operating profit increased by JPY91.8 billion, or 96.6% year on year, to JPY186.9 billion.
- The amount of increase compared to that of core operating profit was higher due to an increase in temporary income as a result of recording the gain on share transfer of Daiichi Sankyo Espha Co., Ltd.

d. Profit before tax

- Profit before tax increased by JPY90.5 billion, or 88.6% year on year, to JPY192.6 billion.
- The amount of increase compared to that of operating profit was lower mainly due to a deterioration in financial balance by a deterioration in loss (gain) on exchange differences.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company increased by JPY49.7 billion, or 51.2% year on year, to JPY146.7 billion.
- The amount of increase compared to that of profit before tax was lower due to the increase in income taxes. While income taxes decreased in the first six months of the year ended March 31, 2024 due to the impact of tax effect accounting related to the decision to transfer Daiichi Sankyo Espha Co., Ltd.

and others, there was no such impact in the first six months of the year ending March 31, 2025, and income taxes increased compared year on year.

f. Total comprehensive income

- Total comprehensive income decreased by JPY66.0 billion, or 37.5% year on year, to JPY110.1 billion due to decrease in the currency translation difference related to net assets of overseas subsidiaries and other factors.

[Revenue by Business Unit]

Revenue by business unit in the first six months of the year ending March 31, 2025 is as follows. Revenue by product is stated in the reference data.

a. Japan Business Unit

Revenue from Japan Business Unit includes revenue from products generated by the innovative pharmaceuticals business and the vaccine business.

Revenue from the Unit decreased by JPY7.2 billion, or 2.9% year on year, to JPY239.7 billion due to the loss of revenue from products generated by the generic pharmaceutical business since April 2024 in conjunction with the exclusion of Daiichi Sankyo Espha Co., Ltd. from the scope of consolidation, despite the growth of Lixiana, Enhertu, Tarlige and others.

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In June 2024, antitumor agent Ezharmia was approved for relapsed or refractory peripheral T-cell lymphoma (PTCL) and the promotion started.
- In July 2024, the decision was made to implement a transfer of marketing rights for the insomnia treatment Belsomra from MSD K.K. to the Company.
- In September 2024, COVID-19 mRNA vaccines DAICHIRONA for Intramuscular Injection (for omicron JN.1 variant) was launched.

b. Daiichi Sankyo Healthcare Unit

Revenue from Daiichi Sankyo Healthcare Unit increased by JPY5.1 billion, or 13.7% year on year, to JPY42.5 billion as a result of the increase in sales of Mytear, Loxonin, Minon and others.

c. Oncology Business Unit

Revenue from Oncology Business Unit includes revenue generated from cancer treatment products sold by Daiichi Sankyo, Inc. (the U.S.) and Daiichi Sankyo Europe GmbH.

Revenue from the Unit increased by JPY66.7 billion, or 44.8% year on year, to JPY215.5 billion and the revenue in local currency increased by USD357 million, or 33.8%, to USD1,412 million due to the growth of Enhertu in the U.S. and Europe.

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In April 2024, Enhertu was approved in the U.S. for multiple HER2 positive solid tumors and the promotion started.

d. American Regent Unit

Revenue from American Regent Unit increased by JPY9.4 billion, or 9.5% year on year, to JPY108.1 billion and the revenue in local currency increased by USD8 million, or 1.2%, to USD708 million due to increases in sales of generic injectables and others.

e. EU Specialty Business Unit

Revenue from EU Specialty Business Unit includes revenue from products other than from cancer treatment products generated by Daiichi Sankyo Europe GmbH.

Revenue from the Unit increased by JPY31.7 billion, or 36.7% year on year, to JPY118.2 billion and the revenue in local currency increased by EUR149 million, or 26.4%, to EUR712 million due to the growth in sales of Lixiana and Nilemdo/Nustendi.

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In May 2024, Nilemdo/Nustendi was approved for the treatments to reduce the risk of adverse cardiovascular events and the promotion started.

f. ASCA Business Unit

Revenue from ASCA^{*1} Business Unit includes sales to overseas licensees.

Revenue from the Unit increased by JPY16.5 billion, or 19.9% year on year, to JPY99.6 billion due to the growth in sales of Enhertu in Brazil and others.

^{*1} Asia, South & Central America

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In August 2024, Enhertu was approved in China for the treatment of HER2 positive gastric cancer and the promotion started.

2) Status of R&D

The Group focuses on accelerating global clinical development and is working on research and development in accordance with the “5DXd ADCs^{*1} and Next Wave” Strategy, which intensively allocates resources to five DXd ADCs for maximizing their product values, and aims to deliver medicines that change SOC^{*2} for realization of sustainable growth (Next Wave).

In the medium to long term, the Group aims to develop therapeutic drugs for various diseases in addition to oncology by utilizing its competitive science and technology, and strives to strengthen drug discovering capabilities by technology research of new modalities^{*3}.

^{*1} ADC: Abbreviation for Antibody Drug Conjugate, drug composed of an antibody drug and a payload (a small molecule drug) linked via appropriate linker. By using a monoclonal antibody that binds to a specific target expressed on cancer cells, a cytotoxic payload is delivered to cancer cells effectively with reducing systemic exposure. DXd ADCs are drugs that combine the Company’s proprietary drugs and linkers with antibodies.

^{*2} Standard of Care: Universally applied best treatment practice in today’s medical science.

^{*3} Modality: Medical treatment such as small molecule drugs, antibody drugs, ADC, nucleic acid drugs and gene therapy.

[5DXd ADCs]

The following describes the Group's clinical development of 5DXd ADCs projects in the first six months of the year ending March 31, 2025. The status of each clinical trial is stated in the reference data.

The Group is developing trastuzumab deruxtecan and datopotamab deruxtecan jointly with AstraZeneca. In addition, the Group is developing patritumab deruxtecan, ifinatamab deruxtecan, and DS-6000 jointly with Merck & Co., Inc., Rahway, NJ, USA (hereinafter "Merck in the U.S.").

a. Trastuzumab deruxtecan (T-DXd/DS-8201: HER2-directed ADC, brand name: Enhertu)

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In April 2024, the application was approved in the U.S. for second or later line treatment for HER2 positive (IHC 3+) solid tumors.
- In April 2024, the outline of trial results from the Phase III clinical trial for chemotherapy naïve hormone receptor (HR) positive and HER2 low breast cancer (trial name: DESTINY-Breast06) was presented.
- In June 2024, major analysis data was presented at the American Society of Clinical Oncology (ASCO) from the DESTINY-Breast06 trials.
- In June 2024, the latest data for monotherapy and combination therapy with pertuzumab as first line treatments was presented at ASCO from the Phase Ib/II clinical trial to evaluate monotherapy and combination therapy for HER2 positive breast cancer (trial name: DESTINY-Breast07).
- In August 2024, the application was approved in China for third or later line treatment for HER2 positive gastric or gastroesophageal junction adenocarcinoma.
- In August 2024, the application for approval in Europe for chemotherapy naïve HR positive, HER2 low, or HER2 ultralow breast cancer was accepted, and Breakthrough Therapy Designation^{*4} was granted by the U.S. Food and Drug Administration (FDA).
- In September 2024, the first data of the monotherapy cohort for second or later line treatment was presented at the World Conference on Lung Cancer (WCLC) from the Phase Ib clinical trial for HER2 positive nonsquamous NSCLC (trial name: DESTINY-Lung03).
- In September 2024, the data of the Phase IIIb/IV clinical trial for HER2 positive breast cancer with or without brain metastases (trial name: DESTINY-Breast12) was presented at ESMO.

^{*4} A System designed to expedite the development and review of medicines that may demonstrate substantial benefit over currently available treatments in order to ensure that patients with serious diseases have access to new treatments as soon as possible.

b. Datopotamab deruxtecan (Dato-DXd/DS-1062: TROP2-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In April 2024, the application for approval was accepted in the U.S. for second or later line treatment for HR positive, HER2 low or negative breast cancer.
- In May 2024, the outline of major analysis results on overall survival (OS) was presented from the Phase III clinical trial as second or later line treatment for NSCLC (trial name: TROPION-Lung01).
- In May 2024, the Phase III clinical trial for combination therapy with Rilvegostomig (AZD2936) as first line treatment for nonsquamous NSCLC (trial name: TROPION-Lung10) was initiated.
- In May 2024, the Phase III clinical trial for combination therapy with osimertinib as first line treatment of EGFR-mutated NSCLC (trial name: TROPION-Lung14) was initiated.
- In June 2024, the latest data of subgroup analysis from the Phase Ib clinical trial for first line treatment of NSCLC in combination with immune checkpoint inhibitors (trial name: TROPION-Lung02) was presented at ASCO.

- In September 2024, the final analysis results of OS from the Phase III clinical trial (trial name: TROPION-Lung01) for second or later line treatment for NSCLC were presented at WCLC, along with the progression-free survival (PFS) analysis data based on the TROP2-QCS^{*5} biomarker in the same trial.
- In September 2024, the data of the Phase II clinical trial for neoadjuvant/adjuvant therapy for NSCLC (trial name: NeoCOAST-2) was presented at WCLC.
- In September 2024, the first data regarding endometrial and ovarian cancer was presented at the European Society for Medical Oncology (ESMO) from the Phase II clinical trial for multiple solid tumors (trial name: TROPION-PanTumor03).
- In September 2024, the outline of the final analysis results of OS in the Phase III clinical trial for second or later line treatment for HR positive, HER2 low or HER2 negative breast cancer (trial name: TROPION-Breast01) was presented.

^{*5} A new computational pathology platform developed by AstraZeneca that analyzes digitized images of patient tissue samples and accurately quantifies target proteins such as TROP2 expressed on the surface and inside all tumor cells in the images

c. Patritumab deruxtecan (HER3-DXd/U3-1402: HER3-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In June 2024, a complete response letter was received from the Food and Drug Administration (FDA) in response to the application for approval in the U.S. for third line treatment of EGFR-mutated NSCLC based on the Phase II clinical trial (trial name: HERTHENA-Lung01).
- In September 2024, the primary endpoint of the Phase III clinical trial for the second line treatment for EGFR-mutated NSCLC (trial name: HERTHENA-Lung02) was achieved.

d. Ifinatamab deruxtecan (I-DXd/DS-7300: B7-H3-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In May 2024, the Phase II clinical trial for second or later line treatment for solid tumors (trial name: IDEate-Pantum02) was initiated.
- In August 2024, the Phase III clinical trial for second line treatment for extensive-stage small cell lung cancer (trial name: IDEate-Lung02) was initiated.
- In September 2024, the interim analysis data of the Phase II clinical trial for second or later line treatment for extensive-stage small cell lung cancer (trial name: IDEate-Lung01) was presented at WCLC.

e. DS-6000 (CDH6-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2025.

- In April 2024, the Phase II/III clinical trial for platinum-resistant ovarian cancer (trial name: REJOICE-Ovarian01) was initiated.

【Next Wave】

The following describes the major progress in the Next Wave in the first six months of the year ending March 31, 2025. The status of each clinical trial is stated in the reference data.

- In April 2024, the application for approval was accepted in Japan for administration of DS-5670 (COVID-19 mRNA vaccine, brand name in Japan: DAICHIRONA) for administration to ages five to 11 years.

- In June 2024, the application for approval was accepted in Japan for administration of DS-5670 to ages 12 years and older as vaccines against strains selected by the Ministry of Health, Labour and Welfare of Japan (MHLW) for Fiscal 2024 in Japan.
- In June 2024, two mRNA vaccines under development (pandemic influenza mRNA vaccine, and a seasonal influenza and COVID-19 combination vaccine) were adopted by MHLW for its “Vaccine Large Scale Clinical Trial Project.”
- In June 2024, the application was approved in Japan for the use of valemestostat (DS-3201: EZH1/2 inhibitor, brand name in Japan: Ezharmia) for the treatment of peripheral T-cell lymphoma (PTCL).
- In June 2024, the application was approved in China for the use of mirogabalin (DS-5565: $\alpha_{2\delta}$ (alpha 2 delta) ligand, brand name in Japan: Tarlige) for the treatment of diabetic peripheral neuropathic pain.
- In August 2024, MK-6070 (DS3280: a trispecific T-cell engager targeting DLL3), currently under development by Merck in the U.S., was added to the strategic collaboration agreement for three DXd ADC products with the company, and joint development commenced.
- In September 2024, the first data from the dose-escalation part of the Phase I clinical trial of DS-9606 (an anti-CLDN6 ADC with a pyrrolobenzodiazepine (PBD) payload, developed using our second proprietary ADC technology platform) for advanced solid tumors, was presented at ESMO.

(2) Analysis of Financial Position as of September 30, 2024

- Total assets as of September 30, 2024 were JPY3,297.1 billion, a decrease of JPY164.0 billion from the previous fiscal year-end, mainly due to a decrease in other financial assets (current assets), which was partially offset by increases in trade and other receivables, cash and cash equivalents, and other non-current assets.
- Total liabilities as of September 30, 2024 were JPY1,674.3 billion, a decrease of JPY98.2 billion from the previous fiscal year-end, mainly due to decreases in trade and other payables, liabilities directly associated with assets held for sale, and other non-current liabilities, which were partially offset by an increase in other financial liabilities (non-current liabilities.)
- Total equity as of September 30, 2024 was JPY1,622.8 billion, a decrease of JPY65.8 billion from the previous fiscal year-end, mainly due to cash dividend payment and purchase of own shares (21.53 million shares at an aggregate purchase cost of JPY120.0 billion), which were partially offset by profit for the period.
- The ratio of equity attributable to owners of the Company to total assets was 49.2%, an increase of 0.4 points from the previous fiscal year-end.

(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

- The differences from the forecasts of consolidated financial results for the year ending March 31, 2025, which were publicly announced on April 25, 2024, are shown below.

Revisions to the forecasts of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

| | Revenue | Core operating profit | Operating profit | Profit before tax | Profit for the year | Profit attributable to owners of the Company |
|---|-----------------|-----------------------|------------------|-------------------|---------------------|--|
| | Millions of JPY | Millions of JPY | Millions of JPY | Millions of JPY | Millions of JPY | Millions of JPY |
| Previous forecasts (A) | 1,750,000 | 210,000 | 230,000 | 235,000 | 190,000 | 190,000 |
| Revised forecasts (B) | 1,830,000 | 260,000 | 280,000 | 285,000 | 225,000 | 225,000 |
| Change (B-A) | 80,000 | 50,000 | 50,000 | 50,000 | 35,000 | 35,000 |
| Percentage of change (%) | 4.6 | 23.8 | 21.7 | 21.3 | 18.4 | 18.4 |
| (Reference) Year ended March 31, 2024 | 1,601,688 | 195,263 | 211,588 | 237,234 | 201,016 | 200,731 |

* Assumed exchange rate for the third and fourth quarter: USD/JPY = 145, EUR/JPY = 155

Note: The forecasted statements shown above are based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and other results may differ from these forecasted figures due to various factors.

Reason for the revision

- Revenue has been revised upward by JPY80.0 billion from the previous forecast to JPY1,830.0 billion to reflect the positive effect from foreign exchange by the depreciation of the JPY, and strong performance in product sales of global products, Lixiana, Enhertu and other products.
- Core operating profit, operating profit and profit before tax have been revised upward by JPY50.0 billion from the previous forecasts to JPY260.0 billion, JPY280.0 billion and JPY285.0 billion, respectively, reflecting an expected increase in gross profit due to an expected increase in revenues, as well as an expected decrease in R&D expenses due to a partial review of the timing of expenditures and others.

- Profit for the year and Profit attributable to owners of the Company have been revised upward by JPY35.0 billion from the previous forecast to JPY225.0 billion.

(4) Information about Return to Shareholders

- In order to secure sustainable growth in corporate value, one of the fundamental business policies of Daiichi Sankyo is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders.
- For fiscal 2023, the Company paid a year-end dividend of JPY30 per share on June 18, 2024. Accordingly, the annual dividend for the fiscal year, together with the interim dividend of JPY20 per share paid on December 8, 2023, was JPY50 per share in total.
- For fiscal 2024, given a higher probability of achieving the major financial targets for fiscal 2025 mainly due to further increase in sales of Enhertu, the Company intends to pay JPY60 as annual dividend per share, increased by JPY10 compared to that of fiscal 2023. At the Board of Directors meeting held on October 31, 2024, the Company has resolved to pay an ordinary dividend of JPY30 per share as an interim dividend. The Company will pay the interim dividend on December 10, 2024 to shareholders as of September 30, 2024. In addition, the Company has decided to acquire its own shares from April 26, 2024 to January 15, 2025 up to a total acquisition amount of JPY200.0 billion or a total acquisition shares of 55 million shares and to cancellate all the own shares acquired through the acquisition (Scheduled cancellation date: January 31, 2025) at the meeting of the Board of Directors held on April 25, 2024 to enhance capital efficiency and to improve shareholder returns. Based on the decision of the Board of Directors on April 25, 2024, the Company acquired approximately 21.53 million own shares for the cost of approximately JPY120.0 billion by September 30, 2024.

2. Condensed Interim Consolidated Financial Statements with Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of JPY)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 647,180 | 707,667 |
| Trade and other receivables | 454,188 | 531,836 |
| Other financial assets | 577,040 | 140,802 |
| Inventories | 438,111 | 453,088 |
| Other current assets | 32,999 | 50,576 |
| Subtotal | 2,149,521 | 1,883,971 |
| Assets held for sale | 24,503 | 12,250 |
| Total current assets | 2,174,024 | 1,896,221 |
| Non-current assets | | |
| Property, plant and equipment | 421,692 | 458,405 |
| Goodwill | 108,498 | 103,613 |
| Intangible assets | 168,300 | 207,814 |
| Investments accounted for using the equity method | 608 | 716 |
| Other financial assets | 147,906 | 153,803 |
| Deferred tax assets | 249,354 | 233,814 |
| Other non-current assets | 190,749 | 242,740 |
| Total non-current assets | 1,287,111 | 1,400,908 |
| Total assets | 3,461,135 | 3,297,129 |

(Millions of JPY)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 557,131 | 502,829 |
| Bonds and borrowings | 399 | 400 |
| Other financial liabilities | 12,775 | 13,804 |
| Income taxes payable | 46,391 | 40,857 |
| Provisions | 15,435 | 6,874 |
| Contract liabilities | 57,435 | 58,383 |
| Other current liabilities | 22,345 | 20,781 |
| Subtotal | 711,914 | 643,931 |
| Liabilities directly associated with assets held for sale | 11,484 | – |
| Total current liabilities | 723,399 | 643,931 |
| Non-current liabilities | | |
| Bonds and borrowings | 101,314 | 101,123 |
| Other financial liabilities | 46,229 | 47,724 |
| Post-employment benefit liabilities | 1,291 | 1,476 |
| Provisions | 13,978 | 13,301 |
| Contract liabilities | 680,166 | 671,162 |
| Deferred tax liabilities | 12,858 | 11,341 |
| Other non-current liabilities | 193,294 | 184,265 |
| Total non-current liabilities | 1,049,133 | 1,030,395 |
| Total liabilities | 1,772,532 | 1,674,326 |
| Equity | | |
| Equity attributable to owners of the Company | | |
| Share capital | 50,000 | 50,000 |
| Capital surplus | 1,962 | 3,980 |
| Own shares | (36,629) | (156,312) |
| Other components of equity | 283,998 | 245,707 |
| Retained earnings | 1,388,842 | 1,479,427 |
| Total equity attributable to owners of the Company | 1,688,173 | 1,622,802 |
| Non-controlling interests | 429 | – |
| Total equity | 1,688,603 | 1,622,802 |
| Total liabilities and equity | 3,461,135 | 3,297,129 |

(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of JPY)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|--|--|
| Revenue | 726,344 | 882,727 |
| Cost of sales | 188,412 | 193,077 |
| Gross profit | 537,931 | 689,650 |
| Selling, general and administrative expenses | 277,614 | 337,357 |
| Research and development expenses | 166,092 | 193,327 |
| Other income | 844 | 27,935 |
| Other expenses | 5 | 0 |
| Operating profit | 95,063 | 186,900 |
| Financial income | 12,108 | 17,767 |
| Financial expenses | 5,131 | 12,223 |
| Share of profit (loss) of investments accounted for using the equity method | 56 | 141 |
| Profit before tax for the period | 102,097 | 192,586 |
| Income taxes | 5,090 | 45,910 |
| Profit for the period | 97,006 | 146,675 |
| Profit attributable to: | | |
| Owners of the Company | 97,006 | 146,675 |
| Earnings per share | | |
| Basic earnings per share (JPY) | 50.59 | 76.83 |
| Diluted earnings per share (JPY) | 50.56 | 76.79 |

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of JPY)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|--|--|
| Profit for the period | 97,006 | 146,675 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | 10,853 | 4,620 |
| Remeasurements of defined benefit plans | 23 | (30) |
| Items that are or may be reclassified subsequently to profit or loss | | |
| Exchange differences on translation of foreign operations | 68,278 | (41,914) |
| Cash flow hedges | (67) | 738 |
| Total other comprehensive income for the period, net of tax | 79,088 | (36,586) |
| Total comprehensive income for the period | 176,094 | 110,089 |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 176,094 | 110,089 |

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended September 30, 2023

(Millions of JPY)

| | Equity attributable to owners of the Company | | | | | |
|---|--|-----------------|------------|-------------------------------|---|------------------|
| | Other components of equity | | | | | Cash flow hedges |
| | Share capital | Capital surplus | Own shares | Subscription rights to shares | Exchange differences on translation of foreign operations | |
| Balance as of April 1, 2023 | 50,000 | — | (36,808) | 608 | 168,415 | 403 |
| Profit for the period | — | — | — | — | — | — |
| Other comprehensive income for the period | — | — | — | — | 68,278 | (67) |
| Total comprehensive income for the period | | | | | 68,278 | (67) |
| Purchase of own shares | — | — | (11) | — | — | — |
| Disposal of own shares | — | 194 | 139 | (22) | — | — |
| Dividend | — | — | — | — | — | — |
| Share-based payment transaction | — | 627 | — | — | — | — |
| Transfer from other components of equity to retained earnings | — | — | — | — | — | — |
| Transfer to non-financial assets and similar items | — | — | — | — | — | (424) |
| Others | — | — | — | — | — | — |
| Total transactions with owners of the Company | — | 821 | 128 | (22) | — | (424) |
| Balance as of September 30, 2023 | 50,000 | 821 | (36,680) | 586 | 236,694 | (88) |

(Millions of JPY)

| | Equity attributable to owners of the Company | | | | | |
|---|--|---|----------------------------------|-------------------|--|--------------|
| | Other components of equity | | | Retained earnings | Total equity attributable to owners of the Company | Total equity |
| | Financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total other components of equity | | | |
| Balance as of April 1, 2023 | 31,446 | — | 200,874 | 1,231,788 | 1,445,854 | 1,445,854 |
| Profit for the period | — | — | — | 97,006 | 97,006 | 97,006 |
| Other comprehensive income for the period | 10,853 | 23 | 79,088 | — | 79,088 | 79,088 |
| Total comprehensive income for the period | 10,853 | 23 | 79,088 | 97,006 | 176,094 | 176,094 |
| Purchase of own shares | — | — | — | — | (11) | (11) |
| Disposal of own shares | — | — | (22) | — | 311 | 311 |
| Dividend | — | — | — | (28,760) | (28,760) | (28,760) |
| Share-based payment transaction | — | — | — | — | 627 | 627 |
| Transfer from other components of equity to retained earnings | (305) | (23) | (329) | 329 | — | — |
| Transfer to non-financial assets and similar items | — | — | (424) | — | (424) | (424) |
| Others | — | — | — | 310 | 310 | 310 |
| Total transactions with owners of the Company | (305) | (23) | (776) | (28,120) | (27,946) | (27,946) |
| Balance as of September 30, 2023 | 41,993 | — | 279,185 | 1,300,674 | 1,594,002 | 1,594,002 |

Six months ended September 30, 2024

(Millions of JPY)

| | Equity attributable to owners of the Company | | | | | | |
|---|--|-----------------|------------|-------------------------------|---|------------------|--|
| | Share capital | Capital surplus | Own shares | Other components of equity | | | |
| | | | | Subscription rights to shares | Exchange differences on translation of foreign operations | Cash flow hedges | Financial assets measured at fair value through other comprehensive income |
| Balance as of April 1, 2024 | 50,000 | 1,962 | (36,629) | 560 | 243,928 | (232) | 39,742 |
| Profit for the period | – | – | – | – | – | – | – |
| Other comprehensive income for the period | – | – | – | – | (41,914) | 738 | 4,620 |
| Total comprehensive income for the year | – | – | – | – | (41,914) | 738 | 4,620 |
| Purchase of own shares | – | (75) | (120,015) | – | – | – | – |
| Disposal of own shares | – | 24 | 332 | (36) | – | – | – |
| Dividend | – | – | – | – | – | – | – |
| Share-based compensation | – | 2,067 | – | – | – | – | – |
| Changes in ownership interest in subsidiaries | – | – | – | – | – | – | – |
| Transfer from other components of equity to retained earnings | – | – | – | – | – | – | (1,191) |
| Transfer to non-financial assets and similar items | – | – | – | – | – | (505) | – |
| Others | – | – | – | – | – | – | – |
| Total transactions with owners of the Company | – | 2,017 | (119,682) | (36) | – | (505) | (1,191) |
| Balance as of September 30, 2024 | 50,000 | 3,980 | (156,312) | 523 | 202,013 | – | 43,170 |

(Millions of JPY)

| | Equity attributable to owners of the Company | | | | | |
|---|--|----------------------------------|-------------------|--|---------------------------|--------------|
| | Other components of equity | | | Total equity attributable to owners of the Company | Non-controlling interests | Total equity |
| | Remeasurements of defined benefit plans | Total other components of equity | Retained earnings | | | |
| Balance as of April 1, 2024 | – | 283,998 | 1,388,842 | 1,688,173 | 429 | 1,688,603 |
| Profit for the period | – | – | 146,675 | 146,675 | – | 146,675 |
| Other comprehensive income for the period | (30) | (36,586) | – | (36,586) | – | (36,586) |
| Total comprehensive income for the year | (30) | (36,586) | 146,675 | 110,089 | – | 110,089 |
| Purchase of own shares | – | – | – | (120,090) | – | (120,090) |
| Disposal of own shares | – | (36) | – | 320 | – | 320 |
| Dividend | – | – | (57,525) | (57,525) | – | (57,525) |
| Share-based compensation | – | – | – | 2,067 | – | 2,067 |
| Changes in ownership interest in subsidiaries | – | – | – | – | (429) | (429) |
| Transfer from other components of equity to retained earnings | 30 | (1,161) | 1,161 | – | – | – |
| Transfer to non-financial assets and similar items | – | (505) | – | (505) | – | (505) |
| Others | – | – | 272 | 272 | – | 272 |
| Total transactions with owners of the Company | 30 | (1,704) | (56,090) | (175,460) | (429) | (175,889) |
| Balance as of September 30, 2024 | – | 245,707 | 1,479,427 | 1,622,802 | – | 1,622,802 |

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of JPY)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 102,097 | 192,586 |
| Depreciation and amortization | 28,560 | 33,298 |
| Impairment losses (reversal of impairment losses) | 3 | – |
| Financial income | (12,108) | (17,767) |
| Financial expenses | 5,131 | 12,223 |
| Share of (profit) loss of investments accounted for using the equity method | (56) | (141) |
| (Gain) loss on sale and disposal of non-current assets | 337 | (2,980) |
| (Increase) decrease in trade and other receivables | (34,621) | (85,022) |
| (Increase) decrease in inventories | (68,982) | (19,962) |
| Increase (decrease) in trade and other payables | 20,782 | (25,191) |
| Increase (decrease) in contract liabilities | (14,917) | (7,979) |
| Others, net | (50,006) | (104,989) |
| Subtotal | (23,779) | (25,926) |
| Interest and dividend received | 7,709 | 12,282 |
| Interest paid | (948) | (747) |
| Income taxes paid | (47,365) | (62,162) |
| Net cash flows from (used in) operating activities | (64,384) | (76,554) |
| Cash flows from investing activities | | |
| Payments into time deposits | (66,647) | (9,819) |
| Proceeds from maturities of time deposits | 266,328 | 346,494 |
| Acquisition of securities | (59,214) | (115,857) |
| Proceeds from sale and redemption of securities | 173,693 | 211,818 |
| Acquisition of property, plant and equipment | (45,686) | (56,879) |
| Proceeds from sale of property, plant and equipment | 16 | 482 |
| Acquisition of intangible assets | (3,564) | (39,281) |
| Acquisition of a subsidiary | (6,900) | – |
| Proceeds from sale of a subsidiary | 7,500 | 5,250 |
| Proceeds from collection of loans receivable | 114 | 16 |
| Others, net | (644) | 4,204 |
| Net cash flows from (used in) investing activities | 264,993 | 346,429 |

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Cash flows from financing activities | | |
| Repayments of bonds and borrowings | (41,198) | (199) |
| Purchase of own shares | (11) | (120,090) |
| Proceeds from sale of own shares | 0 | – |
| Dividend paid | (28,749) | (57,472) |
| Repayments of lease liabilities | (7,320) | (8,411) |
| Others, net | 0 | 0 |
| Net cash flows from (used in) financing activities | (77,279) | (186,173) |
| Net increase (decrease) in cash and cash equivalents | 123,329 | 83,700 |
| Cash and cash equivalents at the beginning of the period | 441,921 | 647,180 |
| Effect of exchange rate changes on cash and cash equivalents | 31,506 | (23,214) |
| Cash and cash equivalents at the end of the period | 596,757 | 707,667 |
| Cash and cash equivalents reclassified to assets held for sale | (5,989) | – |
| Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position) | 590,768 | 707,667 |

(5) Notes to Condensed Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant changes in the scope of consolidation during the period

Daiichi Sankyo Espha Co., Ltd. ("DSEP") has been excluded from the scope of consolidation since the Company completed transfer of a cumulative total of 51% of the issued shares of DSEP during the first six months of the fiscal year ending March 31, 2025.

Changes in Presentation

(Condensed Interim Consolidated Statement of Cash Flows)

The "Increase (decrease) in contract liabilities", which was included in "Increase (decrease) in trade and other payables" and "Others, net" under cash flows from operating activities, is disclosed separately from the first six months of the fiscal year ending March 31, 2025, since the monetary significance has increased.

To reflect this change in presentation, the Condensed Interim Consolidated Statement of Cash Flows for the first six months of the fiscal year ended March 31, 2024, has been reclassified on a consistent basis.

As a result, a portion of the amounts reported in "Increase (decrease) in trade and other payables" and "Others, net" under cash flows from operating activities in the Condensed Interim Consolidated Statement of Cash Flows for the first six months of the fiscal year ended March 31, 2024 amounting to JPY1,818 million and JPY13,098 million, respectively, has been reclassified as "Increase (decrease) in contract liabilities".

Operating Segment Information

Disclosure is omitted as the Group has a single segment, "Pharmaceutical Operation".