January 31, 2025

Consolidated Financial Results for the First Nine 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
Representative: Mr. Hiroyuki Okuzawa, Representative Director, President and COO
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Scheduled date of dividend payments: -
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 Nine Months of the Year Ending March 31, 2025 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	1,367,567	16.6	229,009	33.0	248,311	27.6	275,000	37.6
Nine months ended December31, 2023	1,173,269	23.7	172,229	45.5	194,551	53.0	199,846	56.8

	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
Nine months ended December 31, 2024	208,603	27.1	208,603	27.5	239,178	15.0	109.65	109.58
Nine months ended December 31, 2023	164,102	89.3	163,564	88.7	208,045	76.8	85.31	85.25

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 nine 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 December 31, 2024	3,443,612	1,624,374	1,624,374	47.2	863.62
As of March 31, 2024	3,461,135	1,688,603	1,688,173	48.8	880.40

2. Cash Dividends

	Annual dividends 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: Revisions 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	300,000	26.5	240,000	19.4

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of JPY	%	JPY
Full year	240,000	19.6	127.60

Note: Revisions to the forecast of 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 December 31, 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 December 31, 2024	66,138,672 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)

Nine months ended December 31, 2024	1,902,491,746 shares
Nine months ended December 31, 2023	1,917,410,710 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

*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 10 for matters related to the above forecasts.

Attached Material

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1. Results of Operations

(1) Operating Results for the first nine 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.)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	YoY change
Revenue	1,173,269	1,367,567	194,298 16.6%
Cost of sales*	310,318	321,392	11,074 3.6%
Selling, general and administrative expenses*	433,921	516,614	82,693 19.1%
Research and development expenses*	256,799	300,550	43,751 17.0%
Core operating profit*	172,229	229,009	56,779 33.0%
Temporary income*	26,876	21,454	-5,421 -20.2%
Temporary expenses*	4,555	2,152	-2,402 -52.7%
Operating profit	194,551	248,311	53,760 27.6%
Profit before tax	199,846	275,000	75,153 37.6%
Profit attributable to owners of the Company	163,564	208,603	45,038 27.5%
Total comprehensive income	208,045	239,178	31,133 15.0%

* 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, gains/losses associated with 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)>

(JPY)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
USD/JPY	143.29	152.56
EUR/JPY	155.28	164.82

a. Revenue

- Revenue in the first nine months of the year ending March 31, 2025 increased by JPY194.3 billion, or 16.6% year on year, to JPY1,367.6 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 JPY45.7 billion in total.

b. Core operating profit

- Core operating profit increased by JPY56.8 billion, or 33.0% year on year, to JPY229.0 billion.
- Cost of sales was contained to JPY321.4 billion, constituting an increase of JPY11.1 billion, or 3.6% 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 JPY82.7 billion, or 19.1%, to JPY516.6 billion due to the cost increase by an increase in profit sharing with AstraZeneca related to Enhertu.
- Research and development expenses increased by JPY43.8 billion, or 17.0% year on year, to JPY300.6 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 JPY0.9 billion in total.

c. Operating profit

- Operating profit increased by JPY53.8 billion, or 27.6% year on year, to JPY248.3 billion.
- The amount of increase compared to that of core operating profit was lower mainly due to a decrease in temporary income. The gain on share transfer of Daiichi Sankyo Espha Co., Ltd. in the first nine months of the year ending March 31, 2025, the settlement payment received from Novartis in the first nine months of the year ended March 31, 2024 following the settlement of a Daiichi Sankyo subsidiary in the U.S., Plexxikon's patent infringement lawsuit against Novartis and others were recorded as temporary income.

d. Profit before tax

- Profit before tax increased by JPY75.2 billion, or 37.6% year on year, to JPY275.0 billion.
- The amount of increase compared to that of operating profit was higher mainly due to an improvement in financial balance by an improvement in loss (gain) on exchange differences.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company increased by JPY45.0 billion, or 27.5% year on year, to JPY208.6 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 nine 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 nine months of the year ending March 31, 2025, and income taxes increased compared year on year.

f. Total comprehensive income

- Total comprehensive income increased by JPY31.1 billion, or 15.0% year on year, to JPY239.2 billion.

[Revenue by Business Unit]

Revenue by business unit in the first nine 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 JPY26.6 billion, or 6.5% year on year, to JPY385.7 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, Tarlige, Enhertu and others.

The following describes the major progress in the first nine 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.
- In October 2024, intranasal live attenuated influenza vaccine FluMist Intranasal Spray was launched.

b. Daiichi Sankyo Healthcare Unit

Revenue from Daiichi Sankyo Healthcare Unit increased by JPY7.5 billion, or 12.4% year on year, to JPY67.4 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 JPY104.2 billion, or 44.7% year on year, to JPY337.2 billion and the revenue in local currency increased by USD584 million, or 35.9%, to USD2,210 million due to the growth of Enhertu in the U.S. and Europe.

The following describes the major progress in the first nine 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 JPY17.9 billion, or 11.8% year on year, to JPY169.9 billion and the revenue in local currency increased by USD53 million, or 5.0%, to USD1,114 million due to increases in sales of generic injectables, Venofer 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 JPY40.7 billion, or 29.6% year on year, to JPY178.3 billion and the revenue in local currency increased by EUR196 million, or 22.1%, to EUR1,082 million due to the growth in sales of Lixiana and Nilemdo/Nustendi.

The following describes the major progress in the first nine 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 JPY23.2 billion, or 17.6% year on year, to JPY155.0 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 nine 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.
- In October 2024, Enhertu was approved in China for the treatment of HER2 mutant NSCLC (non-small cell lung 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 nine months of the year ending March 31, 2025 (from April 1, 2024 to December 31, 2024). 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 nine 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.
- In October 2024, the application for approval was accepted and Priority Review Designation*[5] was granted in the U.S., and the application for approval was accepted in Japan for chemotherapy naïve HER2 low, or HER2 ultralow breast cancer.
- In October 2024, the application was approved in China for the treatment of HER2 mutant NSCLC and history of systemic therapy.

[*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.

[*5] In the U.S., a system designed for medicines that would be significant improvements in treatment or medicines that offer treatment to patients having currently appropriate treatment. If granted, the review period can be expected to be shorter (targeted 6 months), compared to standard applications review period (targeted10 months).

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

The following describes the major progress in the first nine 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 inhibiters (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[*6] 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 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.
- In October 2024, the Phase III clinical trial evaluating monotherapy and combination therapy with osimertinib in patients with EGFR-mutated, nonsquamous NSCLC that progressed on prior osimertinib (trial name: TROPION-Lung15) was initiated.
- In November 2024, the application for approval was submitted in the U.S. for EGFR-mutated NSCLC who have received prior systemic therapies (including EGFR-targeted therapies), and the application for approval for second/third line treatments for nonsquamous NSCLC was voluntarily withdrawn.
- In December 2024, pooled analysis results of clinical trials targeting EGFR-mutated NSCLC were presented at the European Society for Medical Oncology Asia Conference (ESMO Asia).
- In December 2024, Breakthrough Therapy Designation was granted by the FDA for EGFR-mutated NSCLC with disease progression on or after treatment with an EGFR tyrosine kinase inhibitor and platinum-based chemotherapy.
- In December 2024, the application for approval submitted to the European Medicines Agency (EMA) for second/third line treatments for nonsquamous NSCLC was voluntarily withdrawn.
- In December 2024, the application was approved in Japan for the treatment of HR positive and HER2 negative breast cancer after prior chemotherapy.

[*6] 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 nine months of the year ending March 31, 2025.

- In June 2024, a complete response letter was received from 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 nine 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-Pantumor02) 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 nine 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 nine 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 5 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 valemetostat (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.
- In December 2024, the Phase III clinical trial for the first line treatment for *FLT3*-ITD-negative acute myeloid leukemia (AC220: FLT3 inhibitor, brand name: VANFLYTA) (trial name: QuANTUM-Wild) was initiated.

(2) Analysis of Financial Position as of December 31, 2024

- Total assets as of December 31, 2024 were JPY3,443.6 billion, a decrease of JPY17.5 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, intangible assets, and property, plant and equipment.
- Total liabilities as of December 31, 2024 were JPY1,819.2 billion, an increase of JPY46.7 billion from the previous fiscal year-end, mainly due to increases in contract liabilities and trade and other payables, which were partially offset by decreases in other non-current liabilities, income taxes payable and provisions.
- Total equity as of December 31, 2024 was JPY1,624.4 billion, a decrease of JPY64.2 billion from the previous fiscal year-end, mainly due to cash dividend payment and purchase of own shares (36.76 million shares at an aggregate purchase cost of JPY191.7 billion), which were partially offset by profit for the period.
- The ratio of equity attributable to owners of the Company to total assets was 47.2%, a decrease of 1.6 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 October 31, 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)	1,830,000	260,000	280,000	285,000	225,000	225,000
Revised forecasts (B)	1,830,000	260,000	280,000	300,000	240,000	240,000
Change (B-A)	-	-	-	15,000	15,000	15,000
Percentage of change (%)	-	-	-	5.3	6.7	6.7
(Reference) Year ended March 31, 2024	1,601,688	195,263	211,588	237,234	201,016	200,731

* Assumed exchange rate on the 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

- Profit before tax, Profit for the year and Profit attributable to owners of the Company have been revised upward by JPY15.0 billion from the previous forecast to JPY300.0 billion and JPY240.0 mainly to reflect an increase in financial income reflecting an improvement in foreign exchange gains (losses) in the first nine months of the year ending March 31, 2025.

(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 paid 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 cancel all the own shares acquired through the acquisition 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 38.71 million own shares for the cost of JPY200.0 billion by January 9, 2025 and canceled them on January 31, 2025.

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 December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	647,180	682,148
Trade and other receivables	454,188	624,174
Other financial assets	577,040	108,551
Inventories	438,111	475,355
Other current assets	32,999	73,170
Subtotal	2,149,521	1,963,399
Assets held for sale	24,503	12,250
Total current assets	2,174,024	1,975,649
Non-current assets		
Property, plant and equipment	421,692	487,470
Goodwill	108,498	114,801
Intangible assets	168,300	241,716
Investments accounted for using the equity method	608	735
Other financial assets	147,906	144,114
Deferred tax assets	249,354	238,316
Other non-current assets	190,749	240,808
Total non-current assets	1,287,111	1,467,962
Total assets	3,461,135	3,443,612

(Millions of JPY)

	As of March 31, 2024	As of December 31, 2024
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	557,131	564,474
Bonds and borrowings	399	401
Other financial liabilities	12,775	14,270
Income taxes payable	46,391	34,012
Provisions	15,435	4,229
Contract liabilities	57,435	66,298
Other current liabilities	22,345	28,667
Subtotal	711,914	712,355
Liabilities directly associated with assets held for sale	11,484	–
Total current liabilities	723,399	712,355
Non-current liabilities		
Bonds and borrowings	101,314	101,028
Other financial liabilities	46,229	48,282
Post-employment benefit liabilities	1,291	1,627
Provisions	13,978	13,531
Contract liabilities	680,166	754,085
Deferred tax liabilities	12,858	12,317
Other non-current liabilities	193,294	176,010
Total non-current liabilities	1,049,133	1,106,882
Total liabilities	1,772,532	1,819,238
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	1,962	5,007
Own shares	(36,629)	(227,950)
Other components of equity	283,998	306,489
Retained earnings	1,388,842	1,490,827
Total equity attributable to owners of the Company	1,688,173	1,624,374
Non-controlling interests	429	–
Total equity	1,688,603	1,624,374
Total liabilities and equity	3,461,135	3,443,612

(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)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	1,173,269	1,367,567
Cost of sales	310,759	321,459
Gross profit	862,509	1,046,107
Selling, general and administrative expenses	437,942	522,990
Research and development expenses	257,062	302,646
Other income	27,063	27,983
Other expenses	16	141
Operating profit	194,551	248,311
Financial income	21,532	31,231
Financial expenses	16,338	4,776
Share of profit (loss) of investments accounted for using the equity method	101	233
Profit before tax for the period	199,846	275,000
Income taxes	35,744	66,396
Profit for the period	164,102	208,603
Profit attributable to:		
Owners of the Company	163,564	208,603
Non-controlling interests	537	–
Profit for the period	164,102	208,603
Earnings per share		
Basic earnings per share (JPY)	85.31	109.65
Diluted earnings per share (JPY)	85.25	109.58

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit for the period	164,102	208,603
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	9,923	2,069
Remeasurements of defined benefit plans	35	(0)
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	32,625	27,619
Cash flow hedges	1,358	886
Total other comprehensive income for the period, net of tax	43,942	30,574
Total comprehensive income for the period	208,045	239,178
Total comprehensive income attributable to:		
Owners of the Company	207,507	239,178
Non-controlling interests	537	–
Total comprehensive income for the period	208,045	239,178

(3) Condensed Interim Consolidated Statement of Changes in Equity

Nine months ended December 31, 2023

(Millions of JPY)

	Equity attributable to owners of the Company						
				Other components of equity			
	Share capital	Capital surplus	Own shares	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, 2023	50,000	–	(36,808)	608	168,415	403	31,446
Profit for the period	–	–	–	–	–	–	–
Other comprehensive income for the period	–	–	–	–	32,625	1,358	9,923
Total comprehensive income for the period	–	–	–	–	32,625	1,358	9,923
Purchase of own shares	–	–	(17)	–	–	–	–
Disposal of own shares	–	194	139	(22)	–	–	–
Dividend	–	–			–	–	–
Share-based payment transaction	–	1,112	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(1,189)
Transfer to non-financial assets and similar items	–	–	–	–	–	(1,746)	–
Others	–	–	–	–	–	–	–
Total transactions with owners of the Company	–	1,307	121	(22)	–	(1,746)	(1,189)
Balance as of December 31, 2023	50,000	1,307	(36,686)	586	201,041	15	40,179

(Millions of JPY)

	Equity attributable to owners of the Company					
	Other components of equity					
	Remeasure-ments of defined benefit plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2023	–	200,874	1,231,788	1,445,854	–	1,445,854
Profit for the period	–	–	163,564	163,564	537	164,102
Other comprehensive income for the period	35	43,942	–	43,942	–	43,942
Total comprehensive income for the period	35	43,942	163,564	207,507	537	208,045
Purchase of own shares	–	–	–	(17)	–	(17)
Disposal of own shares	–	(22)	–	311	–	311
Dividend	–	–	(67,109)	(67,109)	–	(67,109)
Share-based payment transaction	–	–	–	1,112	–	1,112
Changes in ownership interest in subsidiaries	–	–	–	–	235	235
Transfer from other components of equity to retained earnings	(35)	(1,224)	1,224	–	–	–
Transfer to non-financial assets and similar items	–	(1,746)	–	(1,746)	–	(1,746)
Others	–	–	425	425	–	425
Total transactions with owners of the Company	(35)	(2,993)	(65,458)	(67,023)	235	(66,788)
Balance as of December 31, 2023	–	241,823	1,329,894	1,586,338	772	1,587,111

Nine months ended December 31, 2024

(Millions of JPY)

	Equity attributable to owners of the Company						
				Other components of equity			
	Share capital	Capital surplus	Own shares	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	–	–	–	–	27,619	886	2,069
Total comprehensive income for the period	–	–	–	–	27,619	886	2,069
Purchase of own shares	–	(80)	(191,703)	–	–	–	–
Disposal of own shares	–	(17)	383	(44)	–	–	–
Dividend	–	–	–	–	–	–	–
Share-based compensation	–	3,143	–	–	–	–	–
Changes associated with losing control of subsidiaries	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(7,385)
Transfer to non-financial assets and similar items	–	–	–	–	–	(654)	–
Others	–	–	–	–	–	–	–
Total transactions with owners of the Company	–	3,044	(191,320)	(44)	–	(654)	(7,385)
Balance as of December 31, 2024	50,000	5,007	(227,950)	515	271,547	–	34,426

(Millions of JPY)

	Equity attributable to owners of the Company					
	Other components of equity					
	Remeasure-ments of defined benefit plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2024	–	283,998	1,388,842	1,688,173	429	1,688,603
Profit for the period	–	–	208,603	208,603	–	208,603
Other comprehensive income for the period	(0)	30,574	–	30,574	–	30,574
Total comprehensive income for the period	(0)	30,574	208,603	239,178	–	239,178
Purchase of own shares	–	–	–	(191,784)	–	(191,784)
Disposal of own shares	–	(44)	–	320	–	320
Dividend	–	–	(114,408)	(114,408)	–	(114,408)
Share-based compensation	–	–	–	3,143	–	3,143
Changes associated with losing control of subsidiaries	–	–	–	–	(429)	(429)
Transfer from other components of equity to retained earnings	0	(7,384)	7,384	–	–	–
Transfer to non-financial assets and similar items	–	(654)	–	(654)	–	(654)
Others	–	–	405	405	–	405
Total transactions with owners of the Company	0	(8,083)	(106,618)	(302,977)	(429)	(303,407)
Balance as of December 31, 2024	–	306,489	1,490,827	1,624,374	–	1,624,374

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of JPY)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	199,846	275,000
Depreciation and amortization	43,526	50,668
Impairment losses (reversal of impairment losses)	361	2,014
Financial income	(21,532)	(31,231)
Financial expenses	16,338	4,776
Share of (profit) loss of investments accounted for using the equity method	(101)	(233)
(Gain) loss on sale and disposal of non-current assets	832	(2,035)
(Increase) decrease in trade and other receivables	(89,758)	(156,813)
(Increase) decrease in inventories	(86,514)	(34,298)
Increase (decrease) in trade and other payables	50,435	(17,108)
Increase (decrease) in contract liabilities	431,904	82,766
Others, net	79,182	(116,747)
Subtotal	624,521	56,757
Interest and dividend received	12,891	18,036
Interest paid	(1,018)	(913)
Income taxes paid	(67,102)	(92,156)
Net cash flows from (used in) operating activities	569,291	(18,275)
Cash flows from investing activities		
Payments into time deposits	(372,330)	(38,046)
Proceeds from maturities of time deposits	270,101	349,475
Acquisition of securities	(240,782)	(139,013)
Proceeds from sale and redemption of securities	199,050	316,035
Acquisition of property, plant and equipment	(68,332)	(79,854)
Proceeds from sale of property, plant and equipment	55	490
Acquisition of intangible assets	(7,083)	(46,949)
Acquisition of subsidiaries	(6,900)	–
Proceeds from sale of subsidiaries	7,500	5,250
Proceeds from collection of loans receivable	148	17
Others, net	(657)	(304)
Net cash flows from (used in) investing activities	(219,231)	367,101

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from financing activities		
Repayments of bonds and borrowings	(41,297)	(299)
Purchase of own shares	(17)	(191,784)
Proceeds from sale of own shares	0	–
Dividend paid	(67,141)	(114,402)
Repayments of lease liabilities	(11,268)	(12,771)
Others, net	0	0
Net cash flows from (used in) financing activities	(119,725)	(319,258)
Net increase (decrease) in cash and cash equivalents	230,334	29,567
Cash and cash equivalents at the beginning of the period	441,921	647,180
Effect of exchange rate changes on cash and cash equivalents	806	5,399
Cash and cash equivalents at the end of the period	673,062	682,148
Cash and cash equivalents reclassified to assets held for sale	(6,325)	–
Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)	666,736	682,148

(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 quarter of the fiscal year ending March 31, 2025.

Operating Segment Information

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