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Daiichi Sankyo Announces Disposal of Own Shares as Restricted Share-Based Compensation

Tokyo, Japan (June 17, 2024) – Daiichi Sankyo Company, Limited (hereafter “Daiichi Sankyo”) announced that, at the meeting of its Board of Directors (hereafter “the Board meeting”) held today, it decided to dispose of its own shares as restricted share-based compensation as follows (hereafter, “Disposal of Own Shares” or “Disposal”).

1. Overview of the Disposal of Own Shares

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| (1) Disposal date | July 16, 2024 |
| (2) Class and number of shares to be disposed | Ordinary shares of Daiichi Sankyo; 59,133 shares |
| (3) Disposal value | JPY 5,422 per share |
| (4) Total disposal value | JPY 320,619,126 |
| (5) Recipients of disposed shares | Daiichi Sankyo’s Directors (excluding Outside Directors): 5 persons, 20,696 shares Daiichi Sankyo’s Corporate Officers: 24 persons, 38,437 shares |
| (6) Other | Disposal of Own Shares is conditioned on the taking effect of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act. |

2. Purpose of and Reasons for the Disposal

Daiichi Sankyo resolved, the Board meeting held on April 28, 2017, to introduce a restricted share-based compensation plan (the “Compensation Plan”) in order to provide an incentive for Daiichi Sankyo’s Directors excluding Outside Directors (“Target Directors”) to sustainably increase Daiichi Sankyo’s corporate value and in order to further promote shared values with shareholders, as a new compensation plan for Daiichi Sankyo’s Target Directors and its Corporate Officers not concurrently serving as Directors (“Target Directors, etc.”). Moreover at the 12th Ordinary General Shareholders Meeting held on June 19, 2017, it was approved that monetary compensation not exceeding JPY140 million per year (excluding the amount of employee’s salary paid to a Director who concurrently holds an employee post) shall be paid to Target Directors as monetary compensation to serve as the property to be contributed for acquisition of shares with transfer and other restrictions (“restricted shares”) pursuant to the Compensation Plan and that the transfer restriction period for restricted shares shall be the period specified by the Board meeting of Daiichi Sankyo, which is a period between three to five years from the day on which such shares are allotted.

At the 15th Ordinary General Shareholders Meeting held on July 15, 2020, it was approved that the transfer restriction period for restricted shares shall be changed into the period until the time immediately after resignation or retirement of Target Directors from the day on which such shares are allotted to promote shared value between shareholders for as long as possible.

In addition, at the 16th Ordinary General Shareholders Meeting held on July 21, 2021, it was approved that as a part of the review of the executive compensation system, the total amount of payments of restricted share-based compensation paid to Directors (excluding Outside Directors) shall be JPY160 million or less per fiscal year, and the total number of ordinary shares to be issued or disposed of shall be 240,000 shares or less per year. (if, on or after the day on which this proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a share consolidation, or any other reason requiring an adjustment to the total number of the allotted shares arises, the total number shall be reasonably adjusted in accordance with the share split or share consolidation ratio.)

An overview of the Compensation Plan and other relevant details are shown below.

Overview of the Compensation Plan

Under the Compensation Plan, Target Directors, etc. shall pay in, every year in principle, all monetary compensation receivables provided by Daiichi Sankyo in the form of property contributed in kind, in accordance with the resolution by Daiichi Sankyo’s Board meeting, and shall, in return, receive Daiichi Sankyo’s ordinary shares to be issued or those subject to the Disposal.

In addition, under the Compensation Plan, the total number of ordinary shares that Target Directors receive by issuance or Disposal by Daiichi Sankyo shall be no more than 240,000 shares per year (provided, however, that if Daiichi Sankyo performs a share split (except that in the event of a share split with respect to Daiichi Sankyo’s ordinary shares (including the allotment of shares without contribution), a reverse share or any other event involving the necessity to adjust the number of shares, the number of shares to be issued or those subject to the Disposal may be adjusted as needed and to the extent reasonable according to the split or reverse split ratio) and the paid-in amount per share shall be determined by the Board meeting based on the closing price of Daiichi Sankyo’s ordinary shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board meeting (or the closing price on the transaction day immediately

prior thereto if no transaction is made on such business day) or any other amount within the extent that the amount will not be particularly advantageous to Target Directors who will subscribe Daiichi Sankyo's ordinary shares under the Compensation Plan.

Furthermore, the issuance or Disposal of Daiichi Sankyo's ordinary shares under the Compensation Plan shall be subject to a restricted share allotment agreement (the "Allotment Agreement") to be entered into by and between Daiichi Sankyo and each Target Director, etc., as outlined in "Overview of the Allotment Agreement" below. The Allotment Agreement shall include the following provisions: (1) Target Directors, etc. are prohibited from transferring, creating any security interest on, or otherwise disposing of Daiichi Sankyo's ordinary shares that have been received by allotment under the Allotment Agreement (the "Allotted Shares") for a specified period, and (2) Daiichi Sankyo shall acquire the said ordinary shares without contribution in the case where specified events happen.

On this occasion, after considering the results of deliberation of the Compensation Committee, of which Outside Directors form a majority, the purpose of the Compensation Plan, the scope of duties of each Target Director etc., and other factors, Daiichi Sankyo has decided to grant a total of JPY 320,619,126 as the monetary compensation receivables (the "Monetary Compensation Receivables"), and 59,133 ordinary shares.

With the Disposal of Own Shares 29 Target Directors, etc., the planned allottees of shares, shall pay in all of the Monetary Compensation Receivables, which are claims against Daiichi Sankyo, in the form of property contributed in kind for acquisition of the restricted shares for the 20th fiscal year of Daiichi Sankyo (April 1, 2024 to March 31, 2025), and shall receive the Disposal of Daiichi Sankyo's ordinary shares pursuant to the Compensation Plan.

Overview of the Allotment Agreement

(1) Transfer restriction period:

The period extending to the time immediately after resignation or retirement of the positions that are a Director of the Company or its Corporate Officer not concurrently serving as a Director from July 16, 2024 (the "Disposal Date")

(2) Lifting of transfer restrictions of shares

Target Director etc. must continue to be in either Daiichi Sankyo's Directors or its Corporate Officers not concurrently serving as Directors position during the period from the Disposal Date to the time immediately before the closing of the first Ordinary General Shareholders Meeting after the Date (In the case of a Corporate Officer not concurrently serving as a Director, the period shall be replaced the one from the first date of the fiscal year including the date to which the Allotted Shares are allocated to the last date of the fiscal year.) (the "Period of Service").

(3) Treatment when Target Director etc. resigns or retires from the post during the Period of Service due to the expiry of term of office, attainment of retirement age, or other justifiable reason

(i) Timing of lifting transfer restrictions

In the event that Target Director etc. resigns or retires from the position of Daiichi Sankyo's Director or its Corporate Officer not concurrently serving as Director (including resignation or retirement by death) during the transfer restriction period due to the expiry of term of office, attainment of retirement age, or other justifiable reason, the transfer restrictions shall be lifted at the time immediately after the resignation or retirement.

(ii) Number of shares whose transfer restrictions are lifted

The number of shares whose transfer restrictions are lifted shall be calculated by multiplying the number resulting when the number from the month including the Disposal Date (In the case of a Corporate Officer not concurrently serving as a Director, the month shall be replaced the one including the first date of the fiscal year including the date to which the Allotted Shares are allocated.) to the month including the date when Target Director etc. resigns or retires is divided by 12 (if that number exceeds 1, then make it 1) by the number of Allotted Shares held at the time of resignation or retirement prescribed in (i) above (provided, however, fractional shares less than the number of shares per unit share will be dropped from the number of shares obtained by the calculation).

(4) Acquisition without contribution by Daiichi Sankyo

Daiichi Sankyo shall, by rights, acquire without contribution any Allotted Shares on which the transfer restrictions have not been lifted at the time of expiration of the transfer restriction period or the time of lifting of the transfer restrictions prescribed in (3) above.

(5) Management of shares

The Allotted Shares shall be managed in dedicated accounts at Nomura Securities Co., Ltd. opened by each Target Director etc. to ensure it is not possible to transfer, create any security interest on, or otherwise dispose of the shares during the transfer restriction period. Daiichi Sankyo has entered into an agreement with Nomura Securities Co., Ltd. concerning management of the accounts of the Allotted Shares that are held by each Target Director etc. to ensure the effectiveness of the transfer restrictions, etc. relating to the Allotted Shares. In addition, the Target Directors, etc. have agreed to the details of the management of the accounts.

(6) Treatment during reorganization, etc.

If an agenda item regarding a merger agreement in which Daiichi Sankyo is the disappearing company, or a share exchange agreement or share transfer plan in which Daiichi Sankyo becomes a wholly owned subsidiary of another company, or other matters concerning reorganization, etc. have been approved at Daiichi Sankyo's General Shareholders Meeting (or by Daiichi Sankyo's Board meeting if approval for the said reorganization, etc. at Daiichi Sankyo's General Shareholders Meeting is not required) during the transfer restriction period, the relevant transfer restrictions will be lifted, based on the resolution of the Board meeting, upon the time immediately before the preceding business day of the effective date of the reorganization, etc. on the number of Allotted Shares calculated as follows: For Target Directors, the number of shares will be calculated by multiplying the number resulting when the number of months from the month including the Disposal Date (In the case of a Corporate Officer not concurrently serving as a Director, the month shall be replaced the one including the first date of the fiscal year including the date to which the Allotted Shares are allocated.) through the month including the date of the relevant approval is divided by 12 (if that number exceeds 1, then make it 1) by the number of Allotted Shares held at that time (provided, however, fractional shares less than the number of shares per unit will be dropped from the number of shares obtained by the calculation). Immediately after the transfer restriction has been lifted, the Company shall, by rights, acquire without contribution any Allotted Shares on which the transfer restriction has not been lifted.

3. Basis of Calculation and Specific Details of the Payment Amount

The Disposal of Own Shares to the planned allottees is carried out by using monetary compensation receivables provided to them as restricted share-based compensation for the 20th fiscal period of Daiichi Sankyo pursuant to the Compensation Plan, as property contributed in kind. To eliminate any arbitrariness in the disposal value, the closing price for ordinary shares of Daiichi Sankyo on June 14, 2024 (the business day immediately preceding the date of resolution by the Board meeting) on the Prime Market of the Tokyo Stock Exchange of JPY 5,422 is used as the disposal value. This value is deemed to be rational and not particularly favorable because it is the market share price on the day immediately preceding the date of resolution by the Board meeting.

(Reference) Management Flow of Restricted Shares (RS) under the RS System

