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## **Daiichi Sankyo Transfers Marketing Authorization of Cravit Preparations and Consolidated Subsidiary (Sub-subsidiary) Company in China to Another Company**

**Tokyo, Japan - (March 31, 2022)** – Daiichi Sankyo Company, Limited (hereinafter, Daiichi Sankyo) announced that at its board meeting held today it has decided to transfer marketing authorization of Cravit Tablets and Cravit Injections (hereinafter, Cravit preparations) in China and all investment equities of Daiichi Sankyo Pharmaceutical (Beijing) Co., Ltd. (Beijing, China; hereinafter, DSBJ), which is a 100%-owned subsidiary of Daiichi Sankyo (China) Holdings Co., Ltd. (hereinafter, DSCN), Daiichi Sankyo's consolidated subsidiary, to YaoPharma Co., Ltd. (Chongqing, China). DSCN concluded an equity transfer contract with YaoPharma Co., Ltd. on the same day. DSBJ holds marketing authorization of the Cravit preparations and manufactures the concerned preparations.

### **1. Objective of transfer**

The Daiichi Sankyo group of companies (hereafter, Daiichi Sankyo Group) is currently focusing on transforming into a profit structure focused on patented drugs in each region as a strategic pillar of its 5th 5-year Business Plan. It is also pursuing a medium- to long-term shift to oncology and a strengthened cardiovascular, pain and other therapeutic business in China. As the Chinese government promotes the use of generic drugs, the business environment of the Cravit preparations, for which the patent has expired, has changed. The Daiichi Sankyo Group, therefore, concluded that it should transfer the concerned business to a company outside our group. The products manufactured by DSBJ other than the Cravit preparations will be transferred to a Daiichi Sankyo group company in China for continued sales, or production will be discontinued.

## 2. Outline of the sub-subsidiary transferred

\* At an exchange rate as of end of February 2022 (1 US\$ = 115.55 yen, 1 yuan = 18.27 yen)

Name	Daiichi Sankyo Pharmaceutical (Beijing) Co., Ltd.		
Location	No.5 Yong Chang Zhong Lu, Beijing Economic Technological Development Area, Beijing 100176, China		
Title and name of representative	President Yuichi Yomasu		
Business Description	Development, manufacturing and marketing of pharmaceuticals		
Capital	83,800,000 US\$ (9.68 billion yen)		
Date of establishment	May 19, 1998		
Investor and investment ratio	Daiichi Sankyo (China) Holdings Co., Ltd. (100%)		
Relationship between Daiichi Sankyo and the concerned company	Capital relationship	Daiichi Sankyo's subsidiary (DSCN) owns 100% of the equities of the concerned company	
	Personnel relationship	Daiichi Sankyo's personnel delegated to DSCN as an executive additionally serves as the president of the concerned company, and Daiichi Sankyo's executive officer additionally serves as an executive auditor of the concerned company.	
	Business relationship	Daiichi Sankyo delivers the drug substance and grants use of the trademark.	
Financial condition and business performance in the last 3 years			
Fiscal term	Dec. 2019	Dec. 2020	Dec. 2021
Net assets	0.94 billion yuan (17.2 billion yen)	1.23 billion yuan (22.5 billion yen)	0.96 billion yuan (17.5 billion yen)
Total assets	1.04 billion yuan (19.0 billion yen)	1.32 billion yuan (24.1 billion yen)	1.14 billion yuan (20.8 billion yen)
Sales	1.15 billion yuan (21.0 billion yen)	0.99 billion yuan (18.1 billion yen)	0.72 billion yuan (13.1 billion yen)
Business profit	0.36 billion yuan (6.6 billion yen)	0.38 billion yuan (6.9 billion yen)	0.30 billion yuan (5.5 billion yen)
Current earnings	0.36 billion yuan (6.6 billion yen)	0.38 billion yuan (6.9 billion yen)	0.30 billion yuan (5.5 billion yen)
Current net earnings	0.27 billion yuan (5.0 billion yen)	0.29 billion yuan (5.2 billion yen)	0.23 billion yuan (4.2 billion yen)

## 3. Outline of receiving company

\* At an exchange rate as of end of February 2022 (1 yuan = 18.27 yen)

Name	YaoPharma Co., Ltd.
Location	100 Xingguang Avenue, Renhe Town, Yubei District, Chongqing, China
Title and name of representative	Chairman Qiang Liu
Business Description	Development, manufacturing and marketing of pharmaceuticals
Capital	0.196 billion yuan (paid-in capital) (3.58 billion yen)
Date of establishment	July 21, 1997

Net assets and total assets in the current business year	Net assets 3.24 billion yuan (59.19 billion yen) Total assets 4.78 billion yuan (87.33 billion yen) (as of end of December 2021)
Investor and investment ratio	Shanghai Fosun Pharmaceutical Development Co., Ltd. 61%
Relationship between Daiichi Sankyo and the concerned company	None

4. Transfer equity ratio, disposition price, and shares of ownership interest before and after transfer

Equity ratio before transfer	100%
Equity ratio transferred	100%
Disposition price	The disposition price is not disclosed as per confidentiality between both parties but was determined by negotiation with the receiving company pursuant to a fair procedure.
Equity ratio after transfer	0%

5. Transfer schedule

The transfer procedure is projected to be completed by the end of August 2022, following approval of the Chinese regulatory authority.

6. Future prospects

Gains from the equity transfer will be included in the company's financial results of fiscal year 2022. The impact of the transfer on Daiichi Sankyo's business performance will be announced immediately upon confirmation of the details.

### About Daiichi Sankyo

Daiichi Sankyo is dedicated to creating new modalities and innovative medicines by leveraging our world-class science and technology for our purpose "to contribute to the enrichment of quality of life around the world." In addition to our current portfolio of medicines for cancer and cardiovascular disease, Daiichi Sankyo is primarily focused on developing novel therapies for people with cancer as well as other diseases with high unmet medical need. With more than 100 years of scientific expertise and a presence in more than 20 countries, Daiichi Sankyo and its 16,000 employees around the world draw upon a rich legacy of innovation to realize our 2030 Vision to become an "Innovative Global Healthcare Company Contributing to the Sustainable Development of Society." For more information, please visit [www.daiichisankyo.com](http://www.daiichisankyo.com).

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