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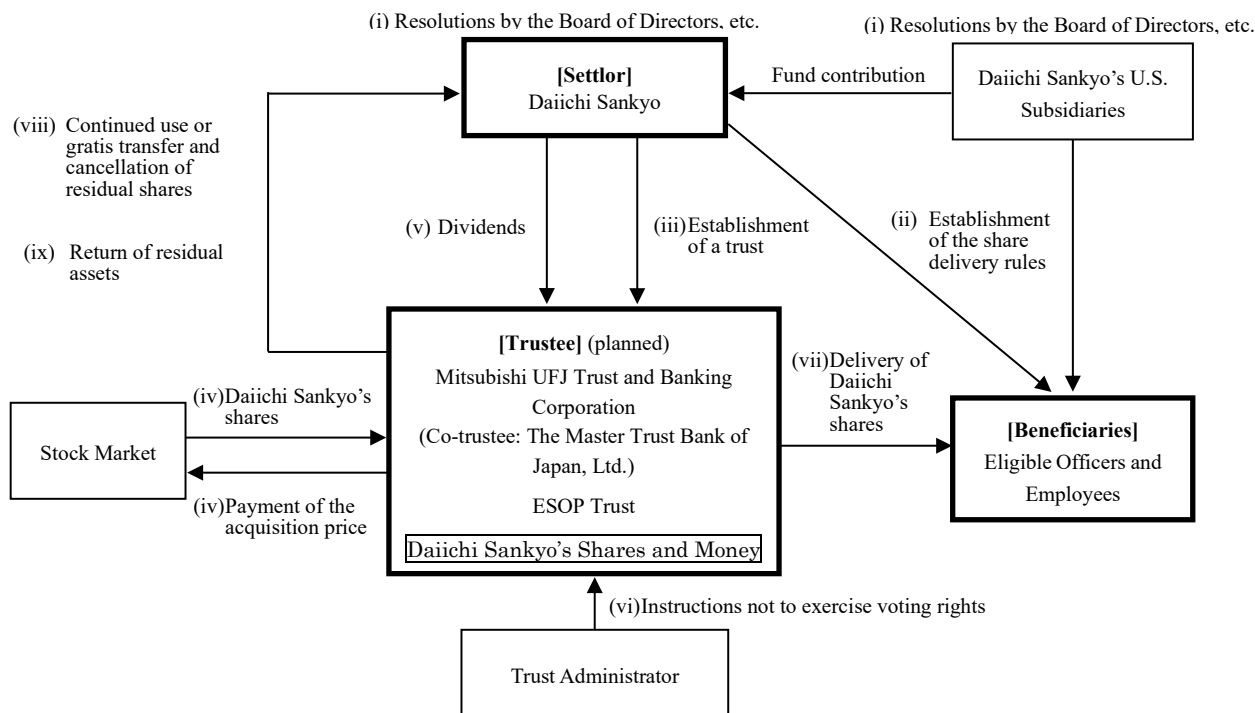
Daiichi Sankyo Announces the Introduction of a Trust-type Share Grant System for Officers and Employees of its U.S. Subsidiaries

Tokyo, Japan (August 30, 2022) – Daiichi Sankyo Company, Limited (hereinafter “Daiichi Sankyo”) announced that it decided at a meeting of its Board of Directors held today to introduce a trust-type share grant system (the “System”) as a new incentive plan instead of its share price-linked monetary compensation currently in place for eligible officers and employees of its U.S. subsidiaries (“Eligible Officers and Employees”). The details are stated as follows.

1. Purpose and Conditions Regarding Introduction of the System

- (1) Daiichi Sankyo will introduce the System to enhance the engagement of Eligible Officers and Employees, and to acquire and retain talented human resources by granting shares instead of its current share price-linked monetary compensation.
- (2) The System adopts a structure known as a share-granting ESOP (Employee Stock Ownership Plan) trust (“ESOP Trust”). The ESOP Trust is an incentive plan that references U.S. ESOP systems. The system delivers Daiichi Sankyo’s shares to Eligible Officers and Employees, based on the job grade and the individual performance of the Eligible Officers and Employees.

2. Structure of the ESOP Trust



- (i) Daiichi Sankyo and its U.S. subsidiaries will perform the required procedures such as resolutions by their Boards of Directors for the introduction of the System.
- (ii) Daiichi Sankyo and its U.S. subsidiaries will establish share delivery rules associated with the System at their respective Boards of Directors meetings, etc.
- (iii) Daiichi Sankyo will establish an ESOP Trust (the "Trust") wherein Eligible Officers and Employees who meet the beneficiary requirements as the beneficiaries and will entrust a set amount of money with the trustee during a set period each year.
- (iv) The Trust will acquire Daiichi Sankyo's shares from the stock market during a set period by using the money contributed in (iii) as a source according to the instructions of the trust administrator.
- (v) Dividends will be paid on Daiichi Sankyo's shares held by the Trust in the same manner as other shares of Daiichi Sankyo.
- (vi) Voting rights of Daiichi Sankyo's shares held by the Trust shall not be exercised throughout the trust period.
- (vii) During the trust period, a set number of points will be granted to Eligible Officers and Employees based on their job grade and the individual performance, etc. After a certain period of time has elapsed since the points are granted, a number of Daiichi Sankyo's shares corresponding to the number of points in question are delivered to Eligible Officers and Employees, who meet certain beneficiary requirements.
- (viii) If residual shares remain at the expiration of the trust period, the Trust will continue to be used as the System or as a similar share delivery system, or the Trust will make a gratis transfer of the residual shares in question to Daiichi Sankyo and Daiichi Sankyo will cancel such shares by a resolution of the Board of Directors.
- (ix) Upon termination of the Trust, the residual assets after distribution to beneficiaries will be returned to Daiichi Sankyo within the scope of the reserve for trust expenses, which is calculated by deducting funds for share acquisition from the trust money. In addition, any portion exceeding the reserve for trust expenses will be distributed to Eligible Officers and Employees that meet certain beneficiary

requirements, and then the remaining amount will be donated to an organization with no interest with Daiichi Sankyo.

(Note) In the case where Daiichi Sankyo's shares are exhausted from the Trust due to the delivery of Daiichi Sankyo's shares to Eligible Officers and Employees, who are meeting the beneficiary requirements, the Trust will be terminated prior to the expiration of the trust period. Daiichi Sankyo may also entrust additional money to the Trust as funds for the acquisition of Daiichi Sankyo's shares, and the Trust may acquire additional shares of Daiichi Sankyo. Then, each of Daiichi Sankyo's U.S. subsidiaries will contribute an amount of money equivalent to trust money based on the number of eligible persons, etc. at each company.

(Reference)

Details of Trust Agreement

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|------------------------------------|--|
| (i) Type of trust | Monetary trust other than a specified solely administrated monetary trust (third-party benefit trust) |
| (ii) Purpose of trust | To provide incentives to the Eligible Officers and Employees |
| (iii) Settlor | Daiichi Sankyo |
| (iv) Trustee | Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (v) Beneficiaries | Eligible Officers and Employees, who meet beneficiary requirements |
| (vi) Trust administrator | A third party (certified public accountant) with no interest with Daiichi Sankyo |
| (vii) Date of trust agreement | May 22, 2023 (planned) |
| (viii) Trust period | May 22, 2023 (planned) to August 31, 2026 (planned) |
| (ix) Start date of the System | May 22, 2023 (planned) |
| (x) Exercise of voting rights | No voting rights shall be exercised. |
| (xi) Type of shares to be acquired | Daiichi Sankyo's ordinary shares |
| (xii) Amount of trust money | Total of 400 million US dollar worth of Japanese yen (planned)
*Converted to Japanese yen using the exchange rates listed on “(xiii) Timing of share acquisition” and contributed as trust money on a year-by-year basis. |
| (xiii) Timing of share acquisition | Shares will be acquired with the amount of money in each period below.

(a) Fiscal year 2023: Approximately 125 million US dollar worth of Japanese yen (planned)

* Planned to be converted to Japanese yen using the TTM rate ^(Note) on May 16, 2023 (in the same manner in the following fiscal years)

(Note) Telegraphic Transfer Middle Rate
May 25, 2023 (planned) to June 21, 2023 (planned)

(b) Fiscal year 2024: Approximately 135 million US dollar worth of Japanese yen (planned)
May 27, 2024 (planned) to June 21, 2024 (planned)

(c) Fiscal year 2025: Approximately 140 million US dollar worth of Japanese yen (planned)
May 26, 2025 (planned) to June 20, 2025 (planned)

(excluding the period from five business days prior to the final day of the settlement period [including the quarterly settlement period] to the final day of the settlement period) |
| (xiv) Method of share acquisition | To be acquired from the stock market |

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| (xv) Rights holder | Daiichi Sankyo |
| (xvi) Residual assets | Residual assets that Daiichi Sankyo may receive as the rights holder shall be limited to the extent of the reserve for trust expenses, etc., which is calculated by deducting funds for share acquisition from the trust money. |

(Note) The above planned period may be changed to an appropriate period in light of applicable laws and regulations, etc.