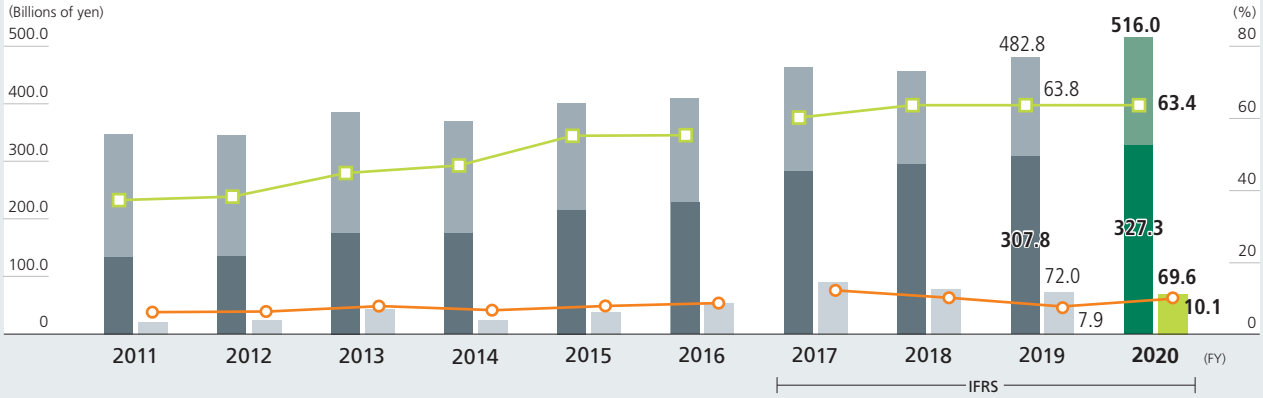
Financial Highlights

The Sumitomo Dainippon Pharma Group has adopted the International Financial Reporting Standards (IFRS) for preparing its consolidated financial statements from the fiscal year ended March 31, 2018.

Revenue / Overseas revenue / Ratio of overseas revenue / Operating profit / ROE

Revenue ¥516.0 Billion | Operating profit (Core Operating Profit under IFRS) ¥69.6 Billion | ROE 10.1%

Overseas revenue | Ratio of overseas revenue



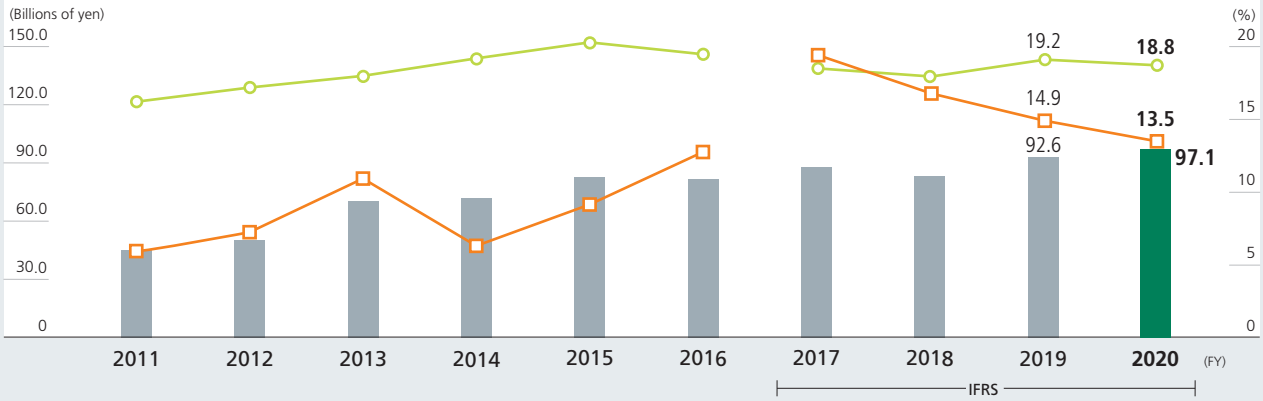
The Group's overseas revenue was ¥22.0 billion (ratio of overseas revenue: 8.4%) in fiscal 2006 which is the fiscal year after our merger. Our business foundations in North America was secured by the acquisition of U.S.-based Sepracor Inc. (now Sunovion Pharmaceuticals Inc.) in 2009, together with the launch of LATUDA® in the U.S. from February 2011, which grew into a blockbuster product exceeding $1 billion in sales in fiscal 2015,and overseas revenue has grown steadily to ¥327.3 billion (ratio of overseas revenue: 63.4%) in fiscal 2020. As a result, in fiscal 2017 the Group achieved all-time high operating profit (from fiscal 2017 shown as IFRS core operating profit*1 in the graph), and in fiscal 2020 we achieved all-time high revenue.

Our ROE in fiscal 2020 was 10.1%. Our ROE on financial goals for the second half of the 2020s is 10% or greater, despite decreasing to 3% for fiscal 2022, which is the final year of our Mid-term Business Plan 2022 ("the MTBP"), due to reduced profit as a result of increased SG&A expenses.

*1 Core operating profit is calculated by deducting from operating profit any gains and losses resulting from non-recurring factors that the Group designates.

R&D expenses / Ratio of R&D expenses to revenue / Ratio of operating profit to revenue / Launched products

R&D expenses ¥97.1 Billion | Ratio of R&D expenses 18.8% | Ratio of operating profit to revenue (IFRS values: Ratio of core operating profit to revenue)



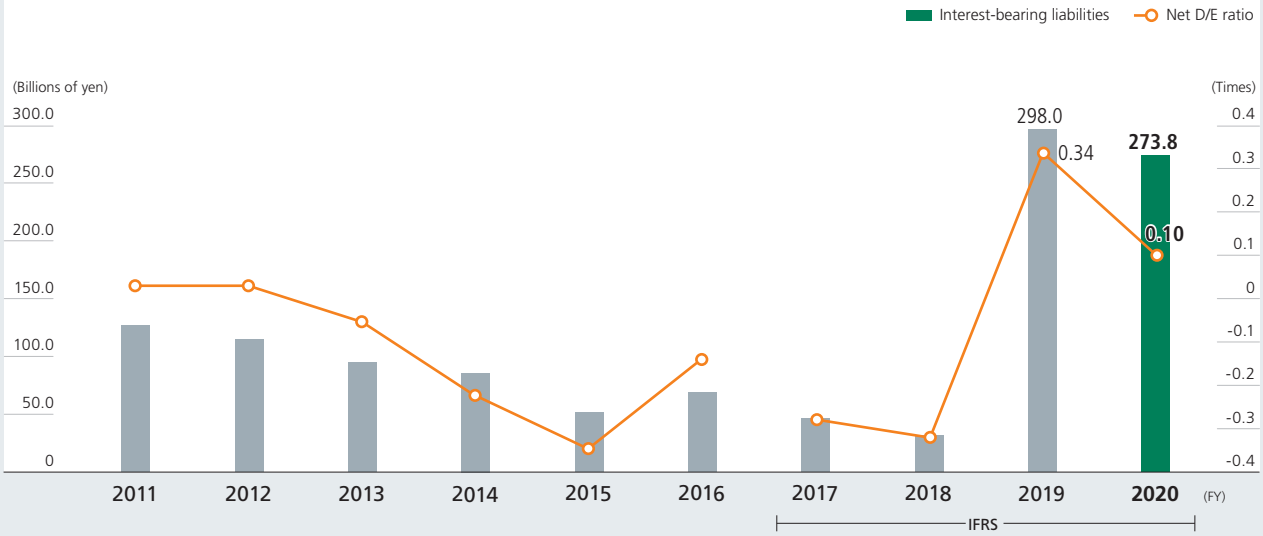
Timing of launch of main products	SUREPOST®	AIMIX®	APTIOM®	LONHALA® MAGNAIR®	RETHIO®	KYNMOBI® ORGOVYX®*2

Research and development investment is essential for the Group to deliver innovative new pharmaceuticals to patients. We proactively invest profit from our business activities with a target ratio of R&D expenses to revenue of up to 20%.
As a result, we have launched 15 new drugs since our merger in 2005.

(Note) The graph shows the timing new drugs were first launched, excluding additional indications.
New drugs launched before fiscal 2010 are LATUDA® in the U.S., METGLUCO®, TRERIEF®, MIRIPLA®, AmBisome®, REPLAGAL®, AVAPRO®, and LONASEN®.

*2 ORGOVYX® is owned by Myovant Sciences Ltd. Sumitomo Dainippon Pharma Group owns approximately 53% of the outstanding shares of Myovant.

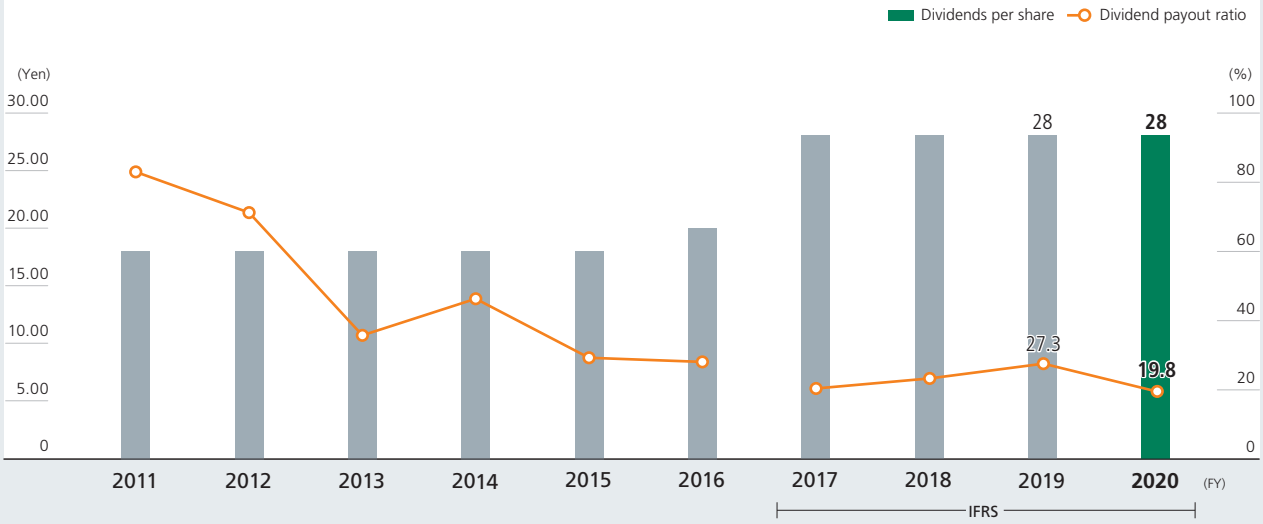
Interest-bearing liabilities / Net D/E ratio



In fiscal 2019, interest-bearing liabilities increased significantly as a result of short-term borrowings of ¥270.0 billion to finance payment of consideration for the strategic alliance with Roivant Sciences Ltd. In fiscal 2020, to maintain financial soundness we issued ¥120.0 billion of hybrid bonds (subordinated bonds) and renewed long-term borrowings of ¥125.0 billion from financial institutions. We will continue to work to strengthen our financial position such as by improving net cash.

➡ **Please see page 93 for Financial Policy (Message from the President).**

Dividends per share / Dividend payout ratio

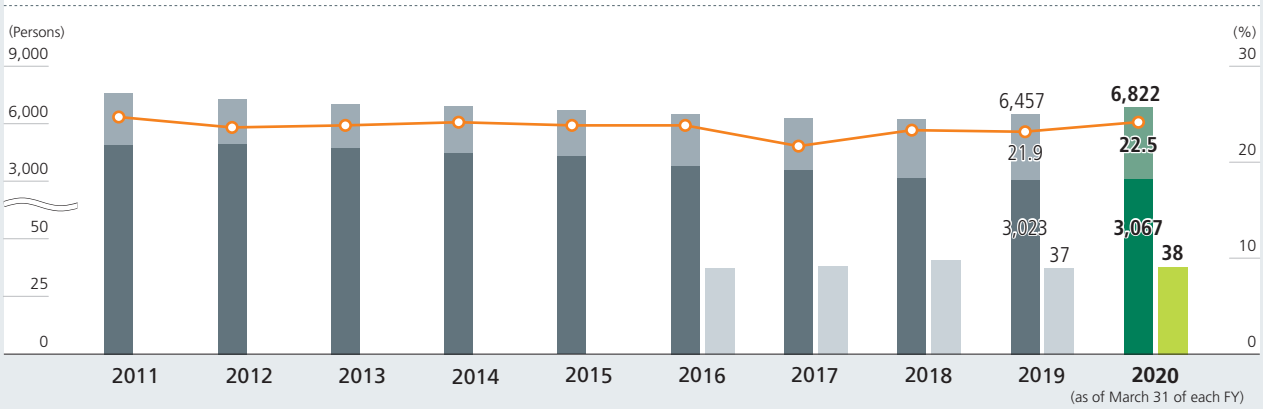


Sumitomo Dainippon Pharma's dividend policy is to maintain consistent dividend payments while also considering a performance-linked dividend hike. We aim for a five-year average dividend payout ratio for the five-year period of the MTBP (FY2018-2022) of 20% or higher.

Non-Financial Highlights

All figures are non-consolidated except number of employees (consolidated).

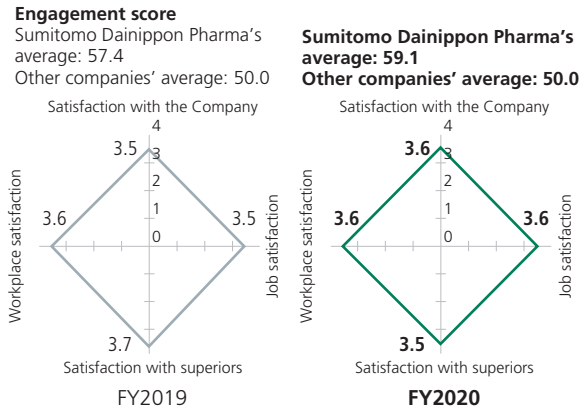
Number of employees / Number of R&D positions / Number of Professional Contributor positions



The Company has pursued management efficiency while simultaneously pursuing business expansion and globalization. Moreover, we have maintained a certain ratio of R&D positions to domestic employees, which is a source of value creation. Additionally, in fiscal 2016 we adopted a professional human resources system and established a new position of Professional Contributor (PC). This is the appointment of human resources that produce maximal results through outstanding individual capacity or excellent results based on high level of professionalism.

KPI for work style innovation

Employee engagement

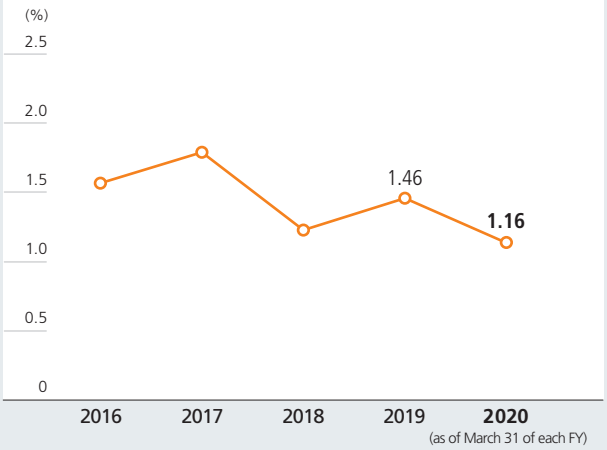


Employee engagement has been set as a key performance indicator (KPI) of work style innovation and we confirm this KPI using employee engagement scores as an indicator. To compare our progress with other companies, we have adopted the Motivation Cloud Service to measure and survey employee satisfaction and expectations since fiscal 2019. The Company has achieved high scores that exceed the averages of other companies in every category.

(Note) Each of the categories—satisfaction with the Company and with superiors, and job and workplace satisfaction—are scored out of five.

KPI for work style innovation

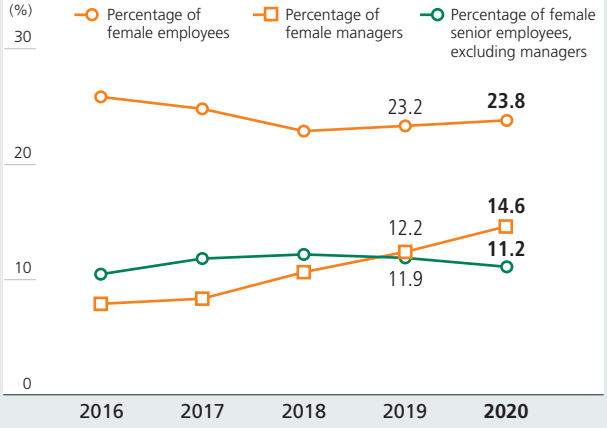
Employee Turnover Rate



We are aiming to enhance productivity through our promotion of work style innovation. Our key focuses on evaluating productivity are employee work-life balance and sense of fulfilment in work and sense of contribution to the Company. As an indicator to measure these, we are using employee turnover rate as a KPI. The employee turnover rate of employees leaving for personal reasons has been in the 1–1.99% range (less than 2%) for the last five years as a result of enhancing HR systems and creating comfortable working environments.

KPIs for diversity and inclusion

Percentage of female employees / Percentage of female managers / Percentage of female senior employees, excluding female managers

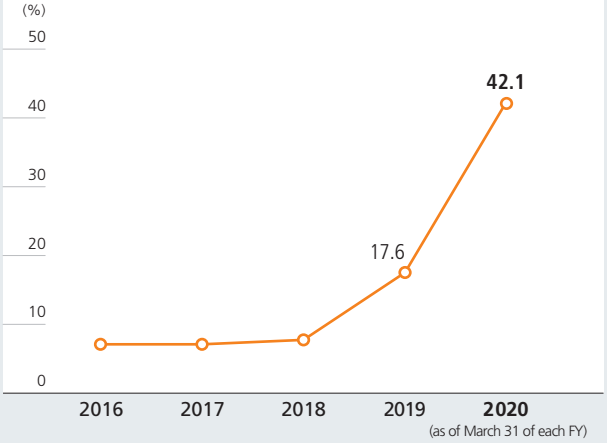


We believe that an equal ratio of men and women among our employees and among our managerial staff is one yardstick of our vision for women's active participation. Moreover, we are maintaining a ratio of female managers of 10% or higher and are aiming for a ratio of female managerial candidates to become female senior employees of 15% or higher. (Goals of March 31, 2023)

(Note) Ratio of female employees is as of the end of the fiscal year, and the ratio of female managers and the ratio of female senior employees excluding managers are as of April 1 of the following fiscal year.

KPI for diversity and inclusion

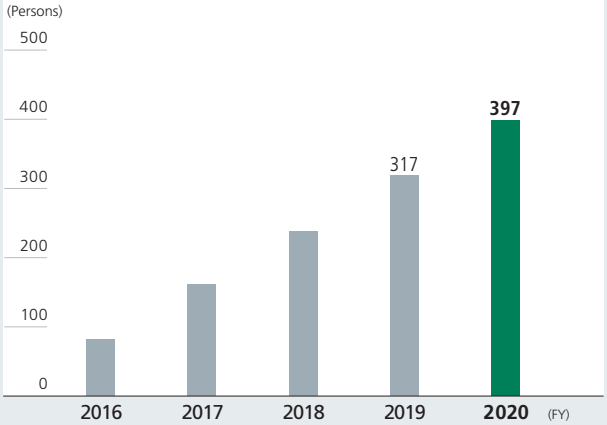
Percentage of male employees taking childcare leave



We believe a workplace environment with a healthy work-life balance for both males and females is desirable. We are aiming for a workplace environment that is even more conducive to a healthy work-life balance and have set and are working towards an aspirational goal of 100% of male employees taking childcare leave (goal of March 31, 2023). We achieved a ratio of 42.1% in fiscal 2020.

KPI for training and development of employees

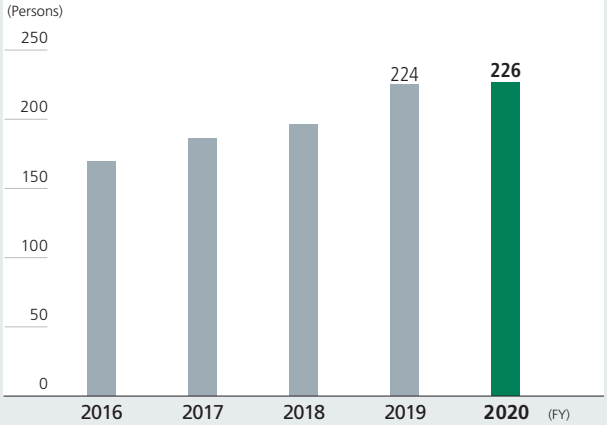
Number of participants in selective training (DSP Academy)



We established the DSP Academy in July 2016 with the aim of providing selected employees involved in management opportunities to acquire the knowledge and so on necessary for senior management positions. Employees with ambition and potential who can be expected to thrive as future executive candidates are selected from various levels—from junior to mid-career, management and supervisory roles. In the five years from fiscal 2016 to 2020, 397 employees took part in the training.

KPI for training and development of employees

Number of employees with overseas work experience



We are promoting initiatives to develop and strengthen human resources who can take on global management roles in future. Every year we are increasing the number of our employees with overseas work experience through measures such as ongoing promotion of HR development initiatives and systematic rotation of employees including to overseas subsidiaries.

(Note) The total number of employees with overseas work experience—starting from the number out of the total workforce as of March 31, 2016, and for each fiscal year thereafter.