

Human Resources Development



Giving our all to solve social challenges brings both company and employee growth

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Based on the idea that unique products are the product of unique people, Nippon Shinyaku respects the diversity of its employees and seeks to provide opportunities so that each and every one may take on challenges with a positive attitude and grow. The key message of our recruitment website is as follows: “Can you give your all for individuals?” Our employees believe and take pride in this message, and through action which embodies it, we are living up to the expectations of society.

The desire to give one’s all is what leads to action. The desire to give one’s all is the most powerful management resource. In accordance with this belief, in April 2023 we put a name on the desire to give one’s all, calling it the “NS Mind.” The NS Mind consists of three “alls,” principles that all employees, from the management team to the newest employee, should put into practice daily: “Give your all for yourself,” “give your all for others,” and “give your all for society.”

Nippon Shinyaku Academy (NS Academy) is a support system for autonomous career development. We also offer a variety of programs, providing support for developing expertise, MBA acquisition, PhD acquisition and studies abroad as complementary programs. Our HONKI Juku program for fostering the next generation of management leaders focuses on the management of tomorrow through dialogue with our management team. Employees can also make use of other systems, including those for second jobs, volunteering, and secondments, which provide opportunities to further cultivate sensibilities and diversity.

It is by no means easy to learn on one’s own initiative and build a career. We employ a variety of measures to increase the subjective happiness of employees on an individual level. We also constantly check on the health of individuals and organizational units through engagement and well-being surveys. Happy, unique, and individual human resources giving their all to solve social issues will promote sound company growth.

Materiality	Developing diverse human resources and realizing employee well-being	
Main Activities	FY2022 Activities	Issues and FY2023 Strategies
<ul style="list-style-type: none">Fostering autonomous human resources and global leaders who are motivated to growBuilding a flexible and resilient organization that can respond to changePromoting diverse work styles tailored to each individualRealizing a workplace that is comfortable and rewarding where psychological safety is ensured	<ul style="list-style-type: none">Instilled the NS MindCreated the NS MindLooked into the NS Academy systemRevised the Next-Generation Leader Challenge Program into HONKI JukuEstablished new programs to foster practical business skills and a global mindsetCreated new job descriptionsEvaluated the expertise needed for work tasks and expanded the professional system to provide appropriate employee treatmentIntroduced a second job systemPromoted 1-on-1 meetingsMade a portion of childcare leave paid	<ul style="list-style-type: none">Increasing the number of NS Academy participantsPromoting the human resources who have taken part in the Next-Generation Leader Challenge Program and HONKI Juku to middle management, executive, department manager, and other leadership positionsIncreasing the number of PROGOS English speaking test-takersIncreasing the number of participants in the global mindset trainingIncreasing the number of human resources able to flourish in global fieldsImplementing cross-departmental discussions on psychological safetyIntroducing engagement surveysExpanding the number of departments utilizing the flextime system

The NS Mind demonstrates the conduct, attitude, and awareness employees should set as a goal

In order to deliver our unique products as quickly as possible to as many people as possible, it is necessary for each and every employee to experience even greater growth and leverage their unique individuality and strengths in their work with each other. It is also essential for the entire company to come together as one team to maximize performance. For this purpose, we created the NS Mind, a list of principles which demonstrates the conduct, attitude, and awareness all employees should set as a goal. Through the NS Mind, we will aim for the growth of both employees and our Company to create an even better organization together.



The NS Mind: Three “alls” and seven actions

- <Give your all for yourself>
- 1. **Think and act as if it affects you personally**
Act with a sense of ownership toward any and all challenges.
 - 2. **Be better than you were yesterday**
Aspire each day to improve yourself as you engage in your work and self-development.
- <Give your all for others>
- 3. **Take the initiative and demonstrate leadership**
Be willing to speak up and get others involved.
 - 4. **Turn consideration into action**
Be considerate and create a highly psychologically safe environment.
 - 5. **When in doubt, share**
Share ideas, opinions, questions, knowledge, and experience to stimulate and inspire those around you.
- <Give your all for society>
- 6. **Think about the future of the Company and society**
Create a future that promotes the well-being of people.
 - 7. **Challenge yourself as a pioneer**
Have a dream for what you want to do as a member of Nippon Shinyaku and never give up on achieving it.

Human resources development policy

In order for Nippon Shinyaku to continue to grow sustainably, it needs to be a company employees choose, a company where employees feel self-fulfilled and that they are growing, a company where they want to continue to work. To that end, Nippon Shinyaku will be tackling four themes: Realizing employee treatment in line with roles, duties, and accomplishments; realizing self-directed career development and the placing of the right employee in the right position;

realizing a highly psychologically safe organization; and realizing flexible work styles. Accordingly, we will be establishing systems and an environment which enable all employees to flourish regardless of gender, nationality, age, or other personal characteristics. Additionally, in securing human resources, we engage in systematic mid-career recruitment, and the 4% of our employees who are mid-career hires provide us with their high levels of expertise. Going forward, we will be increasing our numbers of global human resources through both new graduate and mid-career recruitment.

Realizing employee treatment in line with roles, duties, and accomplishments	Realizing self-directed career development and the placing of the right employee in the right position	Realizing a highly psychologically safe organization	Realizing flexible work styles
<ul style="list-style-type: none">Job descriptionsReforming wage systemReducing number of years for promotionsRevising evaluation systems	<ul style="list-style-type: none">Competency surveysNS AcademyExpanding the professional systemWork experience in other departmentsSecond job system	<ul style="list-style-type: none">1-on-1 meetingsEngagement surveysInternal praise applicationLeadership assessments	<ul style="list-style-type: none">TelecommutingFlextimeStaggered working hoursSupporting work-life balance

■ **Realizing employee treatment in line with roles, duties, and accomplishments**

We have carefully considered our job descriptions establishing work content, authority, areas of responsibility, necessary skills and experience, objectives, and evaluation methods. Our goal is to make it easier for employees aiming for a specific position to create a self-development plan by clarifying the roles, duties, experience, and skills needed for positions, realizing employee treatment in line with roles and duties, and openly disclosing the required experience and skills. In addition, we have revised our evaluation systems to reflect employees taking on challenges in their work. We are also working on reducing the number of years required for promotions and reforming our wage system, which were previously based on age and experience.

■ **Realizing self-directed career development and the placing of the right employee in the right position**

Nippon Shinyaku has introduced competency surveys for its managerial positions so employees can get an objective analysis on the gap between where they are now and the role they should aim for. In addition, we looked into the NS Academy, a human resources development program whose goal is the success of diverse personnel and which supports employees’ autonomous career development. Nippon Shinyaku has established three types of human resources essential for its sustainable growth: those who promote “Change,” those who are “Global,” and those who are

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“Professional.” The Company has further established programs for each type spanning four categories: “Career,” “Basic,” “Skill up,” and “Challenge.”

● Fostering future managers

We have revised our Next-Generation Leader Challenge Program, operated since 2007, into a program called HONKI Juku (Change/Challenge). By taking self-development programs and tackling management challenges provided by our management team, the aim of HONKI Juku is to give employees the knowledge, skills, and attitude needed by the next generation of management. In addition to providing self-development programs, we have expanded opportunities to engage in dialogue with the management team.

● Fostering global human resources

In accordance with our global expansion, we have also enhanced our training and support in order to foster global human resources. Through global mindset training (Global/Basic) and other training, we offer programs that cultivate the kind of mindset to face global challenges constructively and on a level footing. In FY2023, 68 new employees and 81 employees who have received a promotion have undergone such training, which is also mandatory for new employees. Our foreign language support program (Global/Skill up) supports employees' self-directed study of English and other foreign languages. In order to promote actual English usage abilities beyond mere study, we have introduced the PROGOS English speaking test (Global/Skill up), and to date 349 employees have taken this test.

In addition, we have also established study abroad support systems (Global/Challenge) to provide opportunities to the next generation of employees who will lead the Company to study at international universities and research institutions, gain an understanding of global business, and expand their knowledge. The aims of these systems are not only the acquisition of specialized knowledge and the building of

personal connections but also to support life in other countries and cultures, foster global human resources, and increase employee drive to take on new challenges. In addition to a system supporting study abroad at an institution of the employee's choice, we also offer a system which recruits interested persons to study abroad at an institution that Nippon Shinyaku has selected.

● Fostering human resources for DX

Nippon Shinyaku is focusing on creating an organization suited to the digital age and fostering human resources who will promote DX. Our efforts are supported by the two following pillars: “measures to enhance the IT and DX literacy of all employees,” and “selective DX specialist training,” in which there have been a total of 1,493 participants.

Our measures to enhance the IT and DX literacy of all employees (Professional/Skill up) include support for obtaining Di-Lite*¹-compliant certifications, internal DX webinars provided by both in-house and external instructors, and the introductory “Manan-DEGITA-ru” course for improving IT skills directly related to employee work. Our selective DX specialist training (Professional/Challenge) is divided into foundational and applied courses for three skill categories: data science, business, and data engineering. Each training session is implemented for half a year.

● Fostering human resources who will produce competitiveness

Nippon Shinyaku provides a system which supports employees in technical and research positions who wish to obtain a PhD with the aim of improving the Company's research and engineering capabilities. We also foster human resources aiming for middle management and executive positions with a support system, open to a few employees each year, for obtaining an MBA with the aim of strengthening our organization as a whole. Nippon Shinyaku has around 50 MBA-holders, and 36.2% of employees have a PhD or master's degree.

● Fostering human resources who determine their own careers

We provide career development training (Career) for employees aged 30, 40, 50, and 55. This program, provided to all employees when they reach critical ages, provides them with the opportunity to think about the work style that best fits them, how they can contribute to Nippon Shinyaku, and the future of their career.

We will also be expanding our professional system for evaluating not just management capabilities but also the expertise needed for one's position. Other programs we will be

expanding include our internal open recruitment system and work experiences in other departments to promote career planning and inter-departmental exchange. Through these means, we will be supporting diverse work styles at Nippon Shinyaku. In August 2022, we introduced a second job system for working outside Nippon Shinyaku. This system supports the autonomous growth of employees and helps them gain a diverse background as well as knowledge and skills they could not acquire internally, promoting employee growth.

■ Realizing a highly psychologically safe organization

Nippon Shinyaku is aiming to cultivate a work environment that promotes employee well-being. In addition to promoting 1-on-1 meetings to enhance communication between superiors and subordinates, we have also introduced an internal praise application for use between colleagues. Further, we implement leadership assessments which collate the results of anonymous answers by subordinates on the words and actions of superiors, providing feedback on strengths, weaknesses, and the degree to which a superior has been able to demonstrate their skills.

Nippon Shinyaku has focused on health and productivity management since 2018. In addition to annual stress checks, since 2003 we have also implemented programs to support employee engagement. Stress checks, however, are only one component of proper self-care, and it has been difficult integrating them into improving workplace engagement. In the spring of 2023, we introduced a new engagement survey*² with the aim of resolving organizational challenges at a deeper level and promoting the well-being of each individual employee. We are working to achieve a positive response rate*³ of at least 75% for each of the three engagement items*⁴ in the survey.

■ Realizing flexible work styles

With the aim of enabling flexible work styles, increasing productivity, and creating work-life balance, Nippon Shinyaku has introduced flextime, telecommuting, and staggered working hour systems. Our flextime system, already introduced in some departments, is scheduled to be expanded to additional departments in the future.

With the revisions to the Childcare and Caregiver Leave Act in April 2022, Nippon Shinyaku's president released an internal message encouraging the utilization of childcare leave so that all who desired could make use of such leave with peace of mind. In addition, Nippon Shinyaku now provides paid leave for a portion of childcare leave (up to 14 days total paid leave when taking childcare leave for five consecutive business days or more). As a result, the childcare leave uptake rate was 76.1% in FY2022. In addition to a 100% uptake rate among eligible women, the uptake rate among eligible men rose to 69.3%, up from 50% in FY2021.

A workplace where employees trust and understand each other and can take childcare leave with peace of mind is a workplace that is comfortable not only for employees raising children but all employees who may have personal circumstances necessitating leave-taking. In order to realize such a workplace, Nippon Shinyaku will create a culture of mutual acceptance of each other's situations and circumstances, and of helping each other.

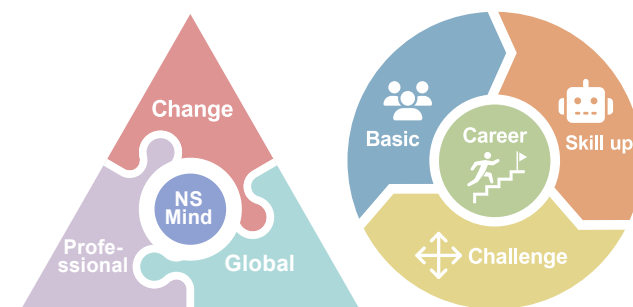
*1 Di-Lite: The scope of digital literacy all businesspersons should have as defined by the Digital Literacy Council of Japan.

*2 Nippon Shinyaku uses a survey provided by Qualtrics for its engagement surveys.

*3 The three engagement items in the survey are as follows:

- This company motivates me to contribute more than is normally required to complete my work.
- My work gives me a feeling of personal accomplishment.
- I would recommend this company to people I know as a great place to work.

*4 Positive response rate: The rate of those who answered “agree” or “strongly agree” on a five-point scale.



NS Academy



Shunya Kaji

Hospital Team
Chuo Sales and Marketing Branch
Tokyo Business Office
Sales and Marketing Department

Making full use of childcare leave with the support of my team members and a robust internal leave system

As a medical representative, I primarily work with university hospitals in Tokyo. When my first child was born, I didn't take off work, but after seeing how difficult childcare was, I felt like I should take childcare leave when my next child would be born. Later, my own brother took childcare leave, and I also learned about Nippon Shinyaku's own robust leave system, strengthening my decision to take leave when the time came. I was quick to tell the members of my team about my intention, and thanks to the cheerful support they gave me, I was able to use the childcare leave system smoothly and with peace of mind.

I was on leave for around a month, and I experienced firsthand the difficulty of raising children all day. This experience strengthened the bonds of my family and improved both my private and work life.

Diversity, Equity & Inclusion (DE&I)

Materiality	Developing diverse human resources and realizing employee well-being	
Main Activities	FY2022 Activities	Issues and FY2023 Strategies
<ul style="list-style-type: none"> Fostering a culture that recognizes individuals regardless of factors such as age, gender, values, or disability 	<ul style="list-style-type: none"> Conducted project activities by the Personnel Department and employees recruited from throughout the Company with the goal of employing people with disabilities and expanding their job opportunities In order to instill DE&I throughout the Company <ul style="list-style-type: none"> Held panel discussions with employees with disabilities and the Collaboration Department Simulated experience of people with developmental disabilities using VR Conducted Universal Manners (Level 3) training Conducted training on unconscious bias 	<ul style="list-style-type: none"> Promoting awareness of the importance of DE&I to human resources who have little experience collaborating in their own jobs or workplaces <ul style="list-style-type: none"> Publicizing the Collaboration Department Increasing the number of participants in Universal Manners training

Basic Approach to DE&I

Based on the idea that unique products are the product of unique people, Nippon Shinyaku respects diversity in terms of sex, age, nationality, and beliefs, and provides opportunities for individuals to take on challenges and grow in a positive manner. In order to create innovation and achieve sustainable growth, we are working to promote well-being and create an organizational climate in which employees with diverse values can thrive.

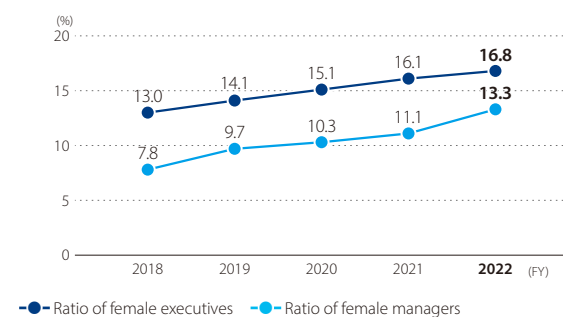
Supporting the advancement of diverse human resources

Since FY2019, Nippon Shinyaku has touted the goal of having 15% or more of female executives as part of its "General Employer Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace." That goal was met in FY2020, when female employees accounted for 15.1% of executive positions. In FY2022, that

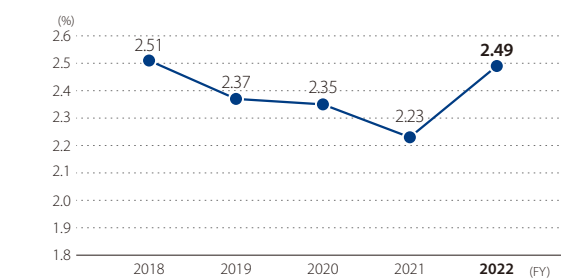
number rose to 16.8%, indicating that the number of female executives and female managers is growing every year. Having agreed to the Japan Business Federation (Keidanren)'s #Here We Go 203030 initiative—having females account for at least 30% of directors by 2030—we are aiming to create a workplace environment and organization that makes it possible for various types of human resources, including females, to improve their career.

As for employing people with disabilities, in FY2007, Nippon Shinyaku introduced the Dual System, which makes it possible for participants to learn while working, under the concept of diversity, equity, and inclusion. We are also working to expand employment and job opportunities in collaboration with work-transition support providers, government agencies, and local companies. We have not established any special-purpose subsidiaries, but we have set up collaborative departments to work with multiple people with disabilities and actively provide opportunities for them to grow together.

Ratio of female executives and female managers



Disabled employee ratio



Human Rights Initiatives

Materiality	Resolving social issues and coexisting with the community	
Main Activities	FY2022 Activities	Issues and FY2023 Strategies
<ul style="list-style-type: none"> Implementing in-house education and awareness-raising activities to promote understanding of human rights 	<ul style="list-style-type: none"> Conducted human rights risk survey for managers Conducted human rights due diligence training for all employees 	<ul style="list-style-type: none"> Establishing a system for human rights due diligence initiatives Raising awareness of human rights Having dialogue with third parties

Human Rights Initiatives

The Nippon Shinyaku Group has established the Nippon Shinyaku Group Human Rights Policy to fulfill its corporate respect for human rights based on the Code of Conduct for Nippon Shinyaku Group, which is a practical standard of conduct that all executives and employees should take in their business activities to meet the expectations of society and earn its trust.

Basic Approach to Human Rights

As a signatory to the United Nations Global Compact, we support the ten principles in the four areas of responsibility. We also understand the human rights expressed in the Universal Declaration of Human Rights and the principles related to fundamental rights set forth in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work as minimum standards. In our business activities, we respect the human rights and personalities of individuals in accordance with the Guiding Principles on Business and Human Rights. In terms of pharmaceutical R&D, we will act with high ethical standards in accordance with the Declaration of Helsinki and build a relationship of trust with society.

WEB Click here for the full text of our Human Rights Policy
<https://www.nippon-shinyaku.co.jp/english/sustainability/esg/social/humanrights.php>

Organizational structure

The Sustainability Committee, chaired by the president, deliberates and reports twice a year on initiatives concerning respect for human rights, and important matters are reported

to the Board of Directors. The director in charge of business management & sustainability is responsible for human rights, and the Corporate Sustainability Department promotes initiatives to resolve issues.

In 2023, we established a Human Rights Subcommittee under the Sustainability Committee to further promote full-scale human rights due diligence, with the heads of related divisions as members. The subcommittee will hold discussions to identify internal and external human rights issues and promote human rights initiatives.

Going forward, we will assess and identify human rights risks both internally and externally in order to build a human rights due diligence mechanism in accordance with the United Nations Guiding Principles on Business and Human Rights. Also, we will evaluate our efforts to address the identified risks and their effectiveness, and disclose information appropriately.

Human rights risk assessment

In 2022, the Nippon Shinyaku Group conducted a human rights risk survey and other surveys targeting managers. We will continue to conduct surveys on a regular basis and expand the scope of the survey in order to identify human rights risks and take appropriate measures.

Training and awareness

The Nippon Shinyaku Group provides training on human rights to all employees. In addition to annual training on harassment, training on human rights due diligence was conducted as part of departmental compliance training in 2022. We also inform our business partners about our human rights policy, seeking their understanding and promoting their efforts.

Well-being Management

Materiality			Developing diverse human resources and realizing employee well-being				
Main Activities	FY2022 Activities		Issues and FY2023 Strategies				
<ul style="list-style-type: none"> Realizing a workplace that is comfortable and rewarding where psychological safety is ensured Maintaining and improving employee health 	<ul style="list-style-type: none"> Held health seminars (seven times, total of 3,400 participants) Held company-wide online lecture 		<ul style="list-style-type: none"> Maintaining well-being promotion activities Expanding measures to enable co-workers to increase their sense of unity 				

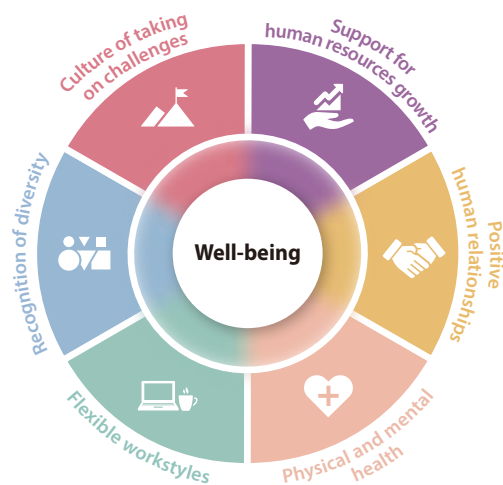
Approach to Well-being Management

Well-being refers to being in a positive state, physically, mentally, and socially. Nippon Shinyaku aims to be a company where employees can find happiness in their work. In other words, we seek to create a psychologically safe workplace where employees can be themselves. We believe well-being management is what enables each and every employee to find happiness in their work and realize our Business Philosophy, based on improvement of the working environment and promotion of health and productivity management. Nippon Shinyaku emphasizes six perspectives in promoting well-being management.

■ Six perspectives of well-being management

Maintaining the physical and mental health of employees is essential for well-being management. To achieve this, we engage actively in occupational health and safety activities, including prevention of workplace accidents and measures to address mental health to maintain a comfortable and safe working environment. We will also realize flexible workstyles through enhancement of systems such as flextime and telework.

In addition, by fostering a culture that recognizes diversity, we are building positive human relationships through connections between diverse people, and we will put in place well-being management to create an environment that is easy to work in.



Moreover, we will continue to help each and every employee to find job satisfaction by fostering a culture of taking on challenges and supporting the growth of human resources through the promotion of NS Mind and NS Academy within the Company.

Improving the Working Environment

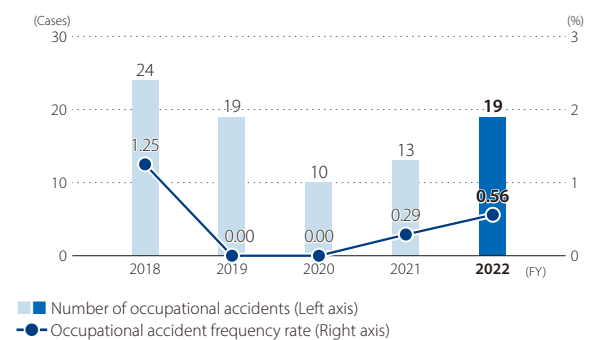
■ Basic Policy on Occupational Safety and Health

We will efficiently and effectively promote both basic safety and health activities and health and productivity management measures to maintain and enhance the health of employees. By doing so, we aim to protect the safety, security, and physical and mental health of all workers, create rewarding work environments, and continuously enhance the well-being of our employees.

■ Health and Safety Management Structure

The Company-wide Occupational Health and Safety (OH&S) Committee meets twice a year to decide on the policy for the fiscal year and evaluate and report on activities. We also promote company-wide health and safety activities, including the transmission of information from the Company-wide office to the OH&S Committee of each business location where meetings are held monthly.

Changes in number of occupational accidents and occupational accident frequency rate



* Occupational accident frequency rate = Number of fatalities and injuries from occupational accidents / Total number of actual working hours × 1,000,000

* Number of fatalities and injuries from occupational accidents: Number of fatalities and injuries from occupational accidents due to occupational injuries resulting in one or more days of absence from work and partial or total loss of body functions.

■ FY2022 measures to prevent the spread of COVID-19

Nippon Shinyaku implemented such measures as ensuring the thorough maintenance of basic infection controls, rules on mask wearing in line with government instructions, staggered working hours utilizing telecommuting and flextime, and urging self checks of the working environment during telecommuting. Going forward, as we do with regular influenza, we will continue to respond in line with the in-house procedures in the case of contraction of an infectious disease.

Promoting Health and Productivity Management

After the 2018 Nippon Shinyaku Health Declaration and 2020 Health Declaration, Nippon Shinyaku issued its Well-being Declaration 2021 in October 2021. In order to pursue well-being for employees and their families, the Health and Productivity Management Working Group (composed of the Well-being Promotion Section of the Personnel Department, the health insurance association, and the labor unions) has focused efforts on health seminars aimed at increasing health literacy and anti-smoking measures. In addition, we have assigned well-being supporters at our business sites to raise awareness of health and productivity management and collect opinions, and we promote health and productivity management in cooperation with them.

Aiming to Implement Well-being Management

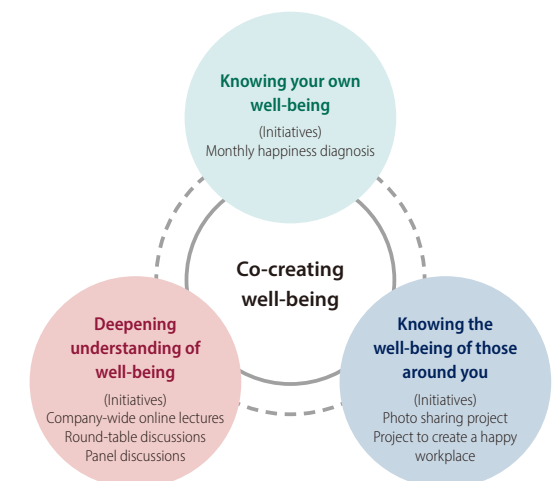
In 2021, we launched a project to promote well-being in the Personnel Department, with Professor Yukiko Uchida of the Institute for the Future of Human Society at Kyoto University as

an advisor. In April 2022, we changed the name of the department with responsibility for the project from the Health Promotion Office, Personnel Department to the Well-being Promotion Section, Personnel Department. In the area of internal awareness, we have accelerated full-scale well-being promotion activities with the aim of co-creating well-being based on three axes.

To mark the first anniversary after we issued Well-being Declaration 2021, we created an original sticker, which can also be described as the symbol of the activities. In addition, at a company-wide online lecture, after listening to Professor Yukiko Uchida's lecture, we had all employees declare what they would like to try doing for themselves and the people around them to enjoy working, creating an opportunity for employees to think about well-being as something that involves them personally.

Through the well-being promotion project, we will explore what it means to be in a positive state and implement measures to nurture connections between people and a spirit of altruism, which have a significant impact on well-being.

Three axes of well-being



Chihiro Katagiri
Well-being Promotion Section
Personnel Department

Contributing to well-being for each and every employee through dialogue

We launched the Well-being Promotion Project based on the desire for each and every employee to achieve well-being through their work and have been engaging in activities since 2021. Well-being is created by the Company and all the employees working together. Through activities to promote well-being internally, I found that dialogue is important. Sharing well-being time at company scale through the participation of many employees, which included creating the sticker and the well-being photo sharing project, brought me great happiness. In the future, I will continue to value dialogue in order to co-create well-being for each and every employee.