

INTEGRATED REPORT 2025

A New Way of Life

Network (As of July 1, 2025)

■ Main Offices

Tokyo Branch Office Business Offices Sapporo, Tohoku, Kanetsu, Tokyo, Chiba/Saitama, Yokohama, Nagoya, Kansai, Keiji/Hokuriku, Chushikoku, Kyushu, Discovery Research Laboratories, Discovery Research Laboratories in Tsukuba, Food Science Laboratories, Yamashina Botanical Research Institute, Odawara Central Factory, East Logistic Center, West Logistic Center

■ Domestic Subsidiaries

Sioe Pharmaceutical Co., Ltd., Tajima Shokuhin Kogyo Co., Ltd., Nippon Shinyaku Advance Co., Ltd.

■ Overseas Subsidiaries and Office

NS Pharma, Inc., Beijing Nippon Shinyaku Co., Ltd., Tianjin Nippon Shinyaku Co., Ltd., London office



Helping People Lead Healthier, Happier Lives



A global healthcare
company from Kyoto
creating various
types of new ways
of life for each person
around the world

Kyoto

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◆ Editorial Policy

This report provides comprehensive coverage of non-financial information, including the environment, society, and governance, in addition to financial information so that all of our stakeholders can understand the corporate value of the Nippon Shinyaku Group.

◆ Guidelines Referenced

- Integrated Reporting Framework, International Sustainability Standards Board (ISSB)
- GRI Standards
- Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry

◆ Forward-Looking Statements

Statements contained in this report concerning plans, predictions, and strategies to improve future performance ("forward-looking statements") are based on information currently available to the Company's management, and inevitably involve a certain element of risk and uncertainty. Actual results may therefore differ from those in the forward-looking statements. This report contains information about the Company's pharmaceuticals (including products in development); this information is not intended to function as a promotion or medical advice.

- * As figures presented in this report have been rounded, totals may not exactly equal the sum of their composite figures.
- * Product names featured in the report are registered trademarks of Nippon Shinyaku or affiliated companies.
- * All information in this report, including comments, has been obtained in an appropriate manner.

◆ Scope of Reporting

Period covered: Fiscal 2024 (April 1, 2024 – March 31, 2025)

* Some sections of the report discuss initiatives from April 2025 onwards.

Companies covered: Nippon Shinyaku Co., Ltd. and its Japanese and overseas Group Companies

* However, some sections of the report only cover Nippon Shinyaku Co., Ltd.

◆ Relevant Information

Sustainability/ESG information

- Website: Sustainability
- Human Capital Report
- Corporate Governance Basic Policy
- Corporate Governance Report
- ESG Data
- GRI Standard Content Table

Information for shareholders and investors

- Website: Investor Relations
- Annual Securities Report*
- Financial Summary*
- Management Policy and Plan (Medium-Term Management Plan)
- Shareholder Communications

* All statutory disclosure/timely disclosure documents and other disclosure materials are available on the Company's website.

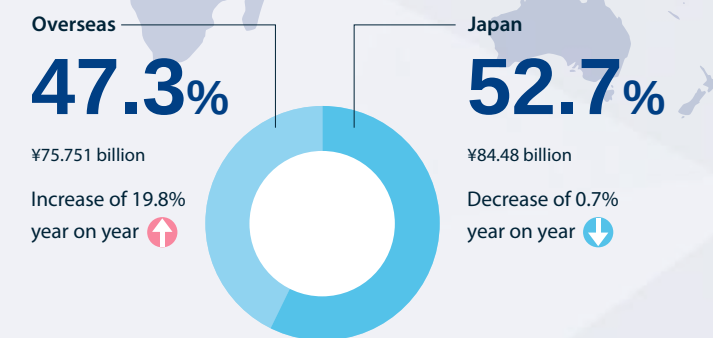
At a Glance

Nippon Shinyaku by the Numbers

* Figures for FY2024 or as of March 31, 2025

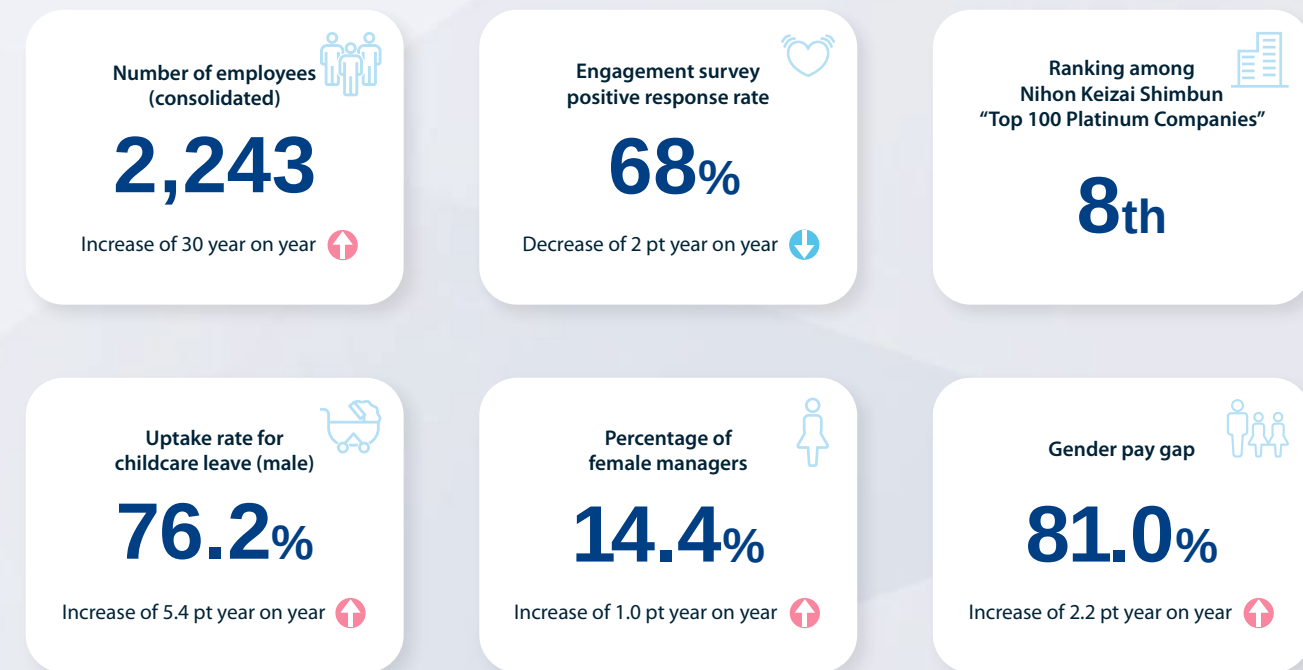


Breakdown of revenue by region/Revenue composition ratio



Upravi sold in: **75 countries**

Number of partner companies:
 In-licensing: **19**
 Out-licensing: **10**



External evaluation of human resources and DX

• "White 500" Health & Productivity Management Outstanding Organization



• "Kurumin" certification



• "Eruboshi" certification

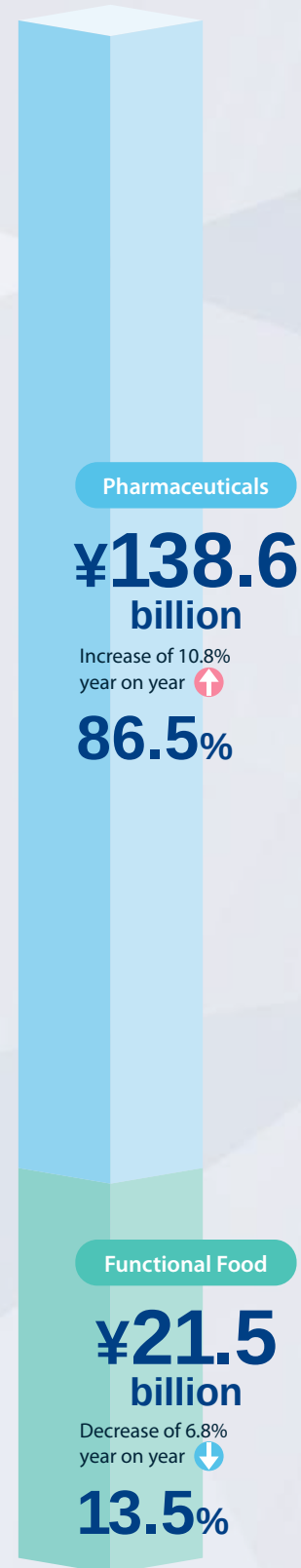


• Digital Transformation Certification



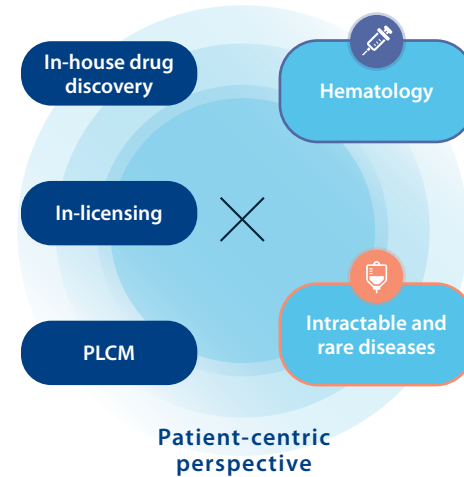
At a Glance Business Overview

Revenue by segment/
Revenue ratio



Pharmaceuticals Business

In our Pharmaceuticals Business, we focus on hematology and intractable and rare diseases, and deploy three approaches to help people lead healthier, happier lives.



Revenue from main products

Viltepso® for Duchenne muscular dystrophy
¥21.7billion

Uptravi® for pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension
¥14.9billion

Vyxeos® for high-risk acute myeloid leukemia
¥5.1billion

Defitelio® for sinusoidal obstruction syndrome
¥2.3billion

Hematology

Products on market (approval year)



Development pipeline



Intractable and rare diseases

Products on market (approval year)



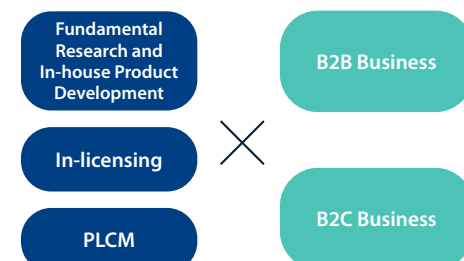
Development pipeline



Producer/seller: Nippon Shinyaku Producer/seller: Other

Functional Food Business

Since we are a pharmaceutical company, our Functional Food Business contributes to establishing a sustainable society through dietary education activities and by resolving social issues pertaining to health promotion and food safety and security.



B2B Business

For B2B Business, we develop products aiming to promote health and prolong healthy lives, and products that reduce food loss and otherwise contribute to realizing a sustainable society.



B2C Business

For B2C Business, we market products in two areas—Sports Supplements and Aging Care Supplements—as supplements made by a prescription medicine manufacturer.





Message from the President



**TORU
NAKAI**

Representative Director, President

Creating new value through distinct innovation to continue on the path to becoming a global healthcare company

Nippon Shinyaku aims to provide the value society needs through two businesses—Pharmaceuticals and Functional Food—under a business philosophy of “Helping People Lead Healthier, Happier Lives.” While honoring this philosophy, we will continue to respond flexibly to ever-changing circumstances and remain worthy of the trust and expectations of our stakeholders through distinctive, high-quality products and services only Nippon Shinyaku can offer.

Our mission: To meet unmet medical needs

Nippon Shinyaku endeavors to create new value in an effort to realize a society where patients and their families can be happy, an objective consistent with the spirit of founder Hisomu Ichinose, who originally set out to “making Japanese medicines with Japanese hands.”

Despite the vast number of new drugs in the modern world, we still lack effective treatments for many diseases. Treatment options are particularly scarce for intractable and rare diseases, which lack market potential because they afflict so few people. However, we have strategically identified business potential for these types of diseases with high unmet medical needs, and are proactively working to develop new therapeutic technologies for them.

With an adventurous spirit rooted in our origin of Kyoto—where tradition coexists with innovation—we consider our mission to be continuously exploring the frontiers of medicine as long as needs exist, no matter how small the number of patients. Therefore, our identity is rooted in our fervent desire to deliver new value with our own hands.

Three strengths underpinning our originality

Since our establishment in 1919, we have strived to create distinctive products as a new drug manufacturer. In the process, we have developed three strengths.

The first is our in-house drug discovery infrastructure. For more than 30 years, we have devoted energy to researching nucleic acid drugs. One outcome of these efforts is Viltepso, a treatment we developed for Duchenne muscular dystrophy (DMD) and launched in 2020.

It was the first nucleic acid drug developed by a Japanese company, and has contributed substantially to treating DMD. We have also developed and established a track record for many small molecule drugs, including Uptravi, a treatment for pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension. In the near future, we will combine AI drug discovery with our drug discovery infrastructure to explore new modalities in drug discovery—for example, nucleic acid-small molecule complex drugs based on a fusion of nucleic acid drug and small molecule drug technology, and gene therapy—in an effort to further enhance our development pipeline through three approaches: in-house

drug discovery, in-licensing, and Product Life Cycle Management (PLCM).

The second strength is field specialization. To date, the energy we have devoted to specific fields—namely hematology, intractable and rare diseases, urology, and gynecology—has helped us further our knowledge of diseases and build trust with healthcare professionals. The expertise we have developed has led us to in-licensing opportunities and helped us expand our pipeline. In hematology, we believe our experience developing Cylocide, Vidaza, and other treatments and track record selling multiple products have impressed licensees with our capabilities and led to contracts.

Additionally, we have established a formidable presence in the field of pulmonary arterial hypertension (PAH), having developed and marketed Uptravi, a prostacyclin receptor agonist, as well as selling Adcirca, a PDE5 inhibitor, and co-promoting Opsumit, an endothelin receptor antagonist. We could not have accomplished these things without intimately understanding the diseases and patients' needs. Our persistent pursuit of knowledge in specific fields is a significant strength not only in product development, but also in information provision activities. The trusting relationships we have established with healthcare professionals help us provide information and propose solutions with greater speed and allow us to consistently demonstrate our strengths from product development to sales.

The third strength is integrated team capabilities that transcend departments. the firmly rooted venturesome spirit dating back to our founding, each and every one of our employees is committed to delivering the products that patients need. This attitude engenders collaboration across departments and underpins teamwork throughout the organization. When people with different perspectives and expertise work together, we can develop innovative new products that give markets exactly what they need and strengthen our sales capabilities. Also, the fact that many of our departments involved in product development are based in Kyoto greatly expedites our decision-making, one of the reasons for our dominance in the industry. I always tell our employees that we want to be an organization where everyone can say what they think. We want this because we truly want to deliver our distinctive products to as many people as soon as possible. Having shared goals as well as team capabilities and active communication based on total teamwork is the driving force behind all processes, from product development to manufacturing and sales.

Charging ahead to Vision for 2035 with everyone on the same page

To date, we have leveraged the Company's strengths to achieve steady growth while providing the valuable products and services needed by patients suffering from illnesses, and their families.

Based on our history, we re-examined what kind of company we are aiming to be over the long term, and set out our Vision for 2035: to be a global healthcare company from Kyoto creating various types of new ways of life for each person around the world. Our vision incorporates both our intent to continue honoring the philosophy dating back to the founding of Nippon Shinyaku, and the course we believe we should take for the future.

Our head office is located in Kyoto, an attractive city with a distinctive atmosphere and culture, and home to many world-class companies. Few new drug manufacturers would choose to locate their headquarters in Kyoto as we have; we believe this is one of many things that set us apart from our competitors. While continuing to honor our founder's intent to contribute to people's health by developing pharmaceuticals in Japan, we aim to achieve growth under our own power and gain worldwide recognition as a great global company from Kyoto.

We are holding town hall-style meetings—small gatherings of directors and employees—in an effort to develop a shared understanding of Vision for 2035 throughout the Company. Focusing on the 7th Five-Year Medium-Term Management Plan as the main topic, the directors provide background for the Company's plans and strategies and answer employees' questions, resulting in two-way communication. Participants have indicated that these meetings gave them a clearer picture of the Company's vision. We will continue to engage in efforts like these to get everyone on board with the Company's strategies so that we are an organization in which everyone can take action with a proper understanding of their role.

Definite progress toward achieving growth beyond the patent cliff

We formulated the 7th Five-Year Medium-Term Management Plan to map out the steps to take from FY2024 to FY2028 to realize Vision for 2035 and achieve sustainable growth. The

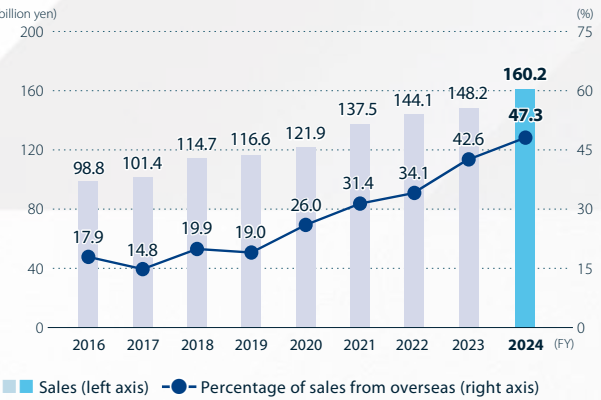
main challenge is overcoming the Uptravi patent cliff in FY2028 and ensuring growth beyond that point.

In FY2024, the first year of the plan, in the hematology field of the domestic pharmaceuticals business, we launched Vyxeos, a treatment for high-risk acute myeloid leukemia, and Jaypirca, a treatment for mantle cell lymphoma.

In the pulmonary hypertension field, we began co-promoting Yuvanci and obtained a pediatric indication for Uptravi, releasing a pediatric formulation accordingly. The expansion of these new product lines boosted overall performance, making FY2024 a start far better than envisioned. Our expectations were exceeded globally as well, with royalty revenue from Uptravi and U.S. sales of Viletpso stronger than projected. As a result, the Group's revenue for FY2024 increased by 8.1% year-on-year to 160,232 million yen.

Operating profit increased by 6.5% year-on-year to 35,450 million yen, helping us achieve record highs in both sales and profit for the second consecutive year.

Sales and percentage of sales from overseas



In terms of expanding our product development pipeline, we successfully licensed ATSN-101, a gene therapy drug for inherited retinal dystrophy, from Atsena Therapeutics, Inc. and RGX-121 and RGX-111, gene therapy drugs for the expected indications of mucopolysaccharidosis type II and type I, from REGENXBIO Inc.

We also entered an option agreement with AB2 Bio Ltd. for Tadekinig alfa, a promising treatment for NLRC4 disorder and XIAP deficiency. We consider these to be substantial accomplishments in pursuit of achieving the two key tasks in



the 7th Five-Year Medium-Term Management Plan: cultivating growth drivers to replace Uptravi and continuous pipeline expansion. Looking ahead, we will strive to expedite the market penetration of the products we released in FY2024 in addition to preparing to market in-licensed products to steadily cultivate pillars of growth to succeed Uptravi.

We must also nurture as many potential growth drivers for the future among our in-house drugs. I consider research and development to be a task to tackle Companywide, and to work toward that end with a sense of urgency, I have attended meetings to discuss the progress of overseas development projects and spoken directly with relevant executives on many occasions. I am also promoting several other initiatives, for example establishing a department dedicated to clinical development around the world in April 2025.

Additionally, we are accelerating DX and our use of AI in research and development activities in an effort to streamline our nucleic acid drug discovery process through AI. In other areas as well, we are promoting efforts to improve productivity Companywide, and our Digital Transformation Promotion Committee is managing the progress of those efforts. We are also promoting DX in our Functional Food Business to reduce food loss, and are currently building a platform to promote the use of preservatives that extend the shelf life of food products.



Target: Overseas sales accounting for 50% of overall sales

We are proactively promoting global expansion with the aim of increasing the overseas component of overall sales to 50%. In the U.S., Group company NS Pharma fulfills a central role, promoting sales of DMD treatment Viltepso and continuously providing information to medical institutions and specialists throughout the country. These efforts have borne fruit; overseas sales in FY2024 were 75.7 billion yen, 47.3% of overall sales and well on the way to achieving the target of 50%.

As of now, NS-089, NS-050, and other drugs we developed are in clinical trials in the U.S. We are also looking beyond Nippon Shinyaku drugs, using in-licensing to strengthen our product lineup in an effort to improve our competitiveness in the global market. CAP-1002 is comprised of human allogenic cardiosphere derived cells in-licensed from Capricor Therapeutics Inc., has demonstrated potential efficacy in upper limb and cardiac function in clinical trials in patients with DMD. RGX-121 is the first gene therapy drug for mucopolysaccharidosis type II, and is currently under review by the FDA. We will further accelerate our preparations to expand in the U.S. market.

In China, Tianjin Nippon Shinyaku Co., Ltd., a Group company based in the city of Tianjin, imports and sells our products. The plan is to expand into the Chinese market with Nippon Shinyaku drugs and in-licensed drugs from overseas as we have in the U.S. Additionally, to expand into the European market, we are considering the establishment of a new local subsidiary and moving forward with preparations to build a marketing system. We will continue efforts to enhance our

product lineup and expand sales areas with the aim of further accelerating our global expansion.

Empowering employees to tackle challenges to become an organization where people grow together

In our view, human resources are the strongest driving force for implementing the strategies described here and realizing sustainable growth. Under the key concepts of becoming a “company of choice” that fosters “employees companies choose,” we are developing systems and environments that enable a diverse range of human resources to flourish. We expect our employees to continuously and proactively tackle challenges without fearing change or failure, and we aim to be a company that can accommodate employees who are committed to this kind of self-development. I, myself, realized the importance of taking action on my own when I decided to study abroad in my mid-thirties and eventually did with the support of my supervisor and others around me.

I was also stationed at NS Pharma and helped them set up the local organization for selling DMD treatment Viltepso, the Group’s first sales effort in the U.S. During interviews for hiring local employees, I was often asked to explain which diseases we were targeting and the social significance of our products, and I was impressed that so many people decided to join the Company because our aspirations resonated with them. The fact that these people from a different country shared our desire to deliver products for patients reminded me of the importance of everyone being on the same page. These experiences highlight the importance of building relationships with every employee in which we share each

other’s thoughts and grow together, in addition to acquiring global human resources and developing people who will lead us through changes. Toward this end, we will maintain dialogue with our employees, conduct engagement surveys, and take other steps to build a better organization through mutual connections between the Company and our employees.

Achieving patient-centric value creation

Our corporate activities to deliver the products patients need are of great significance to society. To sustainably increase our social value in the future, we will continue to conduct our business activities with our minds on the concept of patient-centricity, in which the patient is always the focus of attention. We need to find the answers to important questions at each stage of research and development. For example, in the exploratory stage, we must ask whether our efforts will result in drugs that patients truly want. In the development stage, we must ask if our system is set up to facilitate patient cooperation. When considering aspects such as dosage form, we must ask if there are any more convenient forms of delivery. If we proceed with development without this information, our new drugs may not meet patients’ expectations.

Also, if our failure to provide proper information after launching products prevents healthcare professionals from understanding them, it may take longer for the products to reach patients. This way of thinking is not limited to our research and development and sales and marketing divisions; it is the starting point for new initiatives in all of our departments, including production. Consequently, every one of us must incorporate the concept of patient-centricity into our goals and actions to guide our daily work and decisions and motivate us to change our behavior, and keep challenging ourselves. In my view, understanding that patients are waiting for us to deliver is the first step toward self-improvement.

In February 2025, we donated picture books and funds for opening Ronald McDonald House Kyoto (Kyoto House), a residential facility for children with illnesses and their families. We also wanted to send picture books to the other 12 Ronald McDonald Houses across Japan, and when we announced our plans internally, many employees indicated their willingness to participate. I was very happy to see that our activities inspired so many employees to act on their desire to do something for

patients. Looking ahead, we will continue to promote and institutionalize the concept of patient-centricity as part of our corporate culture so that all of our employees can maintain their desire to serve patients.

Pursuing a future only possible with Nippon Shinyaku

Upon assuming office as president, I made three commitments. I committed to (1) continuing to launch an average of at least one distinctive new product per year, (2) increasing the overseas component of overall sales to at least 50%, and (3) more than doubling both sales and operating income. By fulfilling these commitments, I intend to build a solid foundation for growing into a company with sales of 300 billion yen or even 500 billion yen. Also, given that we appeared to be ready to craft a vision for the future beyond these commitments, I announced Vision for 2035 when we formulated our 7th Five-Year Mid-Term Management Plan in 2024.

Our vision is to be a global healthcare company, and as such, it is more important than ever to expand into overseas markets for further growth in the future. In addition to the U.S. and China, we will deploy and proactively promote our business development policy in Europe as soon as possible. Regarding our management system, we changed the directors in charge of R&D and sales at the end of June 2025 to bring in new perspectives and energy with the aim of ensuring that we can respond more quickly and flexibly to rapidly changing circumstances.

Given our progress under the 7th Five-Year Medium-Term Management Plan to date, we feel that we are advancing toward realizing Vision for 2035, one step at a time. We aim to achieve further growth as a company by delivering new value to society, specifically by daring to take on the challenges of diseases for which treatment needs are unmet, creating distinctive products only we can create, and shaping a future only possible with Nippon Shinyaku.

I sincerely ask all stakeholders for their continued understanding and support for Nippon Shinyaku.



Creating various types of new “ways of life” for each person around the world



NS Pharma

Global business strategy

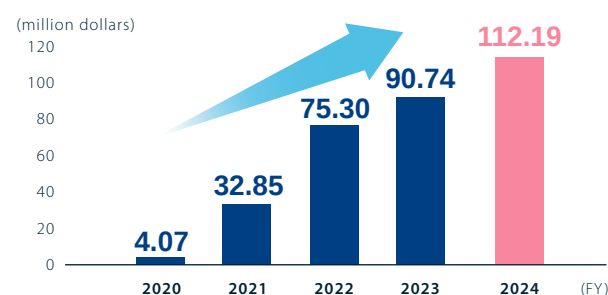
The Nippon Shinyaku Group is promoting the global development of Viltepso as its main product. Viltepso is a nucleic acid drug we discovered and developed to treat DMD by skipping exon 53 of the dystrophin gene, and we launched it in Japan and the U.S. in 2020. We are also developing other DMD treatments overseas, for example NS-089 and NS-050, which skip exons 44 and 50, respectively, of the dystrophin gene.

In January 2025, we acquired exclusive sales rights for RGX-121 and RGX-111 in the U.S. from REGENXBIO Inc. We also acquired exclusive development and sales rights for the drugs in Japan and the rest of Asia. RGX-121 is the first gene therapy drug for mucopolysaccharidosis type II, and is currently under review by the FDA. Following approval, our U.S. subsidiary NS Pharma is scheduled to carry out sales and marketing for RGX-121 in the U.S.

Also, CAP-1002, in-licensed from Capricor Therapeutics Inc. in the U.S., is comprised of human allogenic cardiosphere derived cells. The exosomes secreted by this product are believed to promote reductions in oxidative stress, inflammation, and fibrosis,

thereby improving motor and cardiac function. In a Phase II study (HOPE-2 trial) conducted in the U.S., CAP-1002 also suggested efficacy for upper limb and cardiac function primarily in people with DMD who cannot walk, and it is expected to demonstrate effects regardless of gene mutation type. With respect to this product, Capricor Therapeutics Inc. is proceeding with the regulatory process toward U.S. approval, while NS Pharma is preparing for commercialization. We have also taken other steps to expand our product lineup worldwide, including entering an exclusive licensing agreement with American gene therapy company Atsena Therapeutics, Inc. for ATSN-101, a therapy for inherited retinal dystrophy, in Japan and the U.S., and an option agreement with Swiss biotech company AB2 Bio Ltd. for Tadekinig alfa, a treatment for hereditary autoinflammatory diseases.

Sales from Viltepso in the U.S.



In our 7th Five-Year Medium-Term Management Plan, we identified “expanding global development” as a key theme.

Accordingly, we aim to increase the overseas component of overall sales to at least 50% by FY2030.

In addition to overseas expansion of Viltepso, a Duchenne Muscular Dystrophy (DMD) treatment that we developed, we will strengthen our systems to deliver innovative medicines to patients around the world by in-licensing new drugs in collaboration with partner companies, thereby helping people lead healthier, happier lives.

Establishing a global system

We are aiming to expand our marketing system to equip us to supply our lineup of pharmaceutical products to the world. We have already established marketing systems in the U.S. and China, and are currently considering establishing one in Europe to expand our sales area. Through these efforts, we aim to deliver our pharmaceuticals directly to as many patients as possible.

To expand in Europe, we must strengthen our reliability assurance system and establish a global system for supplying products. We are also looking into establishing an ultra-cold chain

and other components of an international distribution and management system in addition to systems to comply with regulations in each country.

Additionally, we aim to facilitate global expansion by ensuring close coordination between our head office in Kyoto and Group companies overseas in research, clinical development, manufacturing, supply chain management, reliability assurance, sales, and other functions.



**YUKITERU
SUGIYAMA**

President, NS Pharma, Inc.

NS Pharma creates new ways of life by delivering better treatments as soon as possible

NS Pharma is the Nippon Shinyaku Group's base of operations in the U.S. and plays a central role in global clinical development, business development, and exploring potential in research in collaboration with our head office. In 2020, following the approval of Viltepso in the U.S., NS Pharma established its own marketing system and expanded its marketing activities.

RGX-121, the first Nippon Shinyaku Group gene therapy drug, and the cell therapy product CAP-1002, are expected to be approved in the U.S. in the near future. Accordingly, we are strengthening our organizational structure as we expand our product lineup.

We are preparing for the launch of these new product lines by leveraging our experience and strength in building and launching our own marketing system for Viltepso from scratch while furthering our relationships with our partners. We will contribute to the further growth of the Nippon Shinyaku Group by delivering these drugs to as many patients as possible as soon as possible.

Origin of Nippon Shinyaku

The foundation of Nippon Shinyaku's growth, formed by Kyoto's atmosphere and culture

Changing the world from a city where tradition coexists with innovation

Nippon Shinyaku has researched and developed pharmaceuticals with the unchanging aspiration to contribute to people's health.

This attitude stems from our founding spirit, which still occupies the core of our management and serves as the source of our value creation.

The Company was founded in Kyoto, a city where tradition coexists with innovation.

The attributes of Kyoto helped us cultivate a pioneering spirit and creativity, and fundamentally support our sustainable growth.

Making Japanese medicine with Japanese hands

In 1911, Hisomu Ichinose founded Kyoto Shinyakudo, the predecessor of Nippon Shinyaku, just south of Sanjo in the Furukawa-cho district of the Higashiyama ward (Shimogyo ward, at the time) of Kyoto.

At first, Ichinose rented a small space in Oda Jinendo Pharmacy. Kyoto Shinyakudo tackled the challenge of making medicines from scratch and laid the foundation of Nippon Shinyaku-style manufacturing.

The company's name reflected Ichinose's desire to "make Japanese medicine with Japanese hands"; "Shinyaku" means "new medicine."

The company's development of Santonin, the first vermicide for roundworm produced in Japan, symbolized this desire. Although roundworm was prevalent in Japan at the time, the only treatment option was imported drugs, which were quite expensive. After working for 15 years to improve on these circumstances—from growing the plants used to make the drug to devising the manufacturing process—Ichinose finally succeeded at bringing Santonin production to Japan. The launch of Santonin contributed substantially to the health of people in Japan.



Hisomu Ichinose,
Founder

Corporate culture conducive to pioneering and originality

Our corporate culture centered on pioneering and originality is rooted in the spiritual climate of Kyoto. Each and every employee refines their expertise, naturally forming a culture in which everyone is committed to creating distinctive pharmaceuticals.

The Company has inherited Ichinose's venturesome spirit, tackling the challenge of discovering and mastering the latest technology without fear of failure and subsequently creating the new pharmaceuticals patients and their families need.

We continue to proactively develop new drugs, even for intractable and rare diseases. This attitude is both the origin and the driving force of Nippon Shinyaku.

Since our founding, we have passed down our philosophy of contributing to people's health while reshaping it to fit with the times. Our audacity to tackle the daunting task of finding treatments for intractable and rare diseases that lack established cures is the modern embodiment of our founder's aspirations.

We continue our bold, sincere efforts to break new ground and create new ways of life for people suffering from diseases.

We aim to become known as a global healthcare company from Kyoto by 2035. This vision redefines our founding spirit in a more future-oriented way and embodies our desire to achieve both a sustainable society and corporate growth.

Founding aspirations sustained for the future and shared with the world

“Nippon Shinyaku's creativity advanced as Kyoto developed”

Kyoto—the capital of Japan for more than 1,000 years—has a distinct culture and progressive spirit.

Highly acclaimed worldwide, it ranked third among the 25 Favorite Cities of the World published by American travel magazine Travel + Leisure in 2023. Kyoto has established itself as an internationally beloved city, attracting a large number of tourists year-round with 17 UNESCO World Heritage sites and other attractions.

With its head office in such a culturally and internationally attractive city, Nippon Shinyaku has conducted research and development with a focus on creativity and created value rooted in the local community for many years.

Kyoto also has many universities, and is home to roughly 150,000 students. This outstanding academic environment is extremely advantageous in terms of recruiting and developing young people, and is a foundational element of our research and development capabilities. Our collaboration with Kyoto University and other world-class research institutions enables us to develop pharmaceuticals that leverage leading-edge knowledge.

The coexistence of traditional industry and cutting-edge technology in Kyoto blends very well with the pioneering spirit of Nippon Shinyaku. Furthermore, Kyoto's atmosphere of open innovation, which facilitates collaboration with external parties and makes it easier to adopt technology, serves as a tailwind for creating innovative pharmaceuticals.

We will continue to leverage the cultural and intellectual assets of Kyoto as we advance as a company that delivers new ways of life to patients around the world.

Foundation of growth provided by Kyoto (2024)

University and graduate students*1
Roughly 150,000

Universities and junior colleges*1
More than 30

New startups*2
Roughly 230

Visitors to Kyoto City*3
Roughly 56 million

*1 Source: 2024 Basic School Survey, Kyoto Prefectural Government
*2 Source: Materials published by the Kyoto Prefectural Government
*3 Source: 2024 General Survey of Tourism in Kyoto, Kyoto Municipal Government

History of Nippon Shinyaku

For over 100 years since its establishment in 1919, Nippon Shinyaku has created distinctive pharmaceuticals as an R&D-led new drug manufacturer with the aim of creating new ways of life for everyone around the world.



Drug discovery and R&D in constant pursuit of patient centricity

Year	Product	Description
1940	Roundworm vermicide wonder drug Santonin	Achieved first domestic production
1967	Eviprostal for benign prostatic hypertrophy	One of the Company's top long-selling products
1971	Cylocide injection for solid tumor and acute leukemia	Long-standing key drug for acute myeloid leukemia (AML)
1979	Bladderon for pollakiuria	First in Japan to obtain indication for frequent urination
1989	Gaslon N for gastric ulcers	In-house discovered product with unique mechanism of action
2011	Vidaza for MDS	Eagerly awaited key drug for myelodysplastic syndrome (MDS)
2014	Zalutia for urinary disorder caused by benign prostatic hypertrophy	First-in-class drug with new mechanism of action
2016	Upravi for pulmonary arterial hypertension	In-house discovered product for a rare disease, eagerly awaited worldwide
2020	Viltepso for Duchenne muscular dystrophy	First nucleic acid drug made in Japan for treating an intractable disease
2024	Vyxeos for high-risk acute myeloid leukemia	New liposomal preparation for high-risk AML

Key turning points that established Nippon Shinyaku's originality

01. Evolution of nucleic acid drugs driven by pioneering RNA synthesis technology

More than 30 years ago, we began researching oligonucleotide drugs at the Discovery Research Laboratories in our Head Office area. Later, the Discovery Research Laboratories in Tsukuba assumed the lead in full-scale research on nucleic acid drugs. When we began our research, nucleic acid synthesis was inefficient and RNA strands longer than a certain length could not be synthesized. We persisted, and ultimately succeeded in developing an original method of synthesis that is both efficient and compatible with automated synthesizers, establishing technology for synthesizing longer RNA strands than anyone else in the world with high purity and high yield. We also developed drug delivery system (DDS)* technology needed for applying nucleic acids to pharmaceuticals. Our stockpile of experience and technology eventually helped us develop Japan's first nucleic acid drug, Viltepso.



02. Shifting to specialty pharma to find paths to survival in specific fields

As needs for pharmaceuticals became increasingly diversified and fragmented in the 2000s, we began to clarify our vision of becoming a specialty pharma company that would find paths to survival for specific diseases. We advanced three approaches to research—in-house drug discovery, in-licensing, and Product Life Cycle Management (PLCM)—based on a policy of proactively searching for unmet needs in fields rarely explored by major pharmaceutical companies and providing drugs that give hope to patients. We strengthened our development pipeline and continuously marketed distinctive new products, including Vidaza, Zalutia, and other major new drugs.



03. Leveraging our expertise to create value in the field of intractable and rare diseases

To survive as a specialty pharmaceutical company, we have declared our focus on intractable and rare diseases—a field with few competitors and extremely pressing needs for new treatment options—and concentrated our management resources on new drug development in highly specialized disease fields. Upravi, a prostacyclin receptor agonist we discovered, grew to become a blockbuster product sold in 75 countries worldwide thanks to partner companies marketing it as a treatment for pulmonary arterial hypertension, and is now a growth driver for the Company.

We also made it a critical mission to expedite our development of Viltepso, a treatment for Duchenne muscular dystrophy (DMD), discovered through years of researching nucleic acid drugs.



04. Shift to expanding our global network and new product development

In 2020, we established a marketing system at our American subsidiary to prepare for local sales of DMD treatment Viltepso, the first product we would sell globally. The next year, we established a subsidiary in China to expand sales channels for our products in that market, and are currently considering establishing a subsidiary in Europe and making other efforts to expand our global network to deliver our distinctive products to patients around the world. As for research and development, in 2023, we opened Innovation Research Partnering (IRP) in Cambridge, Massachusetts—the capital of one of the world's leading drug discovery ecosystems—to accelerate and diversify our in-house drug discovery research.



* Drug Delivery System

Strengths of Nippon Shinyaku

Our strengths lie in our long history of creating distinctive products as an R&D-led new drug manufacturer; everything about the Company traces back to this history. We will continue to refine our strengths and improve our drug discovery capacity with the aim of sustainably creating distinctive products and expanding added value.



01 In-house drug discovery infrastructure

Since our founding, we have continuously pursued our commitment to in-house drug discovery and built infrastructure for small molecule drug discovery at two locations: the Discovery Research Laboratories in Kyoto, where our head office is located, and the Discovery Research Laboratories in Tsukuba, Ibaraki Prefecture. In the 1990s, we began researching and developing nucleic acid drugs, which many expected to become the next generation of pharmaceuticals. Our efforts bore fruit in 2020, when we launched Duchenne muscular dystrophy (DMD) treatment Viltepso, the first antisense nucleic acid drug produced in Japan. Our bold efforts to meet unmet treatment needs have strengthened our unique drug discovery capacity and serve as the driving force behind our creation of innovative, distinctive pharmaceuticals.

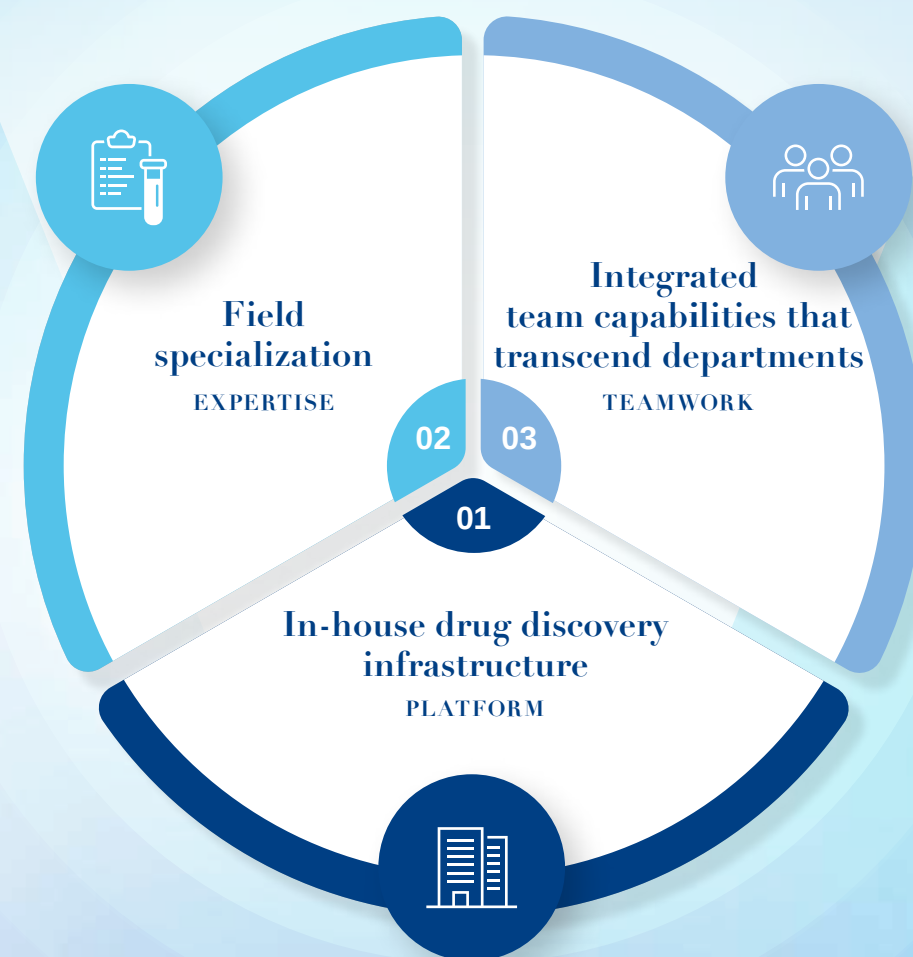


02 Field specialization

To create drugs that offer hope to patients suffering from illnesses, we proactively explore fields other companies do not. We focus our energy on three fields—hematology, intractable and rare diseases, and urology and gynecology—and work intensively on intractable and rare diseases that are difficult to develop drugs to treat. Intractable and rare diseases are difficult to accurately diagnose because there are so few cases. To address this challenge, our expert sales representatives actively engage in activities to promote early diagnosis and proper treatment, for example by promoting disease awareness and providing information about diagnostic methods and more to healthcare professionals. In the course of developing DMD treatments, we have strengthened our partnerships with overseas specialists and DMD patient groups through information provision activities, and are assembling a deep understanding and knowledge of the disease and patients' needs. We will continue to enhance our DMD expertise and search for new topics of research with an accurate understanding of what patients need.



Distinctive products



03 Integrated team capabilities that transcend departments

We honor the venturesome spirit that has guided the Company since its founding. This spirit is represented in the key message on the recruiting page of our website: "Ready to Give Our All For One?" This ensures that each and every one of us pours their passion into drug discovery. This passion leads to collaboration across departments and supports an expeditious development system geared toward the soonest possible launch of products. To develop Viltepso—the first nucleic acid drug produced in Japan—our team had to work together on the Company's first simultaneous development effort between Japan and the U.S., and deal with the SAKIGAKE Designation System of Japan's pharmaceuticals regulator.

At Nippon Shinyaku, the R&D Division serves as the project leader and collaborates with relevant departments on development in an effort to expedite drug discovery and improve the probability of success. Cooperation between departments is essential for efforts to continuously and rapidly launch new products and maximize product value. For example, our R&D Division collaborates with relevant departments during every phase, from pre-approval to post-launch. Our Sales and Medical Affairs divisions take steps to ascertain needs and identify issues, and then consolidate the information they gather and send it to the R&D Division so that they can prioritize subsequent projects and properly allocate resources.

Our corporate culture is conducive to collaboration, and we will continue to leverage it to expedite our delivery of innovative pharmaceuticals to patients around the world.



Research & development



Sales



Medical affairs



Supply chain & reliability assurance

Value Creation Process

Nippon Shinyaku's business responds flexibly to changes in society while leveraging diverse resources and strengths. This helps us provide our unique value of "Helping People Lead Healthier, Happier Lives."

Business Philosophy Helping People Lead Healthier, Happier Lives

The External Environment Surrounding the Pharmaceutical Industry

- R&D advancement
- Prolonging healthy lives through breakthroughs in medical care
- Improving access to medical care
- Diversification of work styles

Material Issues

> P.22



Realizing a healthy future by creating innovation



Developing diverse human resources and realizing employee well-being



Resolving social issues and coexisting with the community



Strengthening efforts to protect the global environment



Strengthening governance

Inputs

> P.24



Human capital

Number of employees (consolidated): **2,243**

Investments in human resource development per employee: **¥93,000**



Social and relationship capital

Number of joint research and subcontracted research projects: **36**

Number of partner companies: **In-licensing, 19; out-licensing, 10**



Financial capital

Total consolidated assets: **¥283.6 billion**

Equity ratio: **87.1%**



Intellectual capital

R&D investment: **¥34.3 billion**

Patents held: **951 patents**



Manufacturing capital

Amount of capital investment: **¥31.0 billion**

Nucleic acid API purification plant at the Odawara Central Factory
Clinical trial API manufacturing facility



Environmental capital

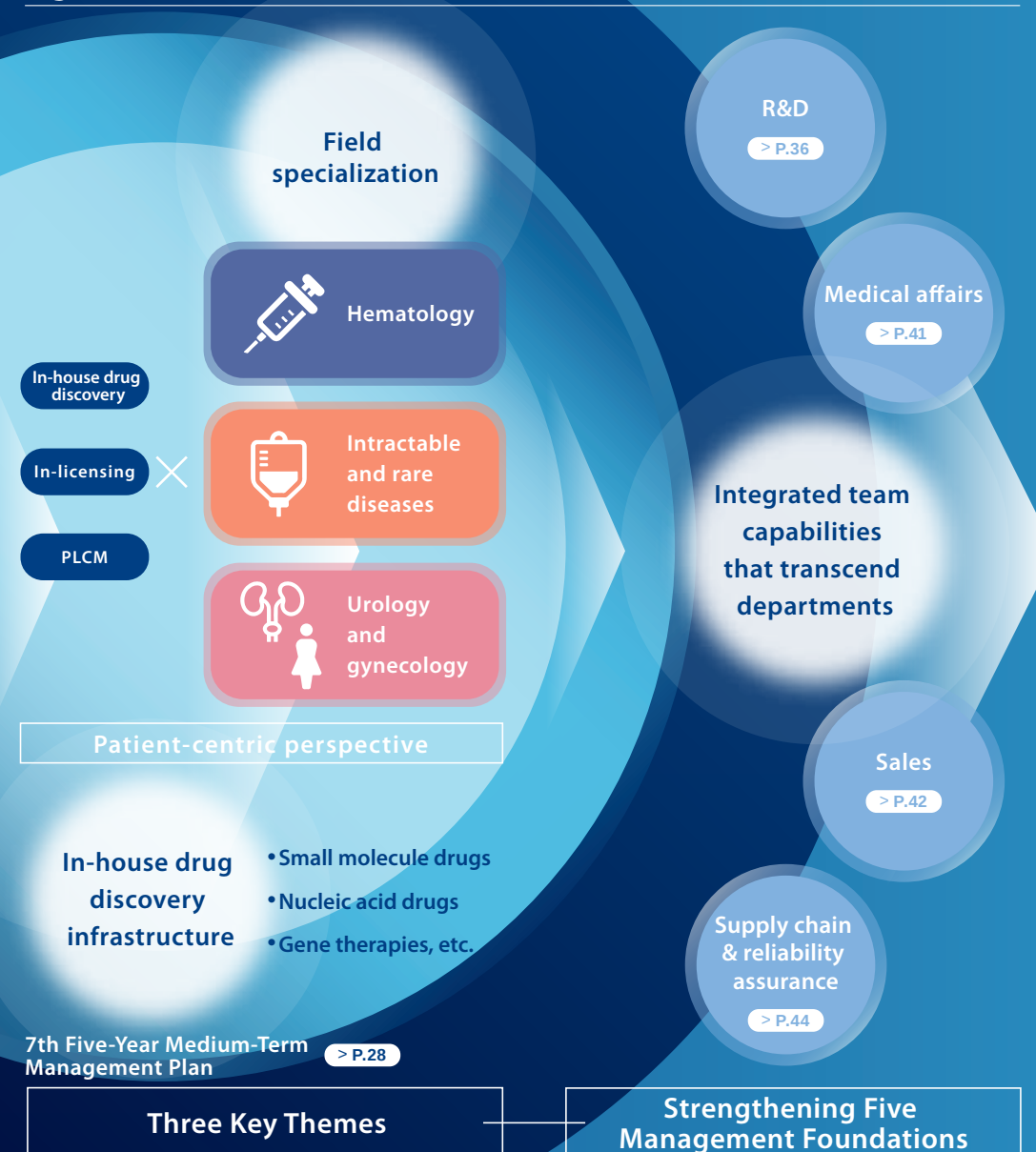
Energy consumption (electricity): **20,848,000 kWh**

Water consumption (tap water + well water): **177,000 m³**

Business Model

Pursuing originality on a global scale

Providing the world with quality pharmaceutical products and services to address diseases with unmet treatment needs



Outputs (Pharmaceuticals Business)

- High-quality, unique products that provide hope for patients suffering from illnesses
- **Uptravi**, for pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension
- **Viltepso**, for Duchenne muscular dystrophy
- **Vyxeos**, for high-risk acute myeloid leukemia
- Sherpa support program for patients with pulmonary hypertension
- Viltepso provision program in unapproved countries

Outcomes

- Patients, consumers, medical professionals**
Reducing symptoms and the burden of care, and enabling lifestyles that support both mental and physical health
- Shareholders**
Maximizing shareholder value through sustainable profit growth and improved capital efficiency
- Employees**
A workplace that provides not just high ease of working, but where employees can experience worthwhile work and a worthwhile life
- Society (local communities, business partners, etc.)**
Building trust from local communities and sustainable relationships with business partners
- Environment**
Realizing a sustainable society in balance with the environment

Creating various types of new "ways of life" for each person

Risks and Opportunities, Material Issues

○: Progressing on schedule △: Slightly delayed ×: Delayed

Material issues			Indicators/KPIs for the final year of the 7th Medium-Term Management Plan (FY2028)	FY2024 KPI results	Progress
Risks - Lower value of existing therapies from emerging treatments/approaches based on new technology - Scaling down Japan-focused business due to Japan's declining population - More intense natural disasters, more diverse business risks - Impact of loss of end-user trust on business activities Opportunities - Creation of novel therapeutic agents using new technologies - Higher demand for health-related products as focus shifts from treatment to prevention - Discovery of unmet needs based on a patient-centric perspective	 Realizing a healthy future by creating innovation > P.36 > P.46 > P.54	- Unique products originating from our aim to be a global healthcare company from Kyoto - Creation of services and patient support based on patient centricity	- Drug launches: 2 or more items/year - Drug in-licensed: 1 or more items/year - New product launches of sports and aging care supplements: 10 items/5 years - Planning of clinical trials based on patient centricity - Using safety information from PMS (post-manufacture and marketing surveys) - Sales of key products (including products in development) (Upravi, Vilepso, NS-089, NS-050, NS-051, Fintepla, Vyxeos, Jaypirca, Gazyva, Defitelio, NS-401)	- Launched a total of four items: Vyxeos, Jaypirca, Yuvanci, Upravi for children - Entered agreements for four items - Launched a total of three items: WEIGHT BURNER PREMIUM, Pre-Workout supplement, Multiple Vitamin Mineral - Number of consultations with patient organizations, etc.: 10 in total - Completed Gazyva-specific post-marketing surveillance - Total sales in Japan: ¥35.0 billion	○ ○ ○ ○ ○ ○
		Supplying and building a system for safe and high-quality products	- Studying, surveying, and building systems that can handle regulations, focusing on Europe - Stable supply of Nucleic Acid Drugs	- Progressing according to plan - Achieved stable supply of Vilepso, focusing on Japan and the U.S.	○ ○
		Improving medical access	Start of sales of Vilepso in countries and regions other than Japan and U.S.	Providing Vilepso to countries and regions other than Japan and U.S. under an unapproved drug delivery program	○
		Promoting our digital strategy towards the realization of our Digital Vision	- Promoting data utilization Utilize data 10 times more than in FY2023 - Development of DX promotion human resources (percentage of all employees) DX transformative talent: 10%, DX promotion human resources: 25%, human resources with basic DX knowledge: 100%	- Data utilization: 3 times more - Human resources with basic DX knowledge: 43%	○
		Achieving the "NS Mind" will result in the growth of each employee and build a resilient organization for business activities	- Annual training hours: 100 hours or more per person - Female manager ratio: 17% or more	- Training hours per employee: 34.1 hours - Female manager ratio: 14.4%	× ○
		Achieving well-being and promoting DE&I	- PRIDE Index: Acquisition of Gold certification - Positive response rate for 3 items in engagement survey: 75% or more for each (1) I get a sense of personal achievement through work (2) I would recommend this company to other people as a great workplace (3) I want to contribute to this company in ways that go beyond just doing my work	- PRIDE Index: Acquired Silver certification - Positive response rate for each item: (1) 72% (2) 63% (3) 70%	○ ○
		Contributing to the healthcare field beyond the provision of medicines	- Writing and submitting papers after completion of Defitelio, Upravi post-marketing surveillance - Number of researchers receiving grant: 100 people/5 years	- Surveillance underway - Number of grant receivers: 20	— ○
		Respecting human rights	Human rights policy understanding rate among all employees: 100%	Conducted training for all employees, including Group employees	○
		Contributing to the future of children and local communities	- Number of books lent by Sparkling Future Mobile Library: 25,000 books/5 years - Number of visitors to tours of Yamashina Botanical Research Institute - Implementing social contribution activities rooted in Kyoto	- Number of books lent by Sparkling Future Mobile Library: 5,724 books - Number of visitors to Yamashina Botanical Research Institute: 2,223 - Futaba Aoi offering: 200 stocks Donation of rice to Children's Cafeterias charity: 300 kg	○ ○ ○
		Climate change countermeasures	- Scope 1+2: 7,788t-CO₂ or less (33.6% reduction compared to FY2020) - Scope 3 Category 1: 146,912t-CO₂ or less (20% reduction compared to FY2020)	Scope 1+2 emissions: 9,333 t-CO₂	△
Risks - Climate change-related extreme weather and natural disasters - Reputational risk due to increased waste (improper disposal), increased disposal costs - Erosion of trust and brand value due to activities that lack consideration for animal welfare Opportunities - Reduced CO₂ emissions and facility operating costs due to climate change actions	 Strengthening efforts to protect the global environment > P.58	Promoting resource circulation	- Continuous reduction of water usage per 100 million yen in sales - Recycling rate of waste plastics: Maintain and improve 65% or more	- Water resource intensity: 99 m³/100 million yen - Recycling rate of waste plastics: 90%	○
		Contributing to food waste reduction	New product launch of preservatives: 1 item/year	Launched Maikohan RB-1 (Rice enzyme preparation)	○
		Strengthening corporate governance	- ROIC: 9% or more - Corporate Governance Code compliance: 100%	- ROIC: 17.0% - Compliance: 100%	○ ○
Risks - Increased international legal compliance. Corruption due to reduced awareness of integrity and compliance - Erosion of trust and brand value from cyberattacks, data leaks or other information security issues - Decrease in credibility among stakeholders due to inappropriate responses Opportunities - Greater trust in the Company due to cultivation of compliance mindset and business ethics - Trust generated by appropriate disclosures to stakeholders	 Strengthening governance > P.66	Promoting compliance	Number of law or regulation violations with major impact on business	Number of law or regulation violations: 0	○
		Appropriate information disclosure and dialogue	- Increase in number of IR meetings with directors - Maintain and improve external evaluation agency scores	- Number of meetings: 93 - CDP score for climate change: A- CDP score for water: A-	○ ○

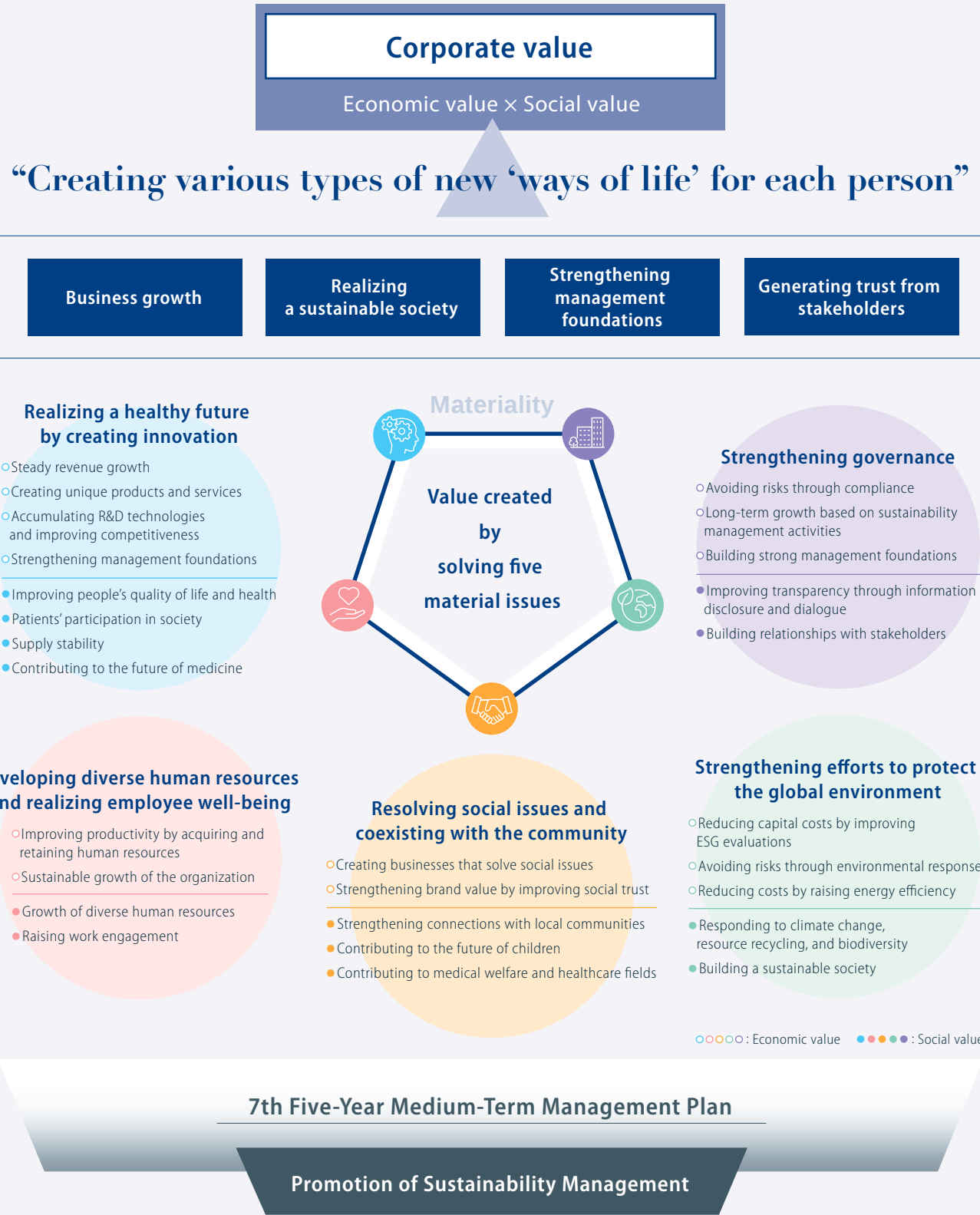
Management Capital

The Nippon Shinyaku Group creates sustainable value using the capital we hold in the form of human resources and intellectual property and the capital provided by all outside stakeholders, including medical professionals and suppliers.

	Characteristics and results	Future direction of capital
Human capital	- Number of employees (consolidated): 2,243 - Overseas employee ratio: 6.5% - Hours of voluntary training received per employee: 18.8 hours - Number of NS Academy enrollees Excluding repeaters: 1,571 - Total: 4,460	The driving force of sustainable growth is human resources. We are promoting human capital management with the aim of becoming a company employees choose. To create an organizational climate where all individuals give their all when taking on challenges, we started to tackle the following four issues: realizing employee treatment in line with roles, duties, and accomplishments; realizing self-directed career development and placing of the right employee in the right position; realizing a highly psychologically safe organization; and realizing flexible work styles.
Social and relationship capital	- Number of joint research and subcontracted research projects: 36 - Number of partner companies: In-licensing, 19; out-licensing, 10 - Acceleration of R&D and sales activities - Collaboration with partner companies and medical professionals - Good relationships with local communities	By listening to the opinions of patients and their family members, we provide not only the treatments but also the support that they need. We will grow sustainably and provide value by collaborating with partner companies and medical professionals to gain the trust of society. Also, we will expand the development pipeline (make it multi-pronged) through partnerships with academia and venture companies, with the aim of creating new therapeutic technologies that combine Nippon Shinyaku's strengths with cutting-edge technologies.
Financial capital	- Total consolidated equity: ¥247.3 billion - Total consolidated assets: ¥283.6 billion	To continuously create unique, high-quality pharmaceuticals for patients with unmet treatment needs, we are making strategic investments in R&D while remaining conscious of our capital structure and cost of capital in order to expand our development pipeline (make it multi-pronged). With an emphasis on the stable supply of pharmaceutical products and functional food to medical professionals, patients, and other stakeholders, we will make the necessary investments while ensuring that we have working capital.
Intellectual capital	- Pharmaceutical technologies (nucleic acid and small molecule) - R&D investment: ¥34.3 billion - Patents held: 951 patents - Pipeline focused on hematology, and intractable and rare disease fields - Specialized knowledge accumulated by focusing on specific fields	Intellectual property is essential for tackling the challenge of new modalities in drug discovery and globalization. To promote R&D, drug discovery, and global development in advance of other companies, we are reinforcing the advantages that our businesses offer and working to continue to improve corporate value through the protection and use of intellectual property in a long-term, multifaceted and strategic way.
Manufacturing capital	- Amount of capital investment: ¥31.0 billion - Nucleic acid API purification plant at the Odawara Central Factory - Clinical trial API manufacturing facility	To continuously improve corporate value, we will make capital investments while remaining conscious of capital costs in order to expand and streamline production facilities and strengthen our R&D capabilities. With an eye toward expanding our business internationally, we will build a global supply chain system that meets the regulations of each country and do all that we can to provide patients worldwide with a stable supply of high-quality, unique pharmaceuticals.
Environmental capital	- Energy consumption (electricity): 20,848,000 kWh - Water consumption (tap water + well water): 177,000 m³	The Nippon Shinyaku Group is reducing its environmental impact in all areas of its business activities based on a Basic Environmental Policy. We aim to realize a sustainable society by striving to protect, sustain, and improve the environment through eco-considerate business activities. We also recognize that natural resources are finite and strive to reduce the amounts of resources we use while also promoting resource recycling through the use of recycled resources.

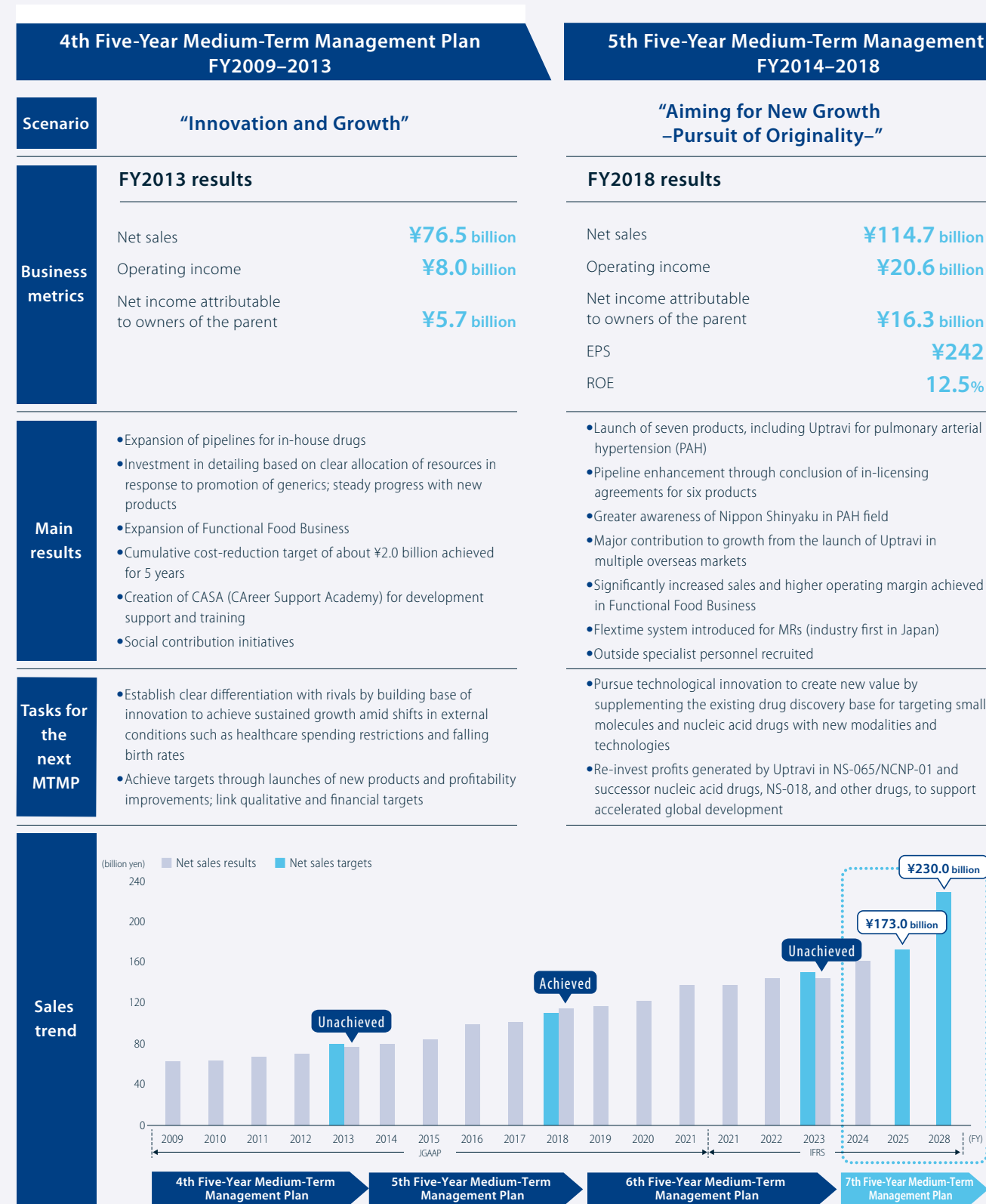
Material Issues and Their Relationship with Corporate Value

Implementing sustainability management while also addressing material issues that are linked to the 7th Medium-Term Management Plan will lead to improved corporate value. Resolving material issues will create diverse value in both the economic and social spheres, and we aim for the sustainable improvement of corporate value from four main perspectives.

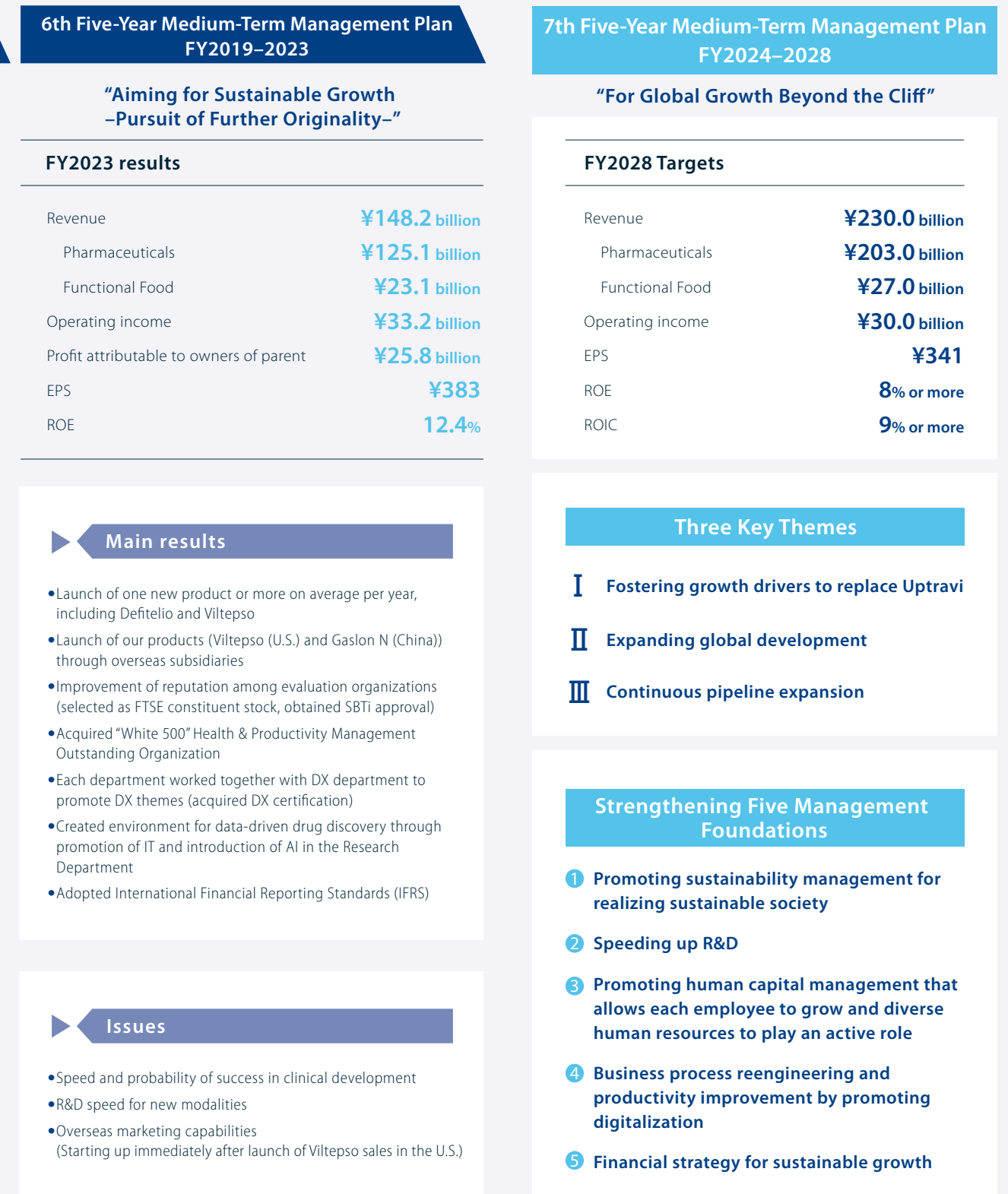


Medium-Term Management Plans Through the Years

Nippon Shinyaku constantly took on new challenges based on the 4th Five-Year Medium-Term Management Plan that was started in FY2009—under a business philosophy of “Helping People Lead Healthier, Happier Lives.” In the subsequent planning periods as well, we continuously launched new, innovative products into the market, resulting in our achievement of record highs in sales and all profit metrics in FY2023.



In the 7th Five-Year Medium-Term Management Plan, we will work to resolve the issues that came to light in the 6th Five-Year Medium-Term Management Plan and drive forward together as a company toward achieving our goals. In the future, we aim to continue to provide unique pharmaceutical products to patients around the world who have unmet treatment needs.



Medium-Term Management Plans Through the Years

7th Five-Year Medium-Term Management Plan Targets

In the 7th Five-Year Medium-Term Management Plan “For Global Growth Beyond the Cliff,” which started in FY2024, we will engage in “Three key themes” and in “Strengthening five management foundations” to overcome Uptravi’s patent cliff and achieve sustainable growth. In FY2024, we launched four new products, including Vyxeos, and entered into licensing agreements for four more products. We are also actively promoting global expansion through measures such as strengthening our marketing system in the U.S. and considering business expansion into Europe. As a result of these initiatives, we aim to achieve revenue of ¥230.0 billion and operating income of ¥30.0 billion by the final year of the 7th Medium-Term Management Plan in FY2028, and revenue of ¥300.0 billion and operating income of ¥50.0 billion by FY2030.

Revenue

230.0 billion yen

Operating profit

30.0 billion yen

ROIC

9% or more

EPS

341 yen

ROE

8% or more

Pharmaceutical Business Segment Targets

FY2028

Revenue

¥203.0 billion

Operating profit

¥28.2 billion

ROIC

9% or more

Functional Food Business Segment Targets

FY2028

Revenue

¥27.0 billion

Operating profit

¥1.8 billion

ROIC

9% or more

Three Key Themes		
I Fostering growth drivers to replace Uptravi We launched Vyxeos and Jaypirca, treatments for hematological malignancy, and Yuvanci, a treatment for pulmonary arterial hypertension (PAH), as growth drivers during the 7th Medium-Term Management Plan. In terms of PLCM, we obtained a pediatric indication for the Uptravi PAH treatment and we started sales of a pediatric formulation. We will accelerate the market penetration of these new products through omni-channel strategies that leverage the MR channel and digital channel.	II Expanding global development At our U.S. subsidiary NS Pharma, we are preparing for the U.S. launch of RGX-121, which will be the Nippon Shinyaku Group’s first gene therapy drug, and of the cell therapy product CAP-1002, thereby working to expand our global product lineup. In Europe as well, we are considering all potential strategies, including in-house marketing, alliances, and M&A, to accelerate our global expansion.	III Continuous pipeline expansion We will continue to expand our pipeline, primarily through in-house drug discovery, in-licensing, and PLCM. For in-house drug discovery, we believe that the utilization of new drug discovery modalities, especially through open innovation, will become important, and we have entered into a research alliance with MiNA Therapeutics of the UK. For in-licensing, we have entered into licensing agreements for products such as RGX-121, RGX-111, ATSN-101, and Tadekinig alfa, and we aim in the future to continue to in-license at least one product per year.

Strengthening Five Management Foundations	
1 Promoting sustainability management for realizing sustainable society > P.56	While promoting sustainability management to realize a sustainable society, we work to solve five material issues. We established a new department dedicated to IR in FY2024 to strengthen information disclosure. We also held education activities and training for employees and subsidiaries to reduce the risk of human rights issues. We will set specific targets and take active measures to reduce greenhouse gas emissions, recycle waste plastics, and reduce water consumption.
2 Speeding up R&D > P.36	In drug discovery research, we aim to shorten the time from the drafting of a theme to the start of clinical study, and to build a system that enables us to launch at least one product a year. To do this, we are prioritizing projects, allocating management resources, and reviewing decision-making meetings. We are also trying to speed up the drug discovery research cycle by improving the drug discovery integrated database and introducing AI systems. In clinical development as well, we are promoting measures such as strengthening project management, reviewing clinical development processes, and making document creation more efficient through DX, with the aim of speeding up development.
3 Promoting human capital management that allows each employee to grow and diverse human resources to play an active role > P.50	We will implement human resource strategies that draw out the potential of each individual as much as possible and move forward with acquiring and developing human resources to support our global expansion and reforming our organizational culture. As a part of acquiring and developing global human resources, we are reviewing our human resource development programs and recruitment plans, as well as promoting such initiatives as English language learning. We also recommend participation in exchange programs outside the company and internal pro bono work, and about 200 employees have taken part. Our LGBTQ initiatives are part of our efforts to realize a highly psychologically safe organization where employees recognize each others’ diverse values. These initiatives were recognized when we received Silver certification under “PRIDE Index 2024.”
4 Business process reengineering and productivity improvement by promoting digitalization > P.54	In R&D and sales promotion activities, we are identifying issues that can be sped up or made more efficient through DX and building systems in collaboration with the relevant departments. In terms of human resource development, “transformative talent” is defined as those who can identify issues and create fundamental business reforms or new businesses by utilizing DX and business skills, and we aim to have 10% of all employees certified as such talent by FY2028. To do this, we are encouraging employees to receive training via the DX learning video. By FY2024, 43% of all employees had been certified as human resources with basic DX knowledge.
5 Financial strategy for sustainable growth > P.30	Our basic policy on capital allocation is to actively make investments necessary for sustainable growth while ensuring financial soundness. At the initial formulation of the 7th Medium-Term Management Plan, we anticipated cash resources of 370 billion yen that combined operating cash flow before deduction of R&D expenses, cash on hand, and other items over five years, but the accelerated launch of new products means that we expect this amount to be exceeded. We plan to use the increased cash to invest in growth and distribute profits back to shareholders.

Financial/Capital Strategy

Nippon Shinyaku is prioritizing investment for future growth and establishing a revenue base not dependent on royalty revenues.

TAKANORI EDAMITSU

Director, Business Management & Sustainability

To overcome the patent cliff of Uptravi and achieve growth, the 7th Five-Year Medium-Term Management Plan is positioned as a phase for prioritizing investment. We will actively promote investment in R&D, in-licensed products, and other areas to achieve sustainable, long-term growth.

Progress of the 7th Medium-Term Management Plan

FY2024 results

In our financial results announced in May 2024, Nippon Shinyaku anticipated revenue of ¥150.0 billion and operating profit of ¥31.0 billion as our expected results in FY2024. Compared to this, our actual results were revenue of ¥160.2 billion (106.8% achievement ratio) and operating profit of ¥35.4 billion (114.2% achievement ratio). In both cases, our results exceeded initial expectations.

Under the 7th Medium-Term Management Plan that started in FY2024, we are engaging in the three key themes of “Fostering growth drivers to replace Uptravi,” “Expanding global development,” and “Continuous pipeline expansion” in order to overcome Uptravi’s patent cliff and achieve sustainable growth. We made steady progress toward addressing these themes in FY2024, making a good start in the first year of the plan.

First, in terms of “Fostering growth drivers to replace Uptravi,” we launched Vyxeos and Jaypirca and added indications for Fintepla, and took measures to further foster these products. We did not just launch these products into the market, but also ensured we delivered accurate and timely information in line with the needs of healthcare workplaces. In addition to holding meetings with MRs, we strengthened the provision of information in an omni-channel approach that leverages digital technology. This accelerated the penetration of

information to medical professionals and contributed to increasing revenue beyond our expectations.

Next, for the theme of “Expanding global development,” we continued to expand our organizational structure to ensure close communication with medical professionals, patient organizations, and insurers, as we mark five years since the launch of in-house sales of Viltepso in the U.S. The result was 20% year on year growth.

Finally, for “Continuous pipeline expansion,” we continued our active investment in R&D, in-licensing, and other areas, resulting in R&D expenses of ¥34.3 billion, more than the ¥31.5 billion in the initial plan. Since this includes an increase of costs for products in late stage development that were in-licensed during the plan period and an increase in manufacturing costs for investigational new drugs that result from progress of the pipeline, we believe that these are strategic investments that will lead to future growth.

FY2025 forecast

In FY2025, we anticipate revenue of ¥173.0 billion and operating profit of ¥30.0 billion. In Japan, we expect sales growth from our new products group, including Vyxeos and Fintepla, and we forecast a year on year increase in revenue. However, due to an increase in expenses such as the sales costs of NS Pharma resulting from preparations for new product launches and contract research expenses that arise from the continuing development of nucleic acid products, we expect a decrease in

year on year operating profit.

In the medium term, through the contribution of products such as CAP-1002, and RGX-121/111 and ATSN-101 that were in-licensed in FY2024, we aim to achieve revenue of ¥230.0 billion and operating profit of ¥30.0 billion, which are our quantitative targets for FY2028. The period of the 7th Medium-Term Management Plan is positioned as a phase for prioritizing investment to overcome the patent cliff of Uptravi. Although we expect a year on year profit decrease in FY2025, the extent of the operating profit drop is less than we anticipated when announcing the 7th Medium-Term Management Plan. We expect FY2025 to be the bottom and to recover quickly after that. Furthermore, we expect to enter a growth phase from FY2029, with the aim of achieving revenue of ¥300.0 billion and operating profit of ¥50.0 billion by FY2030.

Capital Allocation Anticipating Medium- to Long-term Growth

Our basic policy on capital allocation is to promote the three key themes in the 7th Medium-Term Management Plan and actively make strategic investments that will lead to sustainable growth while ensuring financial soundness. In FY2024, we invested ¥34.3 billion in R&D to launch new products and develop our pipeline. We made ¥3.5 billion in capital investments, including in the Sales and Marketing Division and digital areas of R&D.

In the Sales and Marketing Division, we made information provision activities more efficient by using data analysis and an omni-channel approach. By delivering the required information quickly to medical professionals, we are promoting the early

market penetration of new products. In the R&D Division, we invested in building an AI drug discovery platform, and candidate products in the research stage have already emerged using this system. We also invested ¥33.0 billion as part of our flexible allocation, mainly to acquire new in-licensed products that we expect to launch globally during the period of the 7th Medium-Term Management Plan. When we formulated the 7th Medium-Term Management Plan, we anticipated cash resources of ¥370.0 billion that combined operating cash flow before deduction of R&D expenses, cash on hand, and other items over five years. However, thanks to these active investments, we now expect to increase the operating cash flow by accelerating the launch of new products.

In the future, we plan to use the increased cash to make investments that anticipate medium- to long-term growth and return profits to shareholders appropriately.

Concept of Non-financial Capital

Achieving both social value and economic value

For a company to continue to exist and grow sustainably, it is essential to implement sustainability management that takes into account not only the growth of the company itself, but also the impact on the global environment and society. To promote this, Nippon Shinyaku has identified five important material issues for the Company and society: “Realizing a healthy future by creating innovation,” “Developing diverse human resources and realizing employee well-being,” “Resolving social issues and coexisting with the community,” “Strengthening efforts to protect the global environment,” and “Strengthening governance.”

Based on a strong governance system, we will develop human resources and promote business activities that are considerate of society and the global environment as we aim to realize a healthy future by creating innovation. In the Pharmaceuticals Business, we are developing and launching new drugs and providing them globally for diseases with unmet treatment needs, such as rare diseases, enabling us to deliver social value in the form of a new quality of life for patients and their families. Nippon Shinyaku will also gain economic value as a result, helping us to promote sustainability management that achieves both social value and economic value.

Investment policy for acquiring and developing transformative talent

As we promote global expansion based on the 7th Medium-Term Management Plan, simply following conventional

Capital Allocation

	Cash resources	Allocation	FY2024 results	
	Additional operating CF amount	Additional amount		Distributed additional operating CF amount to growth investments and shareholder returns
Maximize operating CF by promoting “Three key themes” toward the “Vision for 2035”	5-year operating CF ¥275.0 billion (Before deduction of R&D expenses)	R&D expenses ¥190.0 billion	R&D expenses ¥34.3 billion	Active investment to promote global development
		Capital investment ¥38.0 billion	Capital investment ¥3.5 billion	New R&D and manufacturing facilities, renovations, and digital investments in response to growth
		Flexible allocation ¥100.0 billion	Flexible allocation ¥33.0 billion	Licensing activities and arranging overseas bases to implement growth strategies. Considering shareholder returns through acquisitions of treasury stock
	Cash on hand, etc. ¥95.0 billion	Dividends ¥42.0 billion	Dividends ¥8.4 billion	Maintain stable dividends while taking into consideration the dividend on equity ratio (DOE)
		Return		

work procedures risks increasing workloads and costs, making it difficult to generate sustainable profits. To prevent this, it is important to proactively transform work styles by leveraging digital technologies. We define human resources in charge of such DX as "DX transformative talent," and we are developing such talent step-by-step. Specifically, we are helping employees obtain practical skills by learning basic knowledge of digital technologies, and through initiatives such as selective training programs and support for acquiring public qualifications. Since improving business literacy is also essential for promoting DX, we provide in-house training for business administration and a support system for obtaining an MBA, and we have included these educational expenses in the 7th Medium-Term Management Plan. To make sure that the knowledge acquired through education is applied in actual work, the priority DX themes were set in consultation with management to promote digital investments.

Increasing Shareholder Value

Management that considers capital costs

Management is required that considers capital costs and the stock price. To this end, the Company recognizes that stable supplies of pharmaceutical products and functional food are critical for all of our stakeholders, including medical

professionals, patients, and society. Furthermore, our policy is to maximize shareholder value through both shareholder returns and investing for future growth while ensuring that we have working capital and financial soundness. This concept is represented graphically by the logic tree. To quantitatively evaluate the increase in shareholder value, the 7th Medium-Term Management Plan sets a target for ROE (return on equity [shareholders' equity]) of 8% or more by FY2028 and we aim to increase the return on equity by increasing profits through the efficient leverage of shareholders' equity. Furthermore, to make the profitability of the Pharmaceuticals Business and Functional Food Business more transparent, we set a target for ROIC (return on invested capital) of 9% or more by FY2028 for both businesses.

The 7th Medium-Term Management Plan specifies the capital allocation and we will maintain profitability at the target value or higher by thoroughly reducing costs and allocating management resources based on the priorities set forth in our business strategies. Particularly in the case of large investments such as the development of pharmaceuticals and in-licensing, we will make investment decisions with the weighted average cost of capital (WACC) as the hurdle rate. Both the ROE and ROIC target values were set to a level exceeding the WACC and we are also introducing ROIC management to ensure that we can achieve the targets.

The FY2024 results showed an ROE of 13.9%, and an ROIC of 17.9% in the Pharmaceuticals Business and 9.4% in the Functional Food Business, with all results above the targets. Since the policy during the period of the 7th Medium-Term

Management Plan is to actively promote investments, conservative targets were set for ROE and ROIC in FY2028, and at present we are making good progress toward achieving them.

The growth of dividends and increases in the stock price both contribute to increased shareholder value. These are generally considered to be verifiable using long-term total shareholder return (TSR). The stock price is sometimes evaluated through methods such as using a multiple of EPS or the present value of free cash flow, and future profit growth is considered to be linked directly with growth in the stock price. In the future, we will continue to grow profits through strategic investments as we aim to further increase shareholder value.

Dividend policy

The 7th Medium-Term Management Plan assumes total dividends of ¥42 billion over the five-year period, as our policy is to maintain a stable dividend while taking the DOE into consideration. Based on this policy, even though we expect a decrease in profits in FY2025, we will pay out the same dividend as FY2024 of ¥62 per share for both the interim and year-end dividend, for a total annual dividend of ¥124 per share. We will use the ¥100.0 billion that has been set as the flexible allocation segment of capital allocation to make active investments in anticipation of future growth, such as acquiring licenses and arranging overseas bases to implement sustainable growth. We are also considering stock buybacks as one option

for shareholder returns, which would be funded from this flexible allocation.

To our shareholders and investors

Although our stock price has declined, we believe that it will recover in the future as we carry out the future growth initiatives outlined in the 7th Medium-Term Management Plan and if investors understand our strategy. We will facilitate this understanding by actively publicizing information through IR activities, because we know the importance of improving even further our communications with shareholders and all of our other stakeholders.

As such, we established a new IR Section dedicated to IR activities in FY2024, which is implementing various new initiatives. These include improving information disclosure through briefings and other methods, distributing briefing videos, and participating in events for individual shareholders.

During the period of the 7th Medium-Term Management Plan, we will overcome the Upravi patent cliff and build a foundation for sustainable growth, and we will also further strengthen the base from which we deliver products and services to the world. We hope that you will look forward to the future growth of Nippon Shinyaku in our quest to become a global healthcare company.

Logic tree

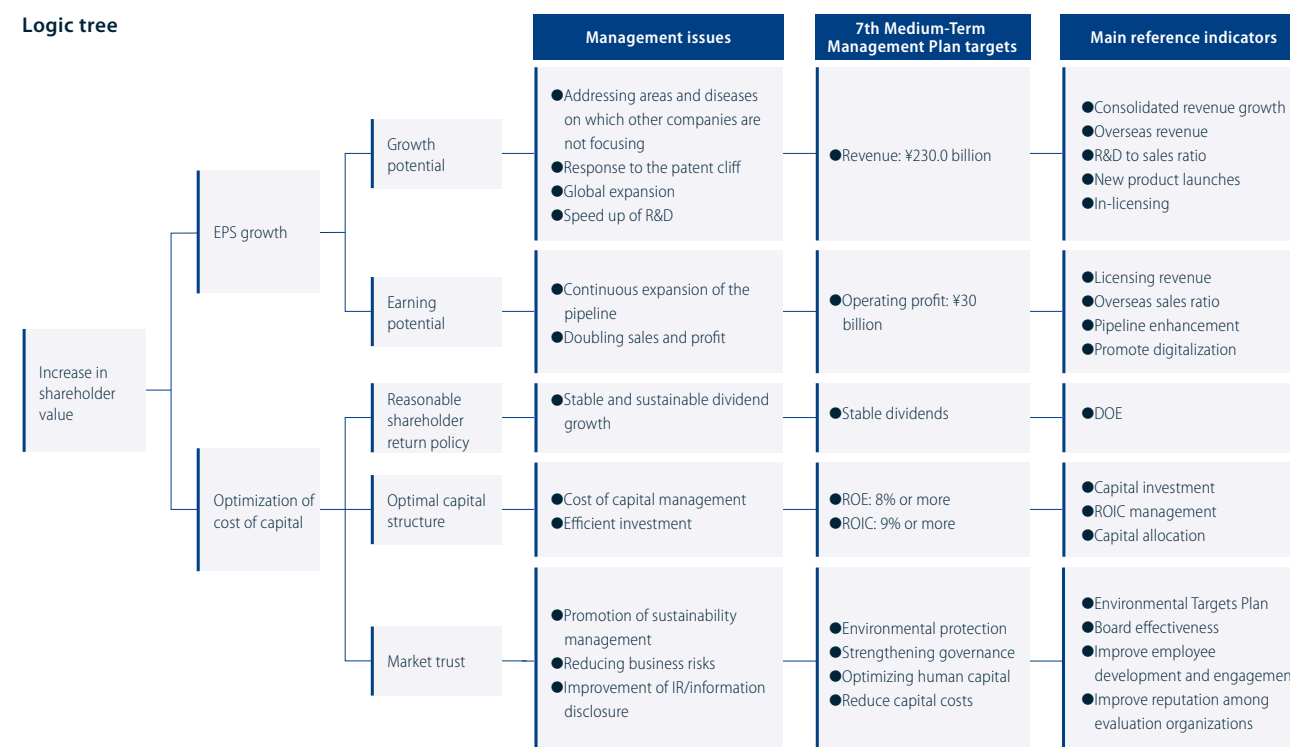
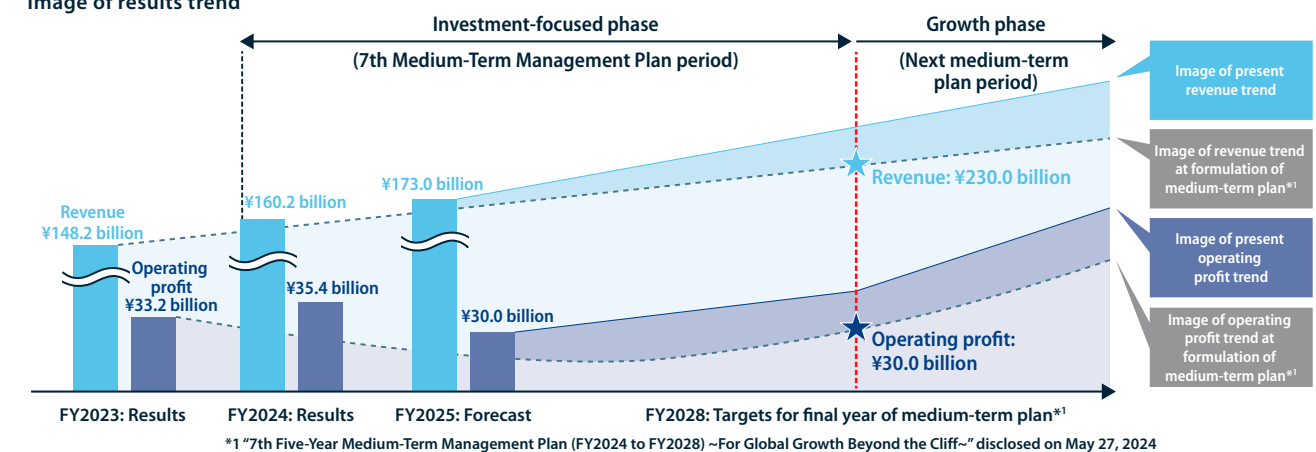


Image of results trend



Stock price performance

	One year	Three years		Five years		Ten years	
		Cumulative	Annualized rate	Cumulative	Annualized rate	Cumulative	Annualized rate
Nippon Shinyaku	-12.2%	-50.0%	-20.6%	-48.4%	-12.4%	6.4%	0.6%
TOPIX	-1.5%	47.2%	13.8%	113.4%	16.4%	117.4%	8.1%

* Total shareholders' return (TSR) is the total return on investment that takes into consideration capital gains and dividends.

* Nippon Shinyaku calculates TSR using cumulative dividends and change in stock price, and for the TOPIX, the dividend-included stock price index is used (calculated by Nippon Shinyaku using Japan Exchange Group data).

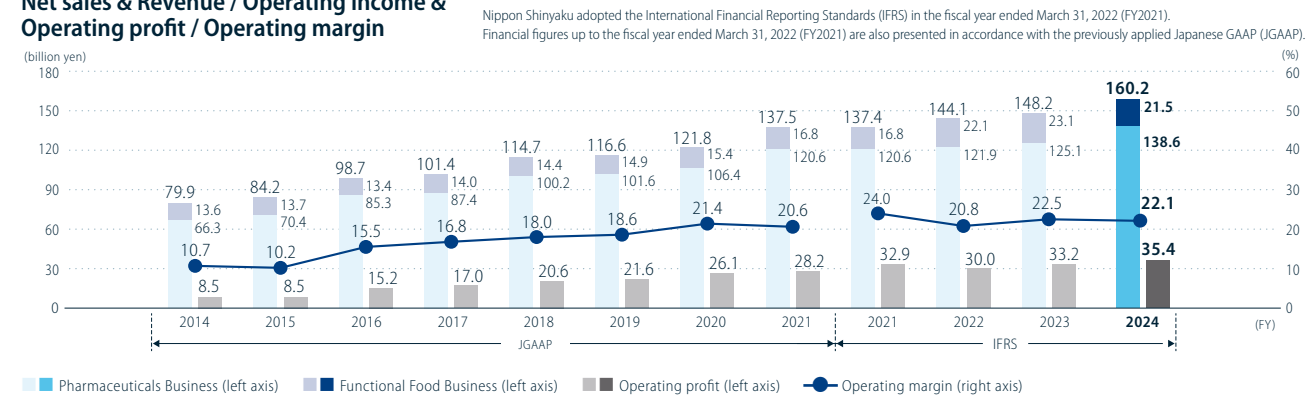
* Figures in the graph assume the closing price on March 31, 2015, is 100, and the TSR-based market value is indexed to that (held through March 31, 2025).

* The return is the percent change of the initial investment generally used when calculating return on investment.

Financial and Non-Financial Highlights

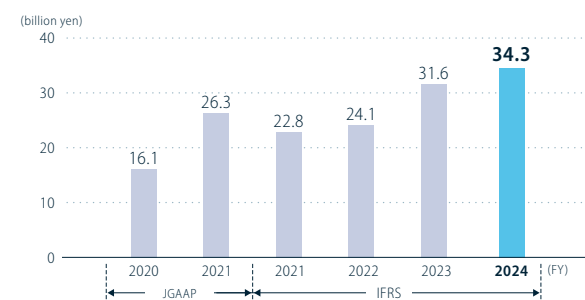
Financial highlights

Net sales & Revenue / Operating income & Operating profit / Operating margin



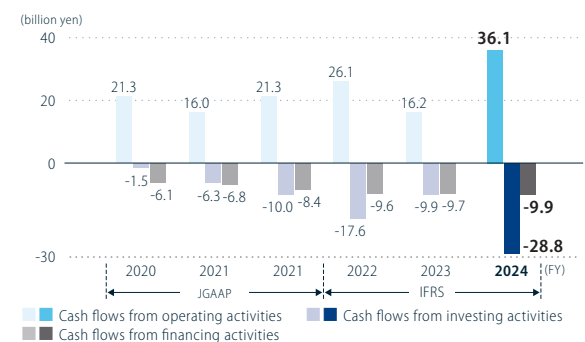
In FY2024, revenue stood at ¥160,232 million (up 8.1% year on year). Operating profit was ¥35,450 million (up 6.5% year on year) due to higher revenue and a lower cost of sales in the composition of sales. The operating profit margin was 22.1%. In the Pharmaceuticals Business, sales of leading products, such as Upravi, Viltepso, and Vyxeos, and royalty revenues from overseas sales of Upravi grew, with revenue increasing by 10.8% year on year to ¥138,654 million. In the Functional Food Business, although sales of some products such as supplements increased, sales of others such as protein preparations decreased, resulting in revenue decreasing by 6.8% year on year to ¥21,577 million.

R&D expenses



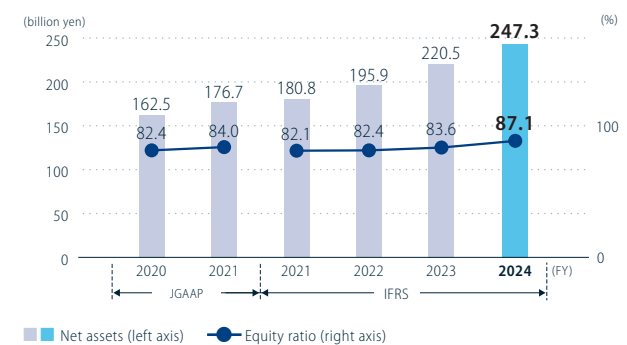
In FY2024, investment expenses rose due to an increase in contract research expenses and manufacturing costs for investigational new drugs. In line with its global development, Nippon Shinyaku intends to expand the development pipeline in its focus disease areas based on the R&D approaches of in-house drug discovery, in-licensing, and product life cycle management (PLCM), and it aims to launch an average of at least two new products per year.

Cash flows from operating activities / Cash flows from investing activities / Cash flows from financing activities



Net cash provided by operating activities stood at ¥36,126 million. The main components included profit before tax of ¥36,135 million in cash inflows and income taxes paid of ¥8,137 million in cash outflows. Net cash used by investing activities stood at ¥28,877 million, mainly due to purchases of property, plant, and equipment and intangible assets. Net cash used in financing activities stood at ¥9,902 million, mainly due to dividends paid. As a result, cash and cash equivalents at the end of the period totaled ¥55,241 million.

Net assets & Total equity / Equity ratio & Ratio of equity attributable to owners of parent to total assets



Total equity amounted to ¥247,340 million, an increase of ¥26,806 million year on year. Total assets stood at ¥283,637 million, and equity attributable to owners of parent amounted to 87.1%.

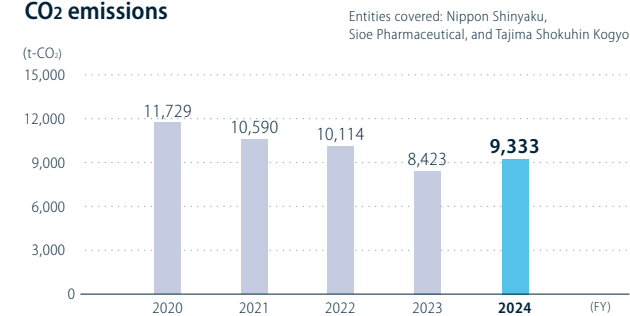
EPS / ROE



Profit attributable to owners of parent amounted to ¥32,558 million, up 25.9% year on year, with EPS at ¥483.40. ROE stood at 13.9%. ROE of 8% or more was set as a quantitative target for FY2028 in the 7th Five-Year Medium-Term Management Plan, and the FY2024 results exceeded this target.

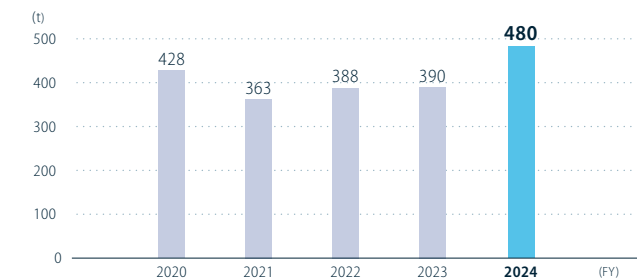
Non-financial highlights

CO₂ emissions



The Nippon Shinyaku Group has been expanding its change-over to electricity derived from renewable energy sources. In FY2024, we achieved a rate of change-over to electricity derived from renewable energy sources of 48%. In 2025, we will further promote change-over to electricity derived from renewable energy sources at manufacturing sites.

Waste substances generated



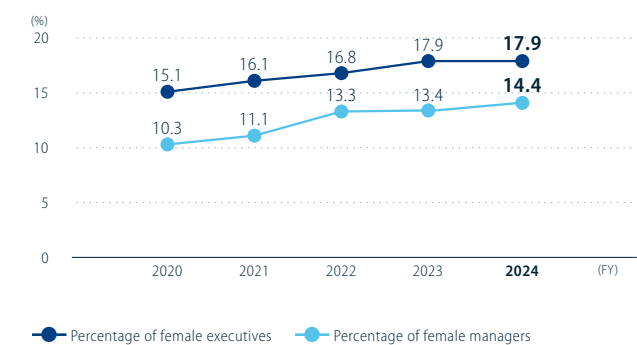
Waste substances generated in FY2024 increased by 90 tons year on year, mainly due to the start of full-scale operation of the building for highly active solid formulations within the Odawara Central Factory. Nippon Shinyaku will continue to promote waste reduction efforts by reviewing its waste generation processes while promoting proper disposal of waste.

Number of employees (consolidated) / Employee turnover



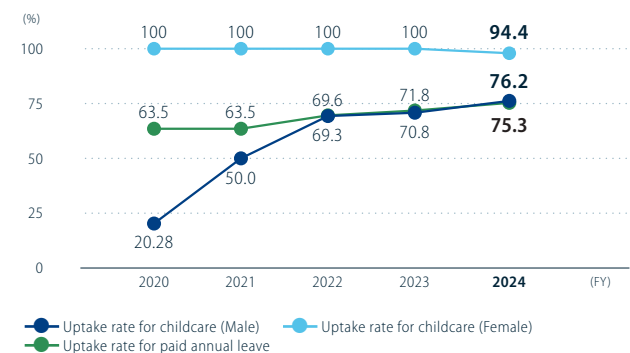
Nippon Shinyaku has kept employee turnover due to personal reasons and early retirement low in the 1 to 2% range by ensuring that employees have a deep understanding of its Business Philosophy and of the "Attitude that all employees should aim for" established in FY2023, as well as by promoting the establishment of systems and environments that motivate employees to work over the long term. Also, in order to expand its business and speed up its operations, the Company aims to maximize the potential of each individual and become a small but unique team while proactively recruiting both new graduates and mid-career professionals.

Percentage of female executives / female managers



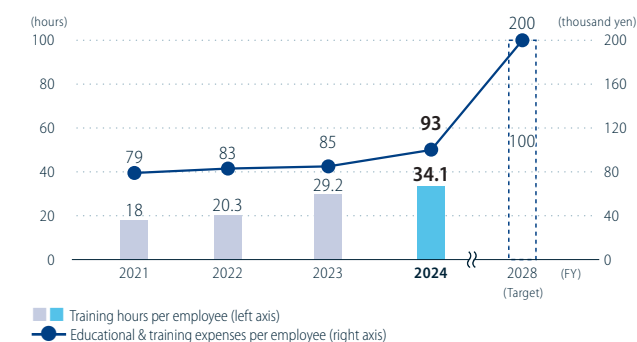
Nippon Shinyaku believes that developing a workplace environment in which people can utilize their diverse individuality is essential so that the Company can achieve sustainable growth and to exhibit our presence to society. In FY2024, the Company will further strengthen its efforts to grow by promoting the participation of a diverse workforce, including women, and drawing on diverse perspectives through such initiatives as formulating a DE&I statement and revising its Code of Conduct in line with the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children.

Uptake rate for childcare leave / Paid annual leave



The male uptake rate for childcare leave reached 76.2% in FY2024, as a result of initiatives such as providing 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). We aim to continue to raise the uptake rate and the number of days taken. The childcare uptake rate for females is almost 100%, and the leave period can be selected based on individual needs, such as taking off the childbirth period only, or until the end of the fiscal year in which the child turns two years old. The Company is also encouraging employees to use their days of annual paid leave, including urging managers to take off 10 days per year.

Hours of training per employee / Educational & training expenses per employee



Nippon Shinyaku believes that unique products are the product of unique people and we want employees to take the initiative in their own personal development. Based on this idea, we respect diversity and provide opportunities for individuals to take on challenges and grow in a positive manner. The Company has a target of 100 hours of training per employee and 200,000 yen of educational and training expenses per employee by FY2028 and is taking steps to promote human capital management in which each and every employee can grow and diverse human resources can play an active role.

Material issues
and related SDGs

Realizing a healthy future by creating innovation



Strengthening efforts to protect the global environment



Resolving social issues and coexisting with the community




We will drive forward R&D by giving our all in thinking about patients, while continuing to expand our pipeline, primarily through the three pillars of in-house drug discovery, in-licensing, and PLCM.

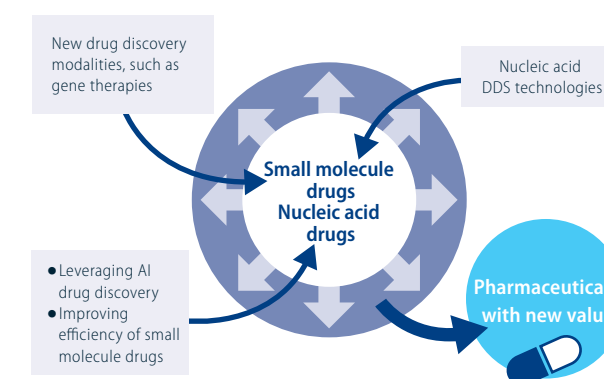
Keiichi Kuwano
Director, Research & Development

Pursuing Uniqueness in R&D

We have developed new drugs by leveraging the two different fundamental technologies and drug discovery modalities of small molecule drugs, which include the Upravi PH treatment, and nucleic acid drugs, which include the Viltepso DMD treatment. We will utilize these strengths to continue research for both modalities in the future, and we will also take on the challenge of finding new drug discovery modalities, such as gene therapies. By leveraging cutting-edge technologies such as AI, we will enhance our unique drug discovery capabilities. Furthermore, we will use open innovation that actively incorporates advanced technologies and ideas from both Japan and overseas to make our R&D even more unique and enable us to quickly develop innovative pharmaceuticals that meet the needs of patients.

a synthesized compound binds to the target molecule to regulate its function. Nippon Shinyaku is building a unique compound library and strengthening our hit compound search system to drive forward efficient development of new small molecule drugs. We have established intractable and rare diseases and hematology as focus areas, and we promote PLCM by developing multiple other indications in parallel to the primary indication from the initial stages of development.

In the future, we also aim to develop Nucleic acid–Small molecule Conjugates that leverage the unique characteristics of our nucleic acid drugs and small molecule drugs. Using these fundamental technologies, we generate new drugs that meet the needs of patients while building and maintaining a high-level drug discovery research system.



Nippon Shinyaku's drug discovery base

Nippon Shinyaku's drug discovery base consists of two main technologies; nucleic acid drugs and small molecule drugs. We conduct research to generate new drugs by leveraging the unique characteristics of each.

Nucleic acid drugs can treat the root causes of diseases by directly acting on genetic information. We have researched nucleic acid drugs continuously for a long time and overcome many difficulties, the result of which was our launch of Viltepso, a treatment for DMD that was Japan's first nucleic acid drug. By applying the fundamental technologies of the nucleic acid sequence design that we built during this process, we will optimize sequence design as appropriate for new drug discovery targets. We are currently focusing R&D on the field of DMD, but we will also expand to other areas, such as the central nervous system.

Small molecule drugs are a widely used method where

Continuously tackling the challenges of new drug discovery modalities

Behind the success of our Upravi PH treatment and Viltepso DMD treatment was our determination to continuously tackle the challenges of creating new treatment concepts and using new drug discovery modalities.

Although new drug discovery modalities have great potential, they also include cases where they will be used to treat human diseases for the first time. As a result, special care is required to confirm safety and efficacy, which means it takes time to turn them into actual drugs. By selecting new drug modalities that are unique and highly compatible with our proprietary technologies, and also making use of outside technologies, we will generate new, high-quality pharmaceuticals in a speedy manner to deliver effective treatments to patients as quickly as possible. In this way, we aim to realize our vision.



At Nippon Shinyaku, we value our uniqueness and conduct research and development based on our determination to deliver new drugs through our own efforts to patients in need, even if they are few in number. In recent years, we have launched products focused on the field of intractable and rare diseases, including Upravi, a treatment for pulmonary hypertension (PH) and Viltepso, a treatment for Duchenne muscular dystrophy (DMD). In FY2024, as a part of our measures to maximize the value of Upravi, we started sales of a pediatric formulation. The pill used for the Upravi pediatric formulation has a small diameter of 3 mm that makes it easy to swallow, but this also makes it difficult to handle. To address this, we developed a dedicated pill case that makes it easier for patients and medical professionals to manage and count the pills. This is another example of our uniqueness and how we are dedicated to addressing the needs of patients. In the future, we will continue to focus on the three areas of hematology, intractable and rare diseases, and urology and gynecology as we continuously expand our pipeline through in-house drug discovery, in-licensing, and PLCM.

With regard to in-house drug discovery, we will develop drugs with effects and characteristics superior

to existing treatments, emphasizing the concept of contributing to the "ways of life" of patients. In terms of nucleic acid drugs, we will add the central nervous system area to our target diseases as we seek further possibilities. We will also introduce new drug discovery technologies and modalities through open innovation, and develop nucleic acid drug delivery systems and gene expression enhancing nucleic acids. For PLCM, in addition to improving formulations, we develop drugs for secondary indications in parallel to checking the efficacy in humans for the first indication in order to maximize the value of the drug at an early stage.

Speeding up global development is essential to delivering pharmaceuticals to patients around the world. To do this, we established a new management department dedicated to global development and a new department to promote the prioritization of projects and optimization of resource allocation. We are improving our capabilities for negotiating with authorities in various countries as we seek to increase the possibility of fast approval, and we are also making efforts to ensure robust clinical study planning. By pursuing these initiatives, we will speed up development and increase the probability of success as we aim to realize our vision for 2035: "Creating various types of new ways of life for each person around the world."

Realizing a Healthy Future by Creating Innovation

R&D

Open innovation

We established Innovation Research Partnering (IRP) in Cambridge, Massachusetts in the U.S. This area is home to an agglomeration of start-ups and biotech companies that lead the world in drug discovery R&D, as well as academic institutions such as Harvard University and the Massachusetts Institute of Technology. Through networking activities that leverage these geographical advantages, we will be able to access leading-edge technology information and seeds directly and at an early stage. By implementing these technologies or seeds that we find during IRP information collection and networking activities and combining them with our strong proprietary technologies, we aim to develop pharmaceuticals speedily based on new drug discovery technologies.

We will also collaborate with academic institutions that conduct leading-edge research both in Japan and overseas from the creation stage of new treatment concepts to discover, foster, and develop consistent platform technologies and generate First-in-Class pharmaceuticals that are globally renowned.

Through such open innovation strategies, we aim to expand our pipeline continuously by creating new drugs and new technologies that have the potential to become future pillars of Nippon Shinyaku.



Building where Innovation Research Partnering is located

Initiatives to Speed up R&D

In the 7th Medium-Term Management Plan, we set out "speeding up R&D" as one of the ways to strengthen our management foundation.

In drug discovery research, we are shortening the time from the drafting of a research theme to the start of clinical study, and building a system that enables us to launch at least one in-house product a year. To help us do this, we established a new Drug Discovery Strategy Department to manage drug discovery research comprehensively and promote transformation. This is speeding up research by optimizing drug discovery processes and standard schedules and conducting thorough progress management.

We also operate a drug discovery integrated database that leverages an AI engine that we developed ourselves to generate research themes and respond to issues faster and more efficiently. Furthermore, when searching for lead compounds and evaluating safety for each research theme, we are leveraging AI engines that have been optimized for each issue, which is helping to accelerate the progress of the research themes.

As for delays in clinical development, one of the issues that came to light during the 6th Medium-Term Management Plan, we are working to strengthen project management, pursue the possibility of early approval, and perform robust schedule planning. Specifically, we established systems to prioritize projects and optimize resource allocation. We also implemented project management tools that can be used across the organization, from research laboratories to the clinical development departments of our U.S. subsidiary, which enable us to manage the progress of clinical trials and implement them according to plan. We are also using such tools to share know-how about global development to facilitate early detection of issues that might cause delays and promote proactive actions. In addition, we are shortening the transition periods between development phases by taking measures such as bringing forward preparation for POC exams and organizing the processes of development step meetings. In this way, we will speed up clinical development and increase the probability of success.

Increasing the efficiency and speed of drug discovery research

Building a system capable of launching at least one in-house product a year

▶ Resource allocation and project prioritization to decide how much of our limited resources should be invested in which areas

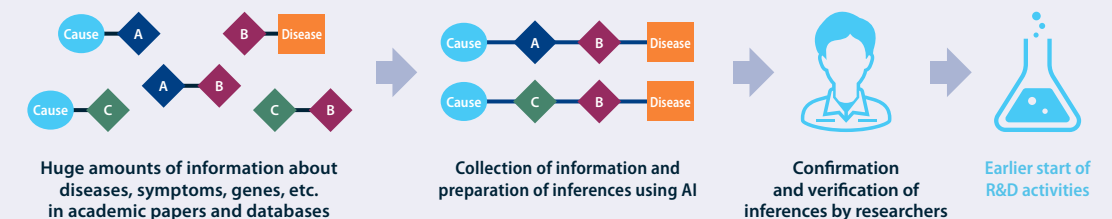
Create a well-balance R&D pipeline portfolio through investments that have been prioritized (success probability, profitability, focus areas, business value, etc.)

▶ Systems and initiatives for launching at least one in-house product a year

- Establish new decision-making meetings of the collegial system to ensure rapid information sharing, issue response, and thorough progress management
- All researchers draft a proposal
- Shorten times by organizing and optimizing drug discovery processes

▶ Promotion of efficient R&D by leveraging AI

(Image)



Speeding up clinical development



Strengthening project management

- Strict progress check across management
- Improve negotiation skills with overseas authorities by hiring qualified medical doctors
- Building a clinical development system that can respond flexibly and globally
- Use of project management tools
- Review of development step meetings, bringing forward preparation for POC exams



Pursuing the possibility of early approval

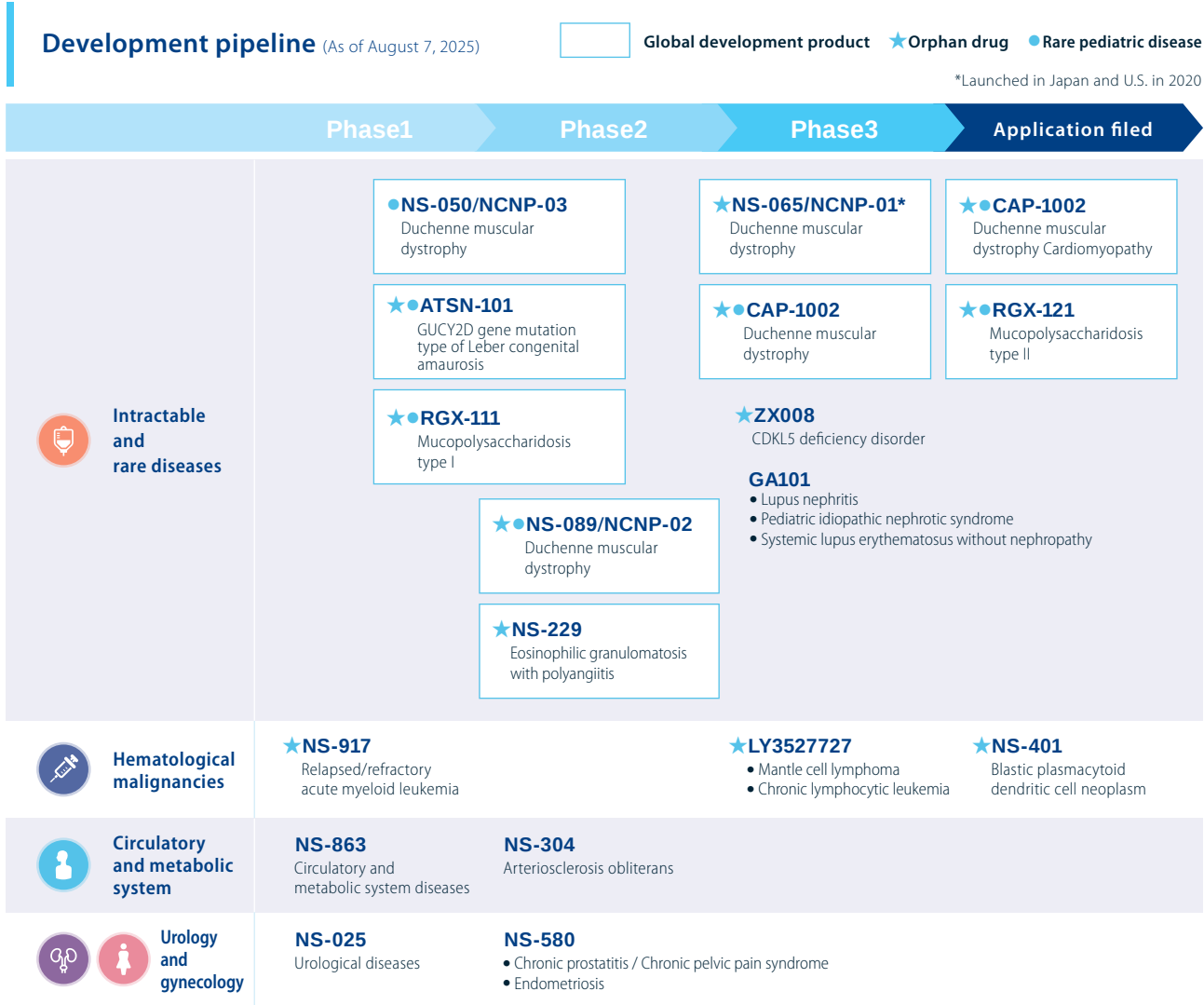
- Promote biomarker search from early stage
- Efforts to reach consensus with authorities



Improving probability of success

- Robust clinical study planning
- Strengthening of POC exams planning
- Prioritization of clinical trial projects
- Consider partnering after obtaining POC
- Thoroughness of timing of study planning
- Establishment of a system to promote health technology assessment (HTA) and clinical development in parallel

R&D



All researchers draft a proposal

At Nippon Shinyaku, we encourage everyone to make draft proposals, based on our policy under which the Discovery and Drug Efficacy Department fosters a culture where it becomes a matter of course for everyone to draft new research themes. Drafting a new research theme is the starting point of drug discovery, and if this process is neglected then it will not be possible to expand the R&D pipeline. “All researchers draft a proposal makes draft proposals” is an initiative that encourages all researchers at the Discovery and Drug Efficacy Department to take on the challenge of generating an idea once a year, instead of leaving everything only to the specialist researchers in charge of drafting work. Although of course there are differences between researchers in terms of age group, skill, and experience, everyone has the same determination to help patients in need and deliver drugs through their own efforts, which is the foundation of drug discovery.

To help researchers even with limited experience to put this determination into practice, we have established a department to manage the process from drafting to theme promotion in order to support idea generation. We have also established a framework that leads naturally to completion of the draft proposal by providing a list of the items that require consideration when drafting a proposal, which the researcher then fills in. It is thanks to our diverse human resources that we can generate diverse ideas as we pursue uniqueness, and through this friendly competition with each other, we aim to produce new drugs that are globally renowned.

Intellectual Property

The Nippon Shinyaku Group is committed to tackling the challenge of new modalities in drug discovery and globalization in order to realize our Business Philosophy. We recognize that intellectual property (IP) plays an important role in promoting these purposes, and through the protection and utilization of IP, we will strengthen the superiority of our business and continuously improve corporate value. We also practice thorough IP-related risk management by conducting third-party ownership investigations.

R&D activities and intellectual property

The Intellectual Property Department collaborates with the R&D Division from the early stages of research. By doing this, we can protect pharmaceuticals and functional foods produced in-house in a long-term, multifaceted and strategic way using multiple patents. In addition, we are considering building and utilizing a patent portfolio to strengthen our global R&D strategy and business strategies in an internal committee.

Understanding and analyzing intellectual properties

We conduct patent trend analysis and IP analysis of competitors in technical fields believed to be important for us over the medium to long term. In addition to early stage IP risk management, we can use this information in our R&D strategy and business strategies. Furthermore, the Group analyzes IP protecting its products and their surroundings to create opportunities for in-house R&D and business expansion, including strategic licensing.

Building our reputation and brand based on trademarks

We determine the appropriate product names according to the medicines and functional foods produced in-house. By protecting them with trademark rights, we build the reputation and brand of our products.

Medical Affairs

The mission of Medical Affairs is to identify unmet medical needs, generate medical and scientific evidence related to these needs, and communicate the information to medical professionals and patients. To deliver the most appropriate healthcare to all patients, we aim to optimize the medical value of our in-house pharmaceuticals to help improve patient benefits. To do this, we conduct exchanges with medical experts and patient organizations, and also hold various surveys, which help us to identify issues related to target diseases, such as the status of existing treatments and diagnoses, and collect information about our products that cannot be obtained from clinical trials alone. We formulate medical plans based on the collected information, and conduct evidence generation and disease awareness activities according to these plans.

*Unmet medical needs: These are medical needs that are not being met satisfactorily from the viewpoint of medical professionals or patients. For example, diseases that lack effective treatments, or the need for new therapeutic agents or treatments.

For patients

We are conducting various types of research, including non-clinical research, clinical research, database research, and registry research for our in-house pharmaceuticals as activities to generate evidence for treatment optimization. We have published numerous results from such research in conference presentations and academic papers. We have also collaborated with patient organizations to hold public seminars on hematological malignancies and muscular dystrophy, and plan other initiatives, such as gathering the opinions of patients and communicating them to society. In the future, we will continue to stay focused on patients and conduct pharmaceutical development that incorporates their opinions.

Sales



Aiming to provide information that meets diversifying medical needs, we will further strengthen collaboration between digital channels and MR (Medical Representative) activities.

Kazuyuki Iwata
Director, Sales and Marketing

Nippon Shinyaku has built a relationship of trust with healthcare professionals, with a particular focus on the areas of pulmonary hypertension, pediatric neurology, and hematology.

In 2024, Nippon Shinyaku launched Vyxeos for the treatment of high-risk acute myeloid leukemia, Jaypirca for mantle cell lymphoma, and an additional indication was approved for Fintepla, an anti-epileptic treatment. In all cases, these new treatments were used to help a greater number of patients than initially expected soon after their launch or the approval of their new indication. Seeing how many patients and healthcare professionals who had been eagerly awaiting new treatment options reaffirmed our sense of purpose to deliver both innovative medicines and accurate information. Under the 7th Medium-Term Management Plan, we have committed to addressing medical needs in Japan by launching or obtaining additional indications for an average of two or more new products per year, with a focus on treatments for Duchenne muscular dystrophy and hematologic malignancies. As a result, our responsibility to deliver valuable treatments to patients at an early stage continues to grow. We are committed to delivering highly valuable information to physicians and patients, striving to be a trusted company among healthcare professionals.

The key challenges for achieving the 7th Medium-Term Management Plan are further data utilization and human resources development. In order to meet diversifying

medical needs, we have been enhancing our organizational structure and leveraging data to deliver information in a way that integrates digital channels with MR (Medical Representative) activities. As a result, our website for medical professionals, which consolidates disease and product information, gained a certain level of approval from physicians in our focus areas according to external surveys. Although we have made progress in consolidating customer-related information through CRM*, the process of capitalizing on the aggregated data is still in its early stages. To provide personalized information tailored to each customer, we are working to enhance data integration and visualization across all information provision activities. By analyzing a variety of internal and external information and identifying customer needs in a timely manner, we will provide the necessary information at the optimal time.

Although digitalization continues to advance, the provision of face-to-face information by MRs remains a vital engagement channel, playing an essential role in building trust-based relationships with healthcare professionals. We encourage MRs to continually devote themselves to study in order to coordinate channels and information according to the needs of physicians, and to carry out the kind of personalized, detail-oriented engagement that only human interaction can provide. We are also striving to build a strong sales organization by providing systematic training programs to sales managers who formulate strategies for the areas under their jurisdiction and provide guidance and training to MRs.

* Customer Relationship Management: This is a system for managing and analyzing customer information in order to build and maintain strong customer relationships

With “faster, more efficient, and broader market penetration of our products” as the main theme of our 7th Medium-Term Management Plan, we are committed to delivering our unique products to as many patients as possible, as quickly as we can.

Although the medical field and market environment continue to shift, we remain committed to achieving patient centricity by providing information that supports the appropriate use of our products in line with the needs of the medical field, and by actively accumulating safety information.

An Organizational Structure That Enables Quick Access to Customer Needs

Aiming to be an indispensable partner for medical professionals, approximately 430 MRs are engaged in activities to communicate and collect information on appropriate product usage and safety.

We have introduced a team-based system centered on secondary medical regions, where multiple generalist MRs cover the same area, without being assigned specific territories. Additionally, in line with new product launches and other portfolio reshuffling, we have concentrated our activity resources in focused areas and increased the number of MRs in charge of the same facilities. By having multiple MRs carefully cover physicians, pharmacists, technicians, and nurses at key client facilities, and by facilitating close communication, we

have established a system that can respond swiftly and flexibly to urgent information needs concerning specialty diseases.

In addition, approximately 60 product marketers nationwide work collectively to meet the healthcare needs of each region. To contribute to raising and spreading a greater awareness of diseases and products by utilizing their respective expertise, we cooperate with branch and sales managers to provide and collect information on diseases and products to promote awareness and appropriate use of products. In addition to supporting MRs, we serve as a bridge to facilitate collaboration among physicians across different areas as needed, striving to expand the adoption of treatments and maximize product value.

MR Training to Create High-Value Communication

Following the COVID-19 pandemic, the ways in which healthcare professionals gather information have diversified to include both online and offline channels. Although reforms in the work style of physicians may reduce opportunities for meetings with MRs, face-to-face interactions and communication with MRs continue to play a vital role in the selection of pharmaceuticals related to life and health. For this reason, MRs are expected to make the best use of their limited interview time and provide high value interactions.

In order to gain the trust of physicians, we offer a variety of training programs. In addition to digital education such as CRM-based insight analysis, practical role-playing utilizing generative AI, output training to cultivate the ability to understand needs and make proposals precisely because we are human, and in-house certification exams to test highly

specialized knowledge and communication skills, we are focusing on human resources development that can meet diverse and individualized medical needs.



Resource Procurement, Production, and Assurance



We are focused on supplying safe, high-quality products and building a system to realize a healthy future by creating innovation.

Hitomi Kimura

Director, Resource Procurement, Production & Assurance

In our Resource Procurement, Production & Assurance Division, we are advancing the supply of safe, high-quality products and the development of robust systems under the 7th Medium-Term Management Plan, in line with our materiality theme of “Realizing a Healthy Future by Creating Innovation.”

With a mission to ensure the efficacy and safety of pharmaceuticals while providing high-quality pharmaceuticals to patients worldwide in a stable manner, we are promoting the global expansion of nucleic acid drugs, including our mainstay product, Viltepso.

Furthermore, we are focusing on building a reliability assurance system and a highly resilient supply chain to enable us to respond to emerging modalities such as cell and gene therapy.

To strengthen our production & assurance system, we are reviewing and enhancing our systems and management procedures to comply with the regulatory requirements in each country and region. We aim to establish a system to centrally manage safety information in the countries where our products are marketed, to report to the regulatory authorities, to provide safety information to medical institutions in a timely manner, and to promptly implement safety measures. We are also working to streamline the application for approval and post-approval maintenance

management in order to accommodate the growing diversity of product modalities, thereby contributing to quality assurance and a stable supply. Furthermore, by promptly publishing the findings of post-marketing surveillance studies, we aim to enhance product value and promote appropriate usage.

In our supply chain operations, we are working to establish a cold chain distribution channel and a system capable of controlling quality and inventory in preparation for the 2026 launch of NS-401, our first frozen liquid formulation for the treatment of blastic plasmacytoid dendritic cell neoplasm (currently under regulatory review).

Given that the marketing of cell and gene therapy products, etc., requires a global ultra-cold chain infrastructure, we are also actively considering future expansion into Europe. In addition, to bolster our in-house production capabilities for nucleic acid drugs, we are utilizing the nucleic acid API purification plant at our Odawara Central Factory and preparing to apply for additional manufacturing sites in both the U.S. and Japan. We believe this will also contribute to enhancing the overall value of the group.

By undertaking these initiatives, we aim to build a competitive global supply chain that earns the trust of healthcare professionals, patients, and society worldwide, while supplying safe and highly reliable pharmaceuticals.

The Production & Assurance Division strives to ensure product efficacy and safety by complying with relevant laws and regulations, managing regulatory submissions and approval maintenance, overseeing quality assurance and safety information, conducting post-marketing surveillance, ensuring the reliability of application documents, and handling pharmaceutical consultation services. The Supply Chain Division is promoting sustainable procurement and cost reduction, improving productivity and global responsiveness at the Odawara Central Factory, and developing a global supply chain system that supports emerging modalities, with the goal of reliably delivering our unique products to patients around the world.

Developing a Framework to Meet Regulatory Requirements Across Countries

As part of our global expansion, we are planning to enter the European market. Accordingly, the Production & Assurance Division faces pressing challenges to establish a product assurance system that complies with European regulatory requirements, following Japan, the U.S., and China. In addition to establishing a new procedure manual and audit system in compliance with European regulations, we will introduce a database for the centralized management of global safety information to promote the automation of gathering, evaluating, and reporting information.

We hope this initiative will lead to the prompt provision of safety information and the implementation of appropriate countermeasures. Meanwhile, in the area of quality assurance,

although standards have been internationally reconciled under PIC/S GMP, we are considering strengthening our quality assurance framework to meet Europe-specific requirements, such as those for Qualified Persons (QPs). In addition, we intend to promote the introduction of a centralized database to manage global pharmaceutical information and construct a system that can promptly handle post-approval amendments and other changes in order to provide accurate information and streamline regulatory compliance. By advancing these initiatives, the Production & Assurance Division is committed to ensuring the efficacy, safety, and quality of our products on a global scale, thereby contributing to the well-being of patients around the world.

Production Optimization & Global Strategy

We are promoting the global development of Viltepso and focusing on building a highly resilient supply chain that anticipates changes in the market environment, as well as a growth strategy for nucleic acid drugs with a view to launching successor products such as NS-089/NCNP-02 and NS-050/NCNP-03. We are continuing to examine the three pillars of: promoting DX (e.g., building a data-driven production planning system), establishing a stable production system, and building a future-ready global supply chain.

With regard to promoting DX, we are implementing the automation of demand forecasting and production planning, and are further advancing the refinement of these processes, including the application of AI. In addition, we are aiming to apply for additional manufacturing facilities in the U.S. and Japan during FY2026 to ensure the stable production of nucleic acid active pharmaceutical ingredients (APIs). In 2024, we began pilot production of the APIs for Viltepso at the nucleic acid API purification plant of the Odawara Central

Factory, which was completed the same year. In the future, we plan to manufacture other nucleic acid APIs. With a view to establishing a global supply chain, we are looking into the future development of nucleic acid drugs in Europe, and are considering which countries in Europe should be prioritized for marketing, organizations for direct sales, distribution methods, and so on. By implementing these measures, we aim to establish sustainable growth and a stable supply system, ultimately contributing to the well-being of patients.



Chromatography system for the nucleic acid API purification plant

Functional Food



We will develop and provide high value-added products by identifying customer needs and social shifts.

Hitoshi Ishizawa
Director, Functional Food

The functional food business was launched in 1961, utilizing proprietary extraction technologies cultivated in our pharmaceutical business. Since its inception, we have developed a wide range of businesses with the aim of “Helping People Lead Healthier, Happier Lives” through food. Earning high praise and trust from the food industry represents a major strength of our company.

The Functional Food Company operates under the vision of “contributing to the development of a sustainable society by addressing social issues pertaining to health promotion and food safety and security, as well as through dietary education initiatives, as a functional food business led by a pharmaceutical company.” We are thus engaged in fundamental research and committed to prioritizing safety and quality, which are values cultivated through our pharmaceutical R&D, while obtaining scientific evidence for traditionally recognized ingredients beneficial to health.

As the population ages, the extension of healthy life expectancy has become a social issue, and governments are working to curb medical costs by promoting self-care. We develop and provide a wide range of products that are not only nutritious but also take affordability into account, such as protein-fortified foods aimed at improving health and extending healthy life expectancy, as well as comprehensive nutritional products, including liquid foods

used in medical institutions and care facilities for the elderly, thereby contributing to improving people's quality of life (QOL) and solving social issues.

We are also promoting initiatives related to food safety and security, such as reducing food loss by extending the shelf life, as part of our efforts to help realize a sustainable society. In addition to ensuring safe distribution by mitigating food spoilage, we capitalize on the advanced technologies cultivated in the pharmaceutical field to develop and provide ingeniously designed preservatives that maintain both safety and taste. Since commencing our preservative business back in 1965, we have been firmly rooted in the industry for more than 60 years, and many processed food manufacturers have adopted our products. In recent years, we have been utilizing our proprietary digital tools to achieve even higher levels of great taste and long shelf life.

Furthermore, we are striving to improve access to nutrition through product development and the promotion of dietary education in collaboration with local governments and educational institutions, with the aim of solving nutrition-related issues for all generations, such as the problem of young people skipping breakfast as well as frailty and sarcopenia among the elderly due to poor nutrition.

Material issues and related SDGs

Realizing a Healthy Future by Creating Innovation



Strengthening efforts to protect the global environment



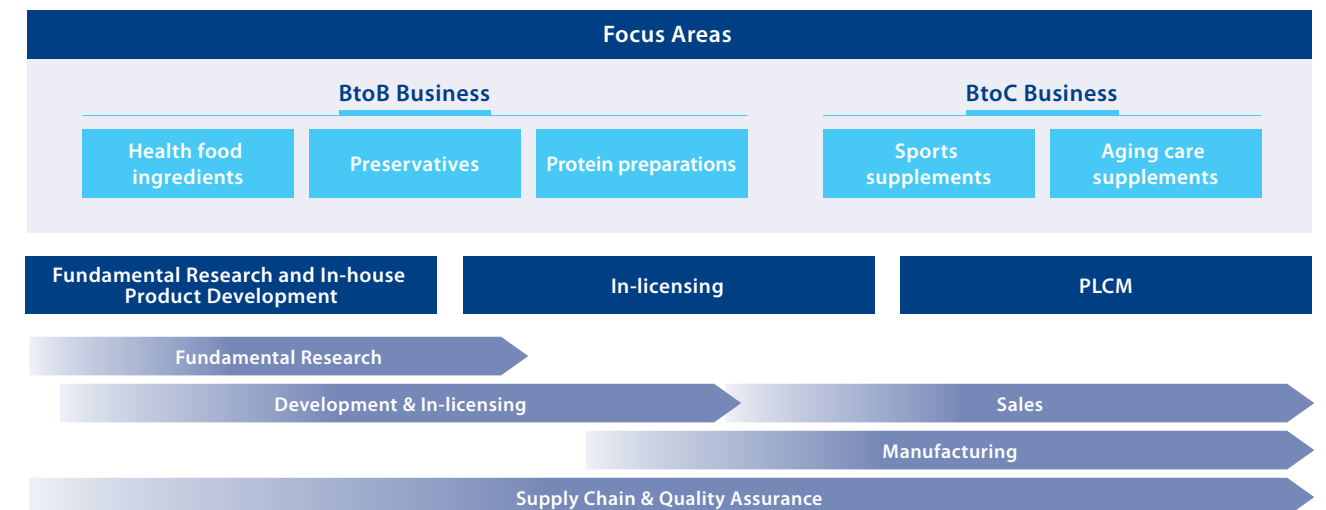
Characteristics of Nippon Shinyaku's Functional Food Business

Business Model

The Functional Food Company has an R&D Division and a Quality Assurance Division, and develops and provides high-quality, original products by leveraging its advanced technological capabilities cultivated as a manufacturer of

prescription pharmaceuticals. To expand our business, our approach is based on the three pillars of promoting basic research and developing our own products, introducing products that meet user needs, and PLCM.

Functional Food Company Business Model



Business Development

Our business operates on two main fronts: the BtoB business, which provides functional food ingredients mainly to processed food manufacturers, and the BtoC business,

which provides supplements that contribute to improving the health and quality of life of consumers. Currently, we operate mainly in Japan, but in recent years we have been actively expanding into overseas markets.

In the BtoB business, we are developing the following three main product areas.

- (1) Health food ingredients: Products that contribute to improved health and quality of life in the healthcare field
- (2) Preservatives: Products that contribute to food safety and security and food loss reduction in the field of processed foods
- (3) Protein preparations: In addition to strengthening and stabilizing quality in the field of processed foods, these products are used as ingredients in sports nutrition and nutritional medical foods

In the BtoC business, we are developing supplements in the following two product areas.

- (1) Sports supplements: Highly unique supplements that improve performance during exercise, from top athletes to sports enthusiasts
- (2) Aging care supplements: Highly unique supplements that support health and beauty while contributing to improving people's quality of life

Functional Food

R&D

As an R&D-led new drug manufacturer, we deliver products with a high degree of originality and functionality to the global market. Our R&D center is located in Kyoto and focuses on three product areas: health food ingredients, preservatives, and protein preparations. In the healthcare field, we aim to contribute to improving health and quality of life, and in the field of processed foods, our focus is on food safety and security as well as reducing food loss. In addition to developing products and ingredients and fundamental research, we are also focusing on enhancing customer experience through the use of digital transformation (DX).

Initiatives to Enhance Quality

In our Functional Foods business, as a manufacturer of prescription pharmaceuticals, we place the highest priority on the safety and security of our products, and we are continuously improving our management system to enhance quality. We are bolstering cooperation with suppliers and contract manufacturers of raw materials and holding regular internal committee meetings to share quality-related information, address quality issues and complaints, and formulate measures to prevent recurrence. In addition, we hold monthly training on compliance, risk management, and other issues for all employees of the Functional Food Company to improve their knowledge of relevant laws and regulations related to food advertising and labeling.

Strategies to Achieve the 7th Medium-Term Management Plan

Under the 7th Medium-Term Management Plan, we are reviewing our business portfolio with the aim of shifting to a highly profitable structure. In our BtoC business, we will focus on the growing market for sports supplements, especially accelerating the development of our mainstay product, WINZONE Protein. Leveraging the expertise cultivated in our BtoB business, we will promote sales strategies such as

expanded product lineups, advertising initiatives to increase brand awareness, and also broaden our distribution channels. In our BtoB business, we will focus on the field of preservatives, for which demand is expected to increase amid growing interest in reducing food loss, and aim to develop business based on high value-added product development by promoting efficient R&D that utilizes digital technology.

Expansion of Supplements and Health Care Products

In our BtoC business, we are expanding our product lineup for protein supplements, the mainstay of our sports supplements, to suit individual body types and needs. For the fast-growing market, we are also developing highly unique sports supplements for use before, during, and after exercise, conditioning, and other situations as needed. In addition, we are developing distinctive aging care supplements adaptable to changes in the market such as the ongoing rise of an aging society. We will contribute to the promotion of health by expanding brand awareness and sales channels so that more people are able to obtain the products.

In our BtoB business, we are developing new health food ingredients via fundamental research and introducing products, while promoting PLCM with the aim of maximizing the value of existing health food ingredients. This will expand the lineup of functional ingredients that contribute to health

promotion targeting diet, anti-glycation, and lifestyle-related diseases. In our production of protein preparations, we are also engaged in the development of products targeted at sports and health promotion.



Providing New Solutions That Contribute to Food Loss Reduction

The development of preservatives that achieve both great taste and long shelf life is directly related to the reduction of food loss and plays an important role in the realization of a sustainable society. The Functional Foods business has earned the trust of many customers in this field and has grown to become one of the leading companies in the industry. In addition to providing products, we also offer solutions that leverage digital technology to dramatically improve the value of the customer experience. The membership website provides information and materials required by product development personnel at our business partners in a timely manner. Recently, we have implemented a digital tool that instantly identifies pathogenic bacteria that cause food spoilage, enabling us to provide effective shelf life measures. This has revolutionized our development operations, enabling us to provide rapid proposals that meet user needs and

strongly support our customers in their product development efforts. In addition to preventing food spoilage, we are also developing formulations that address a wide variety of quality deterioration, such as enzyme formulations that contribute to the prevention of cooked rice turning stale.



Nippon Shinyaku People

Understand User Insights and Create Unique Value for WINZONE



Koji Yagi

Functional Food Company
Planning and Promotion Section,
Protein Business Strategy Department

I am currently in charge of the planning and marketing of the sports supplement WINZONE. My primary duties include planning and executing promotion strategies, such as online advertising, managing social media accounts, product planning, and market analysis. I am always conscious of clearly communicating the “unique value of WINZONE” while maintaining consistency in the brand strategy so that our customers feel glad they opted for WINZONE. To this end, it is of utmost importance to delve into the user insights behind the various numbers, so we also strive for a correct understanding of customer needs and a keen comprehension of trends in the market and competitors.

In the past, as a result of conducting online initiatives, the number of brand name searches for WINZONE increased significantly, and sales at e-commerce malls also exceeded their targets by a wide margin. This was the defining moment when the results of our consistent promotion, hypothesis testing, and refinements showed up in the numbers, and it was particularly memorable for us.

We will continue our efforts of enriching the lives of many athletes and health-conscious people as much as possible with our WINZONE brand.

Developing Diverse Human Resources and Realizing Employee Well-Being

Human Resource Strategies in Nippon Shinyaku

Based on our belief that “unique products are the product of unique people,” we value the diversity of our employees and position human resources as the driving force behind our sustainable growth. To communicate this philosophy and our specific initiatives both internally and externally, we published our first-ever “Human Capital Report 2024” in the same year, which outlines our human capital strategies, achievements, and future outlook, and has been posted on our website.

Promoting human capital management is one of the key themes of “Strengthening the Five Management Foundations” set forth in our 7th Five-Year Medium-Term Management Plan, and we are actively committed to developing the next generation of human resources and enhancing employee engagement. We also believe that in order to create an organization in which diverse human resources can play an active role, it is essential to have a relationship of mutual trust,

whereby we are the “company of choice” that also fosters “employees companies choose.” Based on this philosophy, the “Human Capital Report 2024” identifies four themes on which we will focus our efforts, and for which we are developing specific measures (Fig. 1).

We will continue our ongoing initiatives to develop human resources for the future and enhance employee engagement, while also disclosing our approach to human capital strategy along with targets and progress on key indicators. By pursuing these initiatives, we aim to further enhance our corporate value and realize our vision for 2035: “A global healthcare company from Kyoto creating various types of new ways of life for each person around the world.”

Human Capital Report 2024 (Japanese)

WEB ▶ https://www.nippon-shinyaku.co.jp/sustainability/esg/human-capital/human_capital_report.php



Takashi Takaya

Director
Personnel, General Affairs, Risk Management,
Compliance & Digital Transformation

Strengthening Empathy and Giving Our All for One.

AI surpasses humans in terms of accuracy in providing correct solutions. In such times, I believe that the ability to be close to and empathize with others is what is required of employees. What are the issues that need to be resolved now? The ability to empathize is the ability to see matters as one's own and to discern the issues.

I hope Nippon Shinyaku aspires to be a company where highly empathetic individuals thrive by embracing their diversity, recognizing one another, and working with vitality while being themselves.

The challenge of tackling intractable and rare diseases cannot be achieved with kindness alone. As guidelines for action, we strive to move forward every day one step at a time and have built a self-learning platform to support this goal. In particular, we have established a system to advance employees step by step by defining five levels of human resources, from 0 to 5, for global and digital readiness, which will become indispensable in the future.

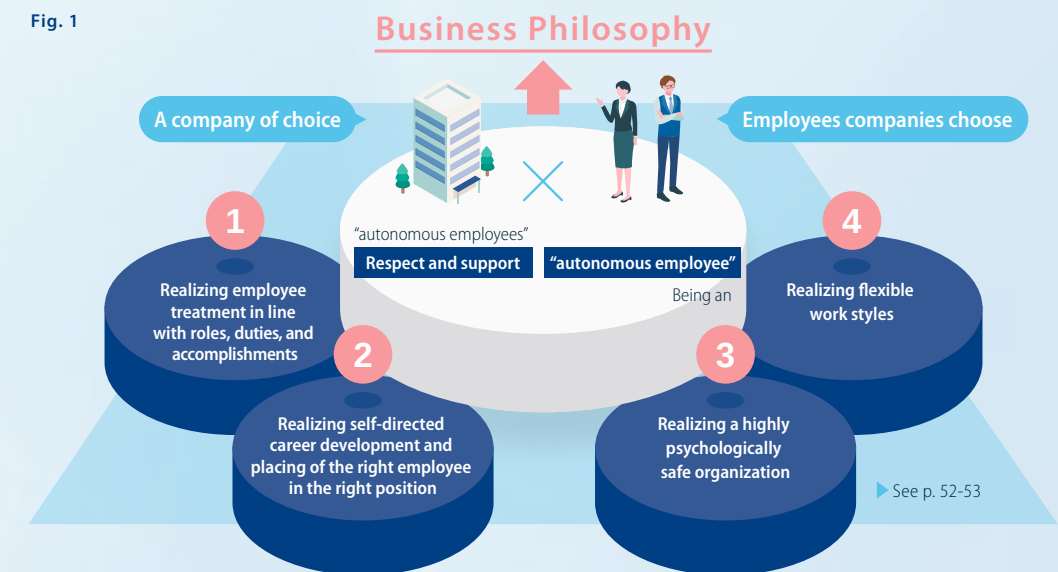
Ready to give our all for one? By continually asking ourselves this question, demonstrating leadership in our respective roles, and earnestly addressing social challenges, we strive to remain a “company of choice” fostering “employees companies choose,” while realizing well-being for society as a whole.

Material issues
and related SDGs

Developing diverse human resources and realizing employee well-being



Fig. 1



Measures to Become a “Company of Choice”

To continue achieving sustainable growth, it is essential to be a “company of choice” where each employee can experience personal fulfillment and growth, and feel motivated to continue working here.

To realize this, since FY2023 we have been working to foster an organizational climate where each individual takes on challenges with genuine commitment. We are promoting initiatives such as establishing treatment based on roles, duties, and accomplishments, supporting self-directed career development and placing of the right employee in the right position, creating a highly psychologically safe organization, and enabling flexible work styles. In FY2024, we revised our compensation system to better reflect individual roles, introduced a work location preference system and an internal open recruitment system, revised the senior employment policy by extending the retirement age, and held LGBTQ awareness events

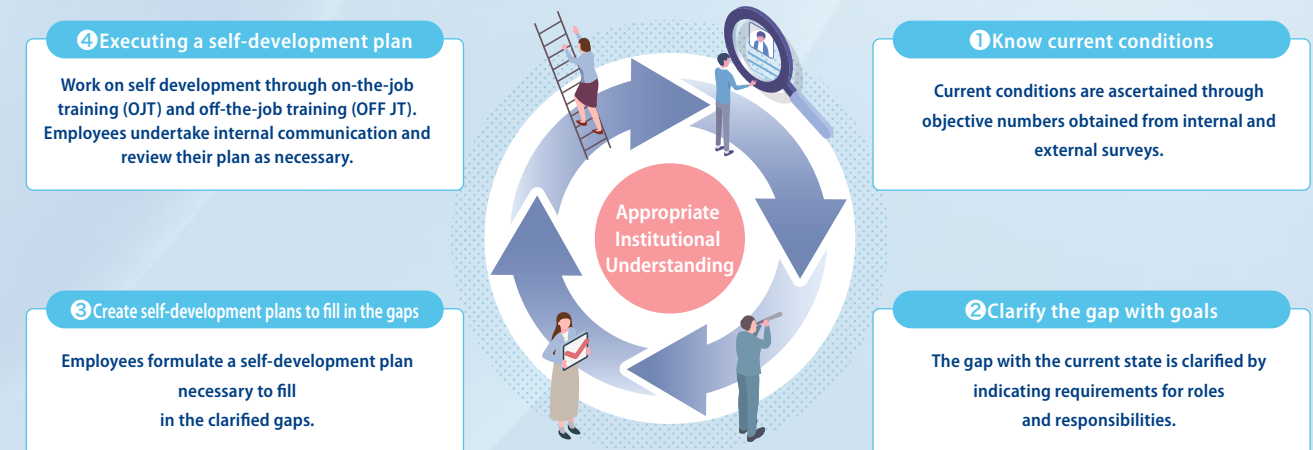
to create an environment where everyone can play an active role regardless of gender, nationality, age, and other factors.

We will continue to refine our systems and strengthen our efforts to support the challenges and growth of each and every employee.

Measures to Develop “Employees Companies Choose”

What we want is for our employees to take the initiative in their own personal development.

By continuously cycling through the process of understanding their current situation, identifying the gap with their goals, creating a self-development plan to bridge that gap, and executing the plan, employees enhance their own value and become the kind of “employees companies choose.” We believe that realizing this “company of choice” and “employees companies choose” is the driving force behind our growth.



1 Realizing employee treatment in line with roles, duties, and accomplishments

Nippon Shinyaku is working to revise its compensation and personnel systems to ensure that employees are treated in accordance with their roles, responsibilities, and achievements. We are also working to acquire and develop human resources capable of creating new value, regardless of traits such as age, gender, or nationality.

To foster the development of “Global Human Resources” and “DX Transformation Human Resources” essential to our company’s growth, we have defined target talent profiles in five

levels based on employment positions and environments, and provided all our employees with a comprehensive skill map. We have established a human resources development program tailored to individual levels and needs, enabling step-by-step progression and creating an environment where everyone can engage with ease. We will continue to further expand our human resources development programs to encourage employee growth.

Image of Global Human Resources



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

The term “career” has a wide range of meanings and is perceived in different ways by different individuals. Career support needs also vary depending on one’s life stage. Since there has been a lack of experience and opportunities to consider self-directed career planning, we are offering career consulting opportunities to all employees from FY2022 onward. We encourage our employees, especially those who reach the milestone ages of 30, 40, 50, and 55, to take these courses so that they can reflect on their careers and apply the knowledge acquired to their future.

In addition, we have redefined reassignments as an integral part of career development and, starting in FY2024, partially revised our career declaration system as a means for employees and the company to align their direction. In

addition to these initiatives, we are expanding our programs by offering the “NS Academy,” a human resource development course starting in FY2023 as an opportunity to support employees’ self-directed learning and growth. In addition, the introduction of “openbadges” provides visualization of skills and experience and serves as a guide to learning.

This initiative was recognized, and in October 2024, we received the “Excellence Award” in the Corporate Category of the Openbadge Awards.

Acquisition of Openbadges Throughout the Company

FY2023	FY2024
3,378 badges	5,097 badges

3 Realizing a highly psychologically safe organization

We are committed to cultivating a work environment that supports well-being and to ensure psychological safety by stimulating multi-directional dialogue. As part of this effort, we conduct engagement surveys* to reinforce organizational capabilities. We define engagement as “a relationship in which both the company and employees grow together and contribute to each other” and by continuously listening to the views of our employees, we aim to resolve organizational issues and realize the well-being of each individual. In FY2024, the engagement score calculated from the positive response rate for the three items concerning “engagement” was 68% (95% response rate), which is 7% higher than the average for

Japanese companies surveyed by the company in 2023 and 4% lower than the average for companies worldwide.

Analysis of the free response section of the survey revealed that “organizational climate/values” (warmth, compassion, etc.) and “people/team” (cooperative attitude, open communication, etc.) were highly rated at Nippon Shinyaku. In addition, from FY2024, we implemented an engagement mini-survey to measure the effectiveness of our action plans and encourage continuous improvement activities at each workplace.

* Use of Qualtrics survey

4 Realizing flexible work styles - the best work style is different for each individual -

We are committed to improving productivity, promoting flexible work styles, and also achieving life-work balance. In order for us to create an environment where our employees can work in a state of mental and physical well-being, we believe it is vital to provide a flexible combination of diverse experiences and ways of spending time, including working hours, family life, self-improvement, side jobs, and community activities, according to each individual’s sense of values.

In FY2024, to foster a workplace environment that makes it easier to take annual leave, we designated the third Friday of each month as an Annual Leave Promotion Day and reflected this in each employee’s Outlook calendar. In addition, to encourage managers to take the initiative in changing the way they work, we recommended that they take 10 days of annual leave.

Nippon Shinyaku People

Enhancing Well-Being Drives Corporate Growth



Yoko Nakanishi

Personnel Department

We are committed to improving the well-being of our employees, while aiming to be a company where they can experience happiness through their work. Among these, the improvement of the working environment and the mental and physical health of employees are fundamental components for realizing wellbeing. Based on this philosophy, we promote health management with the aim of achieving our corporate philosophy and management policies by ensuring that each employee is physically and mentally healthy, feels secure at work, and can perform at their best.

The promotion system includes discussions with management, policy decisions by the Company-wide Occupational Health and Safety Committee, and opportunities to improve health literacy offered through the Health and Productivity Management Working Group in cooperation with health insurance and labor unions. Furthermore, we are working to promote health management by assigning well-being supporters to each of our business locations to reflect the views of our on-site employees.

Under this system, we are deploying measures to address a range of employee health issues, including periodic health checkups and stress checks, mental health measures, exercise and dietary support, support to abstain from smoking, and infectious disease countermeasures.

Going forward, we will continue to visualize health-related metrics and rigorously apply the PDCA cycle to continuously evaluate and improve our initiatives, aiming to promote employee health and sustainable corporate growth.

Promoting DX

In the 7th Medium-Term Management Plan, one of the five key management foundations to bolster is “Business process reengineering and productivity improvement by promoting digitalization.” The key themes of this initiative are the planning and execution of business transformation concepts, promotion of AI and data utilization and infrastructure development, as well as the development of transformational human resources to take charge of DX.

Basic Policy

In order to respond to the diverse changes in the business environment in recent years and achieve sustainable growth, Nippon Shinyaku is accelerating its corporate transformation by leveraging AI and digital technologies.

In 2022, we formulated our “Digital Vision and Digital Strategy” and established the DX Management Department as a specialized organization to promote company-wide DX. To realize this vision, we have worked to promote the use of digital technology, develop a data utilization infrastructure, foster human resources for DX transformation, and reform our organizational climate. To expedite DX promotion, in April 2025, we released a “DX Action Book” to the entire company so that each and every employee can gain an understanding of the significance of digital technology and is able to take independent action. The “DX Action Book”

Six Principles

- 1

The “people involved in the operations” will take the initiative in integrating business and digital.
- 2

Continuously question and reevaluate existing practices and processes.
- 3

Convert data assets into value.
- 4

Quickly test ideas, accumulate small failures, and turn them into success.
- 5

Collaborate across the entire organization, transcending departmental boundaries.
- 6

Understand the purpose of IT and data governance, and comply with the rules



presents “Six Principles” with specific examples of how to think and guidelines for action in order to transform operations and create new value by leveraging AI and digital technologies.

One of these principles emphasizes “integrating business and digital, with the people involved in the operations taking the initiative.” This stresses the importance of employees who understand the actual work-site taking the lead in resolving essential issues. We will continue to support the DX promotion activities of each division and, by raising awareness throughout the company, create an environment in which each and every employee can independently participate in DX promotion, with the aim of establishing an organizational climate that achieves sustainable transformation.

Promotion of AI and Data Utilization Along With Infrastructure Development

We position data as one of our most important assets. In order to respond to dramatic changes in the external environment, we are working on drug discovery using AI and data, as well as promoting the use of data in each department to support streamlined decision-making, in order to realize the key theme of “continuous pipeline expansion” in the 7th Medium-Term Business Plan. As part of this effort, the “Nippon Shinyaku Data Utilization Basic Policy” was formulated and put into practice to ensure data quality and maximize its value. Currently, we are constructing a data utilization infrastructure and data management system so that all employees can obtain the requisite data at the necessary time.

Cultivating Human Resources for DX Promotion

In order to sustain and accelerate our company-wide promotion of DX, we are focusing on developing human resources to drive DX. In FY2024, we defined DX human resources as “DX Transformation Human Resources*1” and “DX Promotion Human Resources*2” and introduced an in-house certification system. In the 7th Medium-Term Management Plan, by the final year of FY2028, we aim to develop 10% of all employees as DX Transformation Human Resources and 25% as DX Promotion Human Resources, while ensuring that all employees acquire fundamental knowledge of DX.

To realize this goal, we offer a variety of training programs centered on the two pillars of: IT/DX literacy improvement measures for all employees and open recruitment and

Material issues and related SDGs

Realizing a healthy future by creating innovation



selective DX specialist training. Based on requests from participants, we are expanding and improving our programs, as well as adopting programs in collaboration with other companies and educational institutions. As of 2025, approximately 40% of all employees have acquired basic DX knowledge, and 16 employees have been certified as DX Transformation Human Resources★4 and 12 as DX Promotion Human Resources★3 within the company. We will continue to promote the development of human resources to support ongoing corporate transformation while flexibly responding to changes in the external environment.

FY2028 KPIs

DX Human Resources Development	Performance Indicators (KPI)
Developing DX Transformation Human Resources	10% of all employees
Developing DX Promotion Human Resources	25% of all employees
Establishment of basic DX knowledge	100% of all employees

*1 DX Transformation Human Resources: Human resources to connect digital and business and drive change

*2 DX Promotion Human Resources: Human resources who have a DX mindset and apply digital solutions effectively in their daily tasks

Nippon Shinyaku’s Image of DX Human Resources



Column

Initiatives to Promote DX Through Co-Creation With External Partners

With the belief that DX is not about competition but about co-creation, we are bolstering our partnerships with Kyoto-based local companies, other companies in the industry, along with educational institutions. During “Digital Month” in October 2024, we held a “Digital Festival” co-hosted with other companies at our Kyoto Head Office to forge closer ties with local companies by introducing DX activities, providing design-oriented training, and offering hands-on app creation workshops. Additionally, a joint talk event with five pharmaceutical companies, a data analysis competition, and training for business problem-solving proposals were held to share information on DX trends in the industry. Furthermore, we are strengthening our partnerships with educational institutions in order to incorporate students’ innovative perspectives and encourage employees to become aware of them. We aim to build a strong foundation and culture for innovation by fostering collaboration inside and outside the company from here on.

Resolving Social Issues and Coexisting With the Community

Material issues
and related SDGs



Respecting Human Rights

Basic Approach to Human Rights

As a signatory to the United Nations Global Compact, Nippon Shinyaku supports the ten principles in four areas of responsibility. We also regard the fundamental rights set forth in the Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work as the minimum standards for human rights. In our business activities, we respect the human rights and personalities of individuals in accordance with the Guiding Principles on Business and Human Rights.

Organizational Structure

The Sustainability Committee, chaired by the President, meets twice a year to discuss and report on initiatives concerning respect for human rights. Important matters are reported to the Board of Directors. The director in charge of business management & sustainability is responsible for respect for human rights, and the Corporate Sustainability Department promotes initiatives to resolve issues.

Human Rights Due Diligence

As a company, the Group adheres to a human rights policy to fulfill its responsibility to respect human rights and we are advancing human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights. By identifying and assessing adverse impacts on human rights that may occur in the course of our business activities, we take measures to prevent or mitigate them and continuously verify the effectiveness of such measures. We will continue to advance our efforts through the PDCA cycle and disclose these externally.

Human Rights Due Diligence Process



Establishment of a Human Rights Subcommittee

In order to embark on full-scale human rights due diligence, in 2023, we established a Human Rights Subcommittee under the Sustainability Committee, with relevant department heads as members. The Subcommittee has its office in the Corporate Sustainability Department, and discusses such matters as how to ascertain any human rights issues inside and outside the company, identify issues, and the advancement of other initiatives.

Identifying Human Rights Issues

The Human Rights Subcommittee has identified the following human rights issues that should be prioritized by the company. These are identified through discussions at subcommittee meetings based on the results of a human rights awareness survey of Group employees and input from experts. We will continue to reassess these issues through similar surveys and holding dialogues with stakeholders.

Issues Identified	
● Patients' safety	● Forced labor
● Improvement of the workplace environment	● Supply stability
● Prohibiting discrimination and promoting diversity	● Impact on the community
● Child labor	● Bribery and corruption

Training and Awareness

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

	FY2022	FY2023	FY2024
Human rights-related training	Once	Once	Once

Contributing to Regions and Cultures

Preservation and Maintenance of Kyoto Culture

For more than half a century, we have created an annual calendar using works of art created with dyes using a traditional Kyoto technique called stencil dyeing, and through this, introduced various aspects of Kyoto, including its scenery and landscapes in its various seasons and historical events. The Company also publishes a quarterly PR magazine titled "Kyo," also using works of art created with dyes for the cover, that showcases the huge appeal of Kyoto from a variety of perspectives, ranging from the city's many shrines, temples, and other cultural assets to its cuisine, traditional techniques, and local products. The calendars and some of "Kyo" magazine can be viewed in the Kyo Gallery section of our website.

Preservation Activities for Plants Associated With Kyoto's Culture

We cultivate and contribute 200 plants of Futaba Aoi for the Aoi Matsuri, one of the three major festivals in Kyoto, via the Aoi Project which is a general incorporated foundation.

In addition, we are working to cultivate and propagate Kikutanigiku (*Chrysanthemum Seticuspe*), a plant designated as an endangered species in Kyoto Prefecture. We actively promote the conservation and propagation of plants associated with Kyoto's traditional culture, through initiatives such as exhibitions at the Kyoto Imperial Palace and the provision of seedlings for the Kikutani Forest of Flowering Chrysanthemums. In recognition of these efforts, we have been certified by the City of Kyoto under the Kyoto Biological & Cultural Regeneration Project.

Support for Ronald McDonald House Kyoto

In February 2025, we donated funds for the opening of the Ronald McDonald House Kyoto, a residential facility for children with illnesses and their families, as well as picture books produced through the Nippon Shinyaku Children's Literature Award. In addition, the Picture Book Delivery Team, comprised of employee volunteers, donated picture books to 12 houses across Japan.

Contributing to the Future of Children

Support for Children's Emotional Growth Through Picture Books

The Nippon Shinyaku Children's Literary Awards, with the support of the Japan Juvenile Writers Association, is an initiative that invites a wide range of entries in the two categories of stories and artworks, and produces picture books with the best entries in both categories. The picture books produced are donated nationwide to children's hospitals and other medical institutions, as well as public facilities and can also be viewed on the award's website.

Moreover, the Company started the Nippon Shinyaku Sparkling Future Mobile Library in 2019 as part of its

centenary celebrations and delivers exciting reading experiences to children.

The library van carries around 1,000 physical books, including the Nippon Shinyaku Children's Literary Award-winning titles and, accompanied by employee volunteers, the library visits elementary schools, children's centers and community events. In FY2024, 5,724 picture books were lent out, allowing children to experience a special and exciting moment of enjoying these books under the blue sky.

We will continue to provide children with opportunities to experience a variety of books and printed materials.



WEB ▶ <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/social/community.php>

Strengthening Efforts to Protect the Global Environment

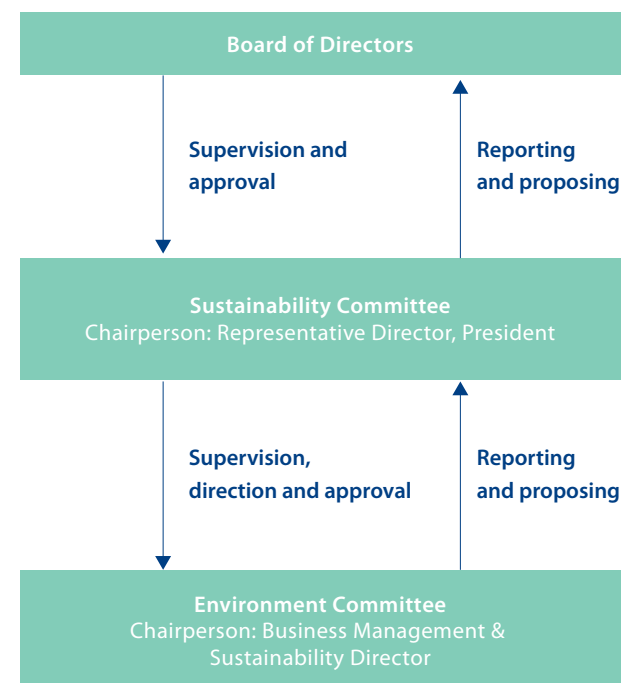
Disclosure Based on the TCFD Recommendations

In December 2021, the Nippon Shinyaku Group expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and conducted a scenario analysis of risks and opportunities related to climate change. In FY2024, we updated our financial impact assessment to disclose quantitative impacts. We will continually review our response to identified risks and opportunities and enhance our disclosure of relevant information.

Governance

The Group has established a Sustainability Committee, chaired by the President, to promote sustainability. This Committee meets twice a year to discuss and decide on critical issues, as well as to assess and manage climate change measures as a key issue. The Committee reviews the status of activities to combat climate change on a biannual basis.

In addition, we have appointed a Director in charge of corporate planning and sustainability who is also responsible for climate-related issues, and the Environment Committee, which meets quarterly and is chaired by the Director. We promote initiatives for environmental conservation aimed at putting our Basic Environment Policy into practice, and we also determine the progress of our environmental conservation activities, including CO₂ emission reduction targets. Both committees report and propose their findings to the Board of Directors several times a year, and are subject to oversight by the Board of Directors.



Risk Management

In accordance with the Basic Risk Management Rules, a dedicated department headed by the Director operates to take charge of personnel, general affairs, risk management, compliance and DX oversees risk management, including climate change, for the Group.

Risks are divided into six major categories: Governance, Strategy and Planning, Management Infrastructure, Business Operations, Supply Chain, and Disclosure and Reporting, and further subdivided into individual risk items such as CSR Planning and Environmental Protection Initiatives. A matrix of impact facing the company combined with likelihood of occurrence is then used to classify the level of importance into three levels: high, medium, and low.

Each responsible department prepares a risk management sheet that outlines both preventive measures to avoid the materialization of risks and response measures in the event that risks do occur, in order to ensure that appropriate action can be taken. Each year, important activity themes are selected for the entire group and each department, and preventive measures are strengthened based on the action plans we formulate. The results of these activities are reported to the Risk Compliance Committee and then to the Board of Directors at the end of each fiscal year, and are used to fine-tune our efforts in subsequent years.

Indicators and Targets

Based on the SBT, which is consistent with the Paris Agreement, the Group has set ambitious greenhouse gas emission reduction targets of a 42% reduction in Scope 1 and 2 emissions and a 25% reduction in Scope 3 Category 1 emissions by FY2030 in comparison to FY2020. We aim to steadily achieve these goals by expanding the switch to renewable energy and enhancing supply chain coordination.

Strategy and Scenario Analysis

Recognizing that the risks and opportunities associated with climate change will exert a significant impact on its own business strategy, the Group identified and assessed risks and opportunities using 1.5°C and 4°C scenarios in the following process.

1. Comprehensively identify risks and opportunities associated with climate change
2. Organize the relationship between the two businesses of pharmaceuticals and functional foods
3. Assess importance based on two key criteria: impact on the company and likelihood of occurrence

Material issues
and related SDGs

Strengthening efforts to protect the global environment



Category	Impact on Nippon Shinyaku	Details of measures of potential risks and opportunities	Indicator	Financial impact	Period		
					Short-term	Mid-term	Long-term
					~2025	2026~2030	2031~

Transition Risk

Policies and Laws	Risk of higher energy costs and procured commodity prices due to carbon taxes and stricter energy conservation laws	•Introduction of an internal carbon pricing system in order to promote investment in reducing greenhouse gas emissions •Proactive deployment of energy conservation and renewable energy measures •Inter-Group education and momentum-fostering initiatives •Implementation of monitoring environmental regulation trends by the Environment Committee •222 million yen by FY2030, 450 million yen by 2050 - Estimated from the Company's 2022 Scopes 1+2 targets assuming \$140/t-CO₂ of carbon taxes in 2030. - Estimated from the Company's 2022 Scopes 1+2 targets assuming \$250/t-CO₂ of carbon taxes in 2050.	Increase in expenses	Small		○	
	•Increase in market prices of procured goods due to increased demand for raw materials (pharmaceuticals) •Risk of demand decreasing due to price hikes of products resulting from higher market prices of procured products (functional foods)	•Proactive support for suppliers' carbon neutral activities to deal with the risk of increased procurement costs	Decrease in sales	Small		○	

Physical Risks

Acute Risks	Increased risk of disruptions to supply chain, including raw material procurement and product shipping logistics, due to increases in regional torrential rains and large-scale typhoons	•Process automation •Maintenance of diverse suppliers •Strengthening cooperation with suppliers •Enhancing plant production and quality control systems and in turn reducing product risks through means such as inspections of manufacturing contractors' plants, organization of all information concerning materials and products, as well as revising product standards and testing procedures.	Decrease in sales	Medium		○	
	•Increased frequency of damage to facilities and increased repair costs due to abnormal weather and weather-related disasters •Suspension of business activities due to damage to associated facilities, including those of the Company as well as collaboration research companies	•Formulation of concrete guidelines for action in the event of a disaster	Decrease in sales	Small	○		

Opportunities

Markets	Expectations for further growth in demand for our preservatives as the importance of food preservation and quality maintenance increases due to the progression of climate change	•Development of preservatives that enhance the preservability of foods while maintaining their flavor will contribute to the improvement of food quality maintenance and lead to a reduction in food waste.	Increase in sales	Small			○
Resource Efficient Energy	Reduced manufacturing costs through a variety of improvements to resource efficiency, including energy conservation, reduced water utilization, and waste disposal	•Energy-saving production and process development through IoT utilization and the promotion of energy optimization in plants	Decrease in expenses	Small	○		

Degree of Impact	Impact on operating profit of related segments	Large 30% or greater	Medium 15% or greater to less than 30%	Small less than 15%
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WEB Disclosure Based on the TCFD Recommendations <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/environment/tcfd.php>

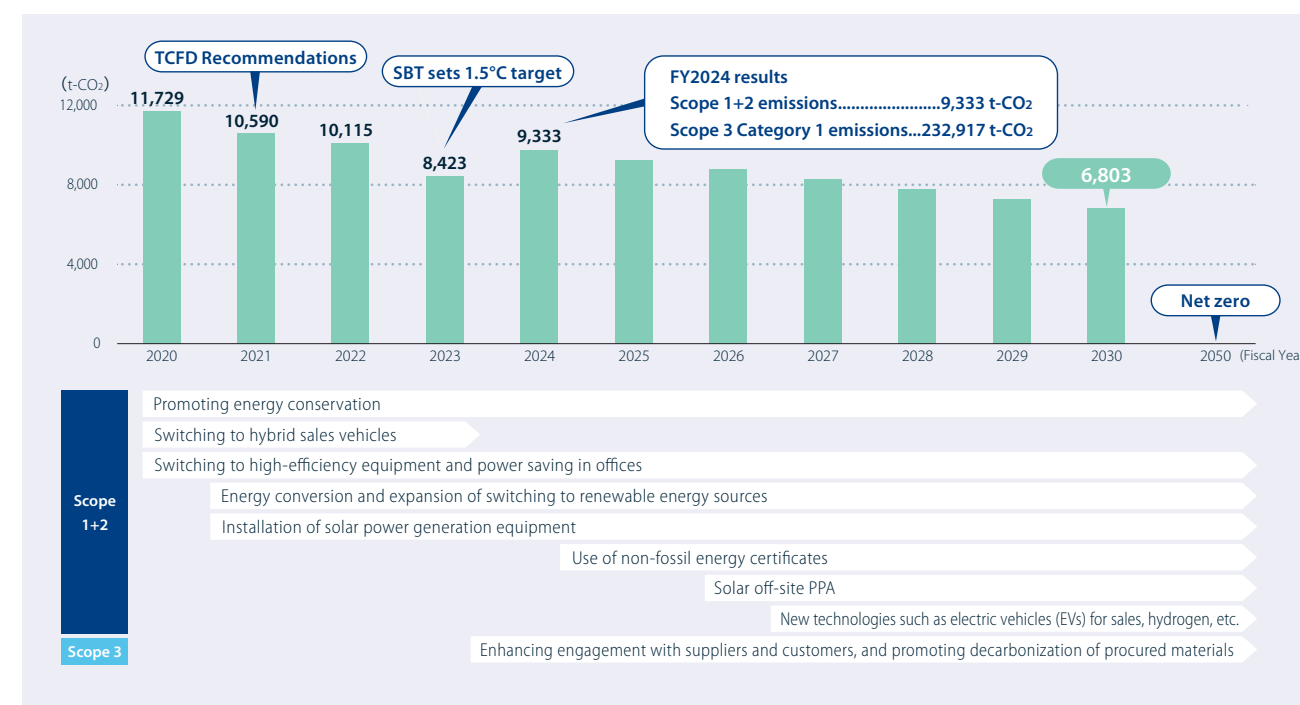
Strengthening Efforts to Protect the Global Environment

Initiatives to Reduce CO₂ Emissions

The Nippon Shinyaku Group has designated the strengthening of global environmental protection efforts as a key priority and is proactively addressing climate change. With the goal of achieving net-zero CO₂ emissions by FY2050, we aim to reduce our Scope 1 and Scope 2 greenhouse gas emissions by 42% by FY2030, compared to the FY2020 benchmark. The target for emissions by FY2030 is 6,803 t-CO₂, a reduction of more than 50% from the level in FY2013, which is even more ambitious than the government's target.

In January 2024, our targets were certified by the Science Based Targets initiative (SBTi) as science-based, gaining international recognition for their credibility and validity. Our group is committed to contributing to the realization of a sustainable society by implementing these initiatives.

Roadmap to Carbon Neutrality



Climate Change Initiatives

Recognizing CO₂ emissions reduction as a critical management issue, our Group is advancing the switch to renewable electricity. Specifically, we are actively promoting energy conservation activities by expanding the installation of solar power generation equipment, upgrading to high-efficiency air conditioning equipment, switching to LED lighting, while introducing hybrid vehicles for our sales fleet. In addition, we are implementing bold initiatives such as shifting peak electricity use by installing ice thermal storage facilities in the Tokyo office building and energy conversion by discontinuing the gas co-generation system in the Head Office area. In the future, we will focus on studying the introduction

of internal carbon pricing and strengthening coordination with the supply chain, aiming to reduce CO₂ emissions by taking a comprehensive approach.



WEB ▶ Responding to climate change <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/environment/climatechange.php>

Switching to Renewable Energy

The Group is actively promoting the switch to renewable energy in order to reduce CO₂ emissions. We began switching to renewable energy electricity in the Head Office area in April 2021 and in the Odawara Central Factory in November 2022, and have been gradually expanding this switch. As a result, at least 48% of the Group's total electricity consumption is covered by electricity derived from renewable energy sources by FY2024.

Solar power generation facilities have been installed at our Discovery Research Laboratories in Tsukuba, Odawara Central Factory, the Head Office area, and Tajima Shokuhin Kogyo Co., Ltd. contributing to CO₂ emissions reduction through in-house power generation.

We will continue to expand the use of substantial renewable energy sources by expanding solar power generation facilities and procuring FIT non-fossil energy certificates with tracking. In addition, we aim to further

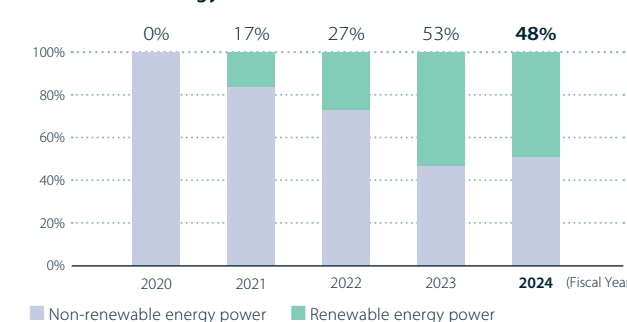
harness renewable energy sources by switching gas-fired facilities over to electric power. These initiatives aim to reduce energy-derived CO₂ emissions and contribute to the realization of a decarbonized society.

Emissions in the Supply Chain

The Group is promoting supplier engagement in an effort to decarbonize its entire supply chain. In FY2024, we prepared and sent environmental reports to our major suppliers of pharmaceuticals and food products, and conducted a survey to ascertain their status toward decarbonization. This enables us to clearly communicate our environmental goals and our commitment to decarbonization, while enhancing mutual understanding and cooperation with our suppliers.

Recognizing the importance of decarbonizing the entire pharmaceutical supply chain, we are also actively participating in the supplier engagement initiatives led by Japan Pharmaceutical Manufacturers Association.

Rate of Change-Over to Electricity Derived From Renewable Energy Sources



Rated A- in CDP Climate Change and Water Resources

CDP, an international evaluation organization, awarded the Group an A- grade for its climate change and water resource initiatives. This is the result of our efforts to enhance sustainability across the entire supply chain by appropriately disclosing business risks and opportunities while strengthening supplier engagement. We will continue to reinforce our efforts to address climate change and water resources to boost our corporate value and solve social issues.

Appropriate Management of Chemical Substances

Basic Attitudes and Targets

For a pharmaceutical company that handles a variety of chemical substances, their appropriate management is a vital social responsibility. In accordance with the Basic Regulations for the Management of Chemical Substances, we have established a Chemical Substances Management Committee to clarify company-wide policies for the proper management of chemical substances. We have also implemented an IT system that enables comprehensive and exhaustive checks of chemical-related regulations, thereby establishing a framework to ensure that all chemical substances handled within the company are properly managed in accordance with the latest applicable legal requirements. Furthermore, we regularly assess risks in the workplace environment, including those related to chemical substances, from the perspective of occupational health and safety to realize the highest level of workplace safety.

Also, we are reporting that we are practicing proper management in filings based on the Pollutant Release and Transfer Register (PRTR) system in the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement.

Management of Highly Active Substances at Odawara Central Factory

The manufacturing plant for highly active solid formulations at the Odawara Central Factory is equipped with the latest triple containment structure. In this structure, highly active chemicals are contained first by equipment, second by atmospheric current and chamber pressure, and third by building, thereby preventing leakage into the external environment, and to ensure maximum safety, quality and environmental friendliness.

Promoting Resource Circulation

Basic Attitude

Recognizing that resources from natural capital are finite, we at Nippon Shinyaku are constantly striving to reduce the amounts of resources we use, including reuse and common use. We are also focusing on the active use of recycled raw materials, and working to recycle resources by converting what we discharge from our own activities into recycled resources. We are working to reduce the quantities of waste generation and waste disposal in landfills, which are general indicators for the abovementioned efforts.

As high-quality water is indispensable for manufacturing pharmaceuticals and food products, and water shortages pose a potential threat to business continuity, we view reducing water usage as a critical challenge. At our production sites, we comply with the relevant laws and regulations regarding the use of water, including cooling water, and manage the quality of discharged wastewater accordingly.

Current Status and Performance of Waste Management

Under our 7th Environmental Targets established in FY2023, we have set three waste management targets: (1) reduce final landfill disposal volume by 75% by FY2025 compared to the FY2005 level (14.5 tons in 2005), (2) achieve a plastic recycling rate of 65% or higher, and (3) achieve an overall recycling rate of 60% or higher, all of which remain in effect from FY2023 onward. In order to make effective use of limited resources, we are actively committed to the 3Rs (Reduce, Reuse, Recycle) of waste.

	FY2023	FY2024
Final Amount of Landfilled Waste	2.0 tons (86% reduction)	1.7 tons (88% reduction)
Waste Plastic Recycling Rate	88.5%	89.7%
Recycling Rate	84.9%	85.8%

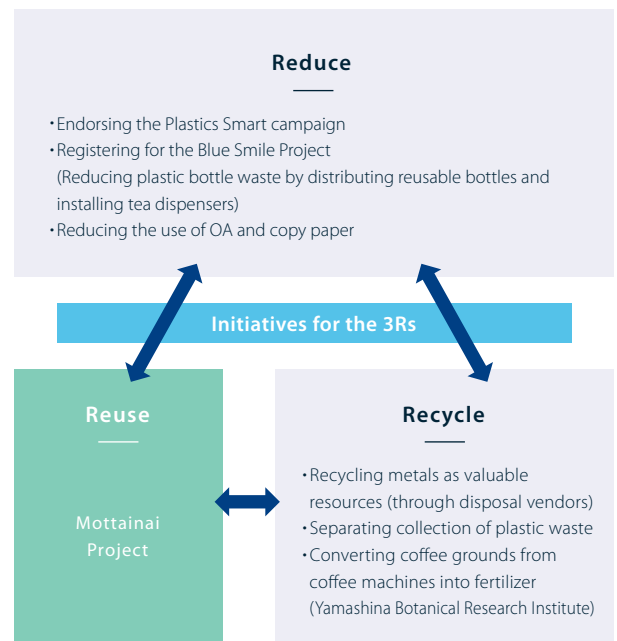
Appropriate Treatment and Utilization of Waste Materials

We view resource recycling as an important management issue and are committed to reducing waste and promoting recycling. In particular, we strive to make effective use of valuable resources by selling off scrap metal generated in our business activities as valuable resources whenever possible. Regarding waste plastics, we are expanding recycling options such as material and thermal recycling, while enforcing strict sorting rules at the source to improve the quality of recyclable materials. By carrying out these consistent initiatives, we strive to contribute to the development of a recycling-oriented society.

At our key production site, the Odawara Central Factory, we have obtained ISO 14001 certification and are working to properly manage and reduce waste using an environmental management system compliant with this standard. In the Head Office area and at the Discovery Research Laboratories in Tsukuba, we have adopted an integrated waste management WEB service (ASP service) capable of appropriate and continuous support for waste management. This enables us to confirm responsible waste treatment and disposal by our service providers.

Furthermore, we are also working to reduce environmental impact in the packaging of our pharmaceutical products. In FY2024, we adopted bottle breakage prevention packaging made from plant-based biomass plastic and participated in a resource circulation project aimed at horizontal recycling of label mounts. We will continue to strive to realize a sustainable, recycling-oriented society both in terms of environmentally friendly packaging design and resource recycling.

3Rs Initiatives



The Mottainai Project, an Internal Reuse System

The Mottainai Project, which is an internal reuse system, was launched in September 2023. This project entails building a company-wide platform to manage unnecessary and surplus equipment and provide it to departments that need it. In this way, we are proactively addressing the 3Rs (Reduce, Reuse, Recycle) of waste generated from our offices.

Water Consumption and Risk Assessment

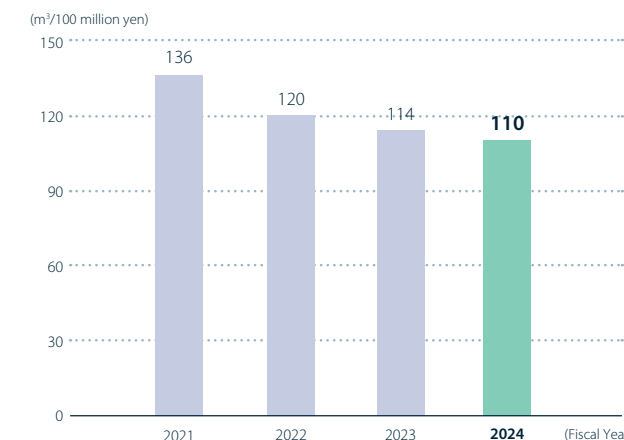
Water consumption in FY2024 was 177 thousand m³. As our 7th Environmental Targets, we are promoting the effective use of water resources by setting a target of reducing unit water consumption by 10% in FY2025 compared to the FY2021 level.

Using WRI AQUEDUCT (4.0)*1 for water stress assessment, none of our sites were found to be located in areas with high water risk, but regardless of the presence or absence of water risk, we actively promote the efficient use of water resources. At our production sites, we are working to improve efficiency by reviewing water-intensive processes and expanding the reuse of cooling water.

*1 WRI AQUEDUCT (4.0): A set of water risk assessment tools developed and presented by the World Resources Institute (WRI)

Water Consumption Intensity

Scope of calculation: The Japan Group, excluding our sales offices



Conserving Biodiversity

The Yamashina Botanical Research Institute is home to approximately 3,000 plant species collected from around the world. The area contains 480 species of rare plants, including 160 species of medicinal plants listed in the Japanese Pharmacopoeia, such as 0.7% of *Welwitschia*, *Aloe* and other plants protected by the Washington Convention, 12% of plants on the Ministry of the Environment's Red List, and 5% of the plants listed in Kyoto Prefecture's Red Data Book. We have designated this ex-situ conservation as a material issue.

Based on this plant collection, the Institute hosts a wide range of educational programs for audiences ranging from experts to elementary school students, which include seasonal

observation and training sessions, seminars for pharmaceutical and agricultural professionals, hands-on plant dyeing activities, and workshops using plants. These activities have raised awareness about the conservation of the diversity of useful and rare plants and the Institute welcomed over 2,200 visitors in FY2024.

In addition to preservation activities for plants associated with Kyoto's culture (p. 57), we are also conducting botanical surveys of the Daigoji Temple forests, a UNESCO World Heritage Site, thereby contributing to an actual understanding of plant biodiversity.



Showcase Greenhouse



Scenes from the Observation and Training Sessions

Message from the Chairman



**SHIGENOBU
MAEKAWA**

Representative Director, Chairman

S. Maekawa

Leading the effective operation of the Board of Directors and fostering a healthy corporate culture in pursuit of sustainable growth

The Nippon Shinyaku Group has achieved growth by providing distinctive, high-quality products, such as innovative new drugs and functional foods that deliver new value, under a business philosophy of “Helping People Lead Healthier, Happier Lives.”

We recognize that ensuring management transparency and fulfilling accountability to all stakeholders are among our most important tasks for achieving sustainable growth as a company that is trusted by society.

Pharmaceutical companies are facing ever more demanding circumstances amid recent development, including the increasing sophistication of research and development driven by the advancement of drug discovery technology, and the progress of digital technology. We are proactively carrying out our business under these circumstances by viewing these changes as opportunities for growth rather than threats.

Our 7th Five-Year Medium-Term Management Plan launched during FY2024 was thoroughly discussed and formulated by our Board of Directors to guide the Company beyond the patent cliff for Upravi—a tentpole for the Company for the last decade—and achieve sustainable growth. Even now, during the plan’s implementation phase, the Board of Directors not only continues to receive regular reports on its progress, but also fulfills the crucial role of supporting its steady implementation, for example considering and providing instruction for measures to take when new issues arise.

In FY2024, the Board of Directors concluded an agreement pertaining to managing the progress of pharmaceutical research and development and candidates

to be introduced, and proactively discussed the ideal state of the Company’s business in Europe toward promoting global expansion. The Board also decided to introduce a restricted stock compensation plan for Inside Directors. We will use this to incentivize efforts to continuously enhance corporate value while promoting greater value sharing with our shareholders.

As the chairman of the Board of Directors, I believe my mission is to achieve highly transparent management by ensuring that the Board operates efficiently and effectively and that the Company rigorously discloses the appropriate information. Accordingly, I will take steps to ensure the independence and objectivity of the Board of Directors by reflecting in its management the views of Outside Directors, which are constructive and based on their expertise and experience. Additionally, I will further enhance our corporate governance structure in an endeavor to foster a healthy corporate culture.

To continue meeting the expectations of all stakeholders, I will work to maximize corporate value and make proactive efforts to resolve social issues. I sincerely appreciate your continued understanding and support.

Strengthening governance

Basic Approach to Human Rights

The Nippon Shinyaku Group recognizes that ensuring management transparency and fulfilling accountability to all stakeholders is one of management’s most important tasks in order to raise corporate value through social contributions. The effective functioning of corporate governance is essential for resolving material issues, which include strengthening governance. Based on the Business Philosophy, Management Policy, and Sustainability Policy, etc., Nippon Shinyaku has been striving to improve management transparency and fairness and further enhance the corporate governance system with the aim of achieving sustainable growth and

enhancement of social value as well as corporate value over the medium to long term.

Furthermore, in 2015, the Company formulated its Corporate Governance Basic Policy, which it has reviewed regularly.

In June 2025, we included a “Disclosure Based on the Principles of the Corporate Governance Code” section in our “Corporate Governance Report.” Nippon Shinyaku will continue striving to strengthen corporate governance in order to achieve the sustainable enhancement of corporate value.

WEB ▶ Corporate Governance Basic Policy / Corporate Governance Report
https://www.nippon-shinyaku.co.jp/english/ir/esg_management/governance.php

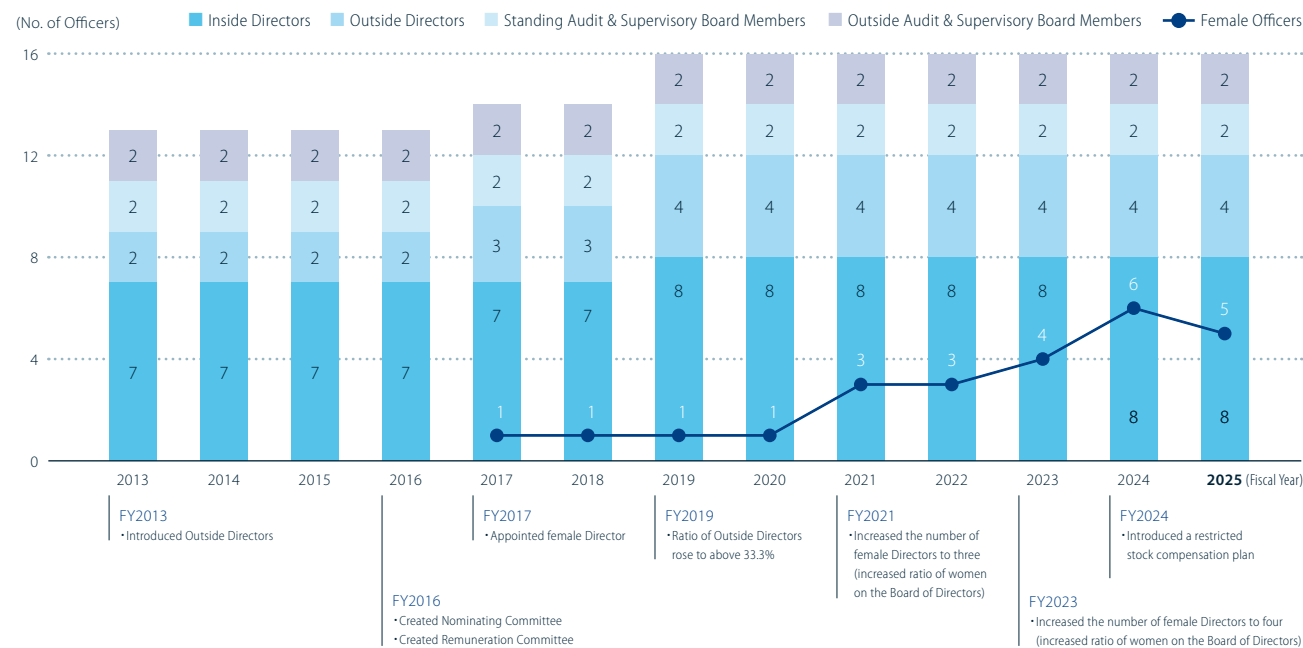
Initiatives for Strengthening Governance

Nippon Shinyaku takes steps to enhance governance, including at Group companies, by ensuring compliance. Going forward, the Company will constantly examine the status of initiatives and make improvements in light of amendments to

laws and regulations, revisions of the Corporate Governance Code, social conditions, and other factors, in order to further increase the effectiveness of corporate governance.

Initiatives for Strengthening Governance

(number of officers is as of conclusion of each year’s Annual General Meeting of Shareholders)



Material issues
and related SDGs

Strengthening governance

Corporate Governance System

Nippon Shinyaku has adopted the structure of a Company with an Audit & Supervisory Board as its corporate governance system. The Board of Directors is composed of twelve Directors, four of whom are Outside Directors, and the Audit & Supervisory Board is composed of four Members, two of whom are Outside Members.

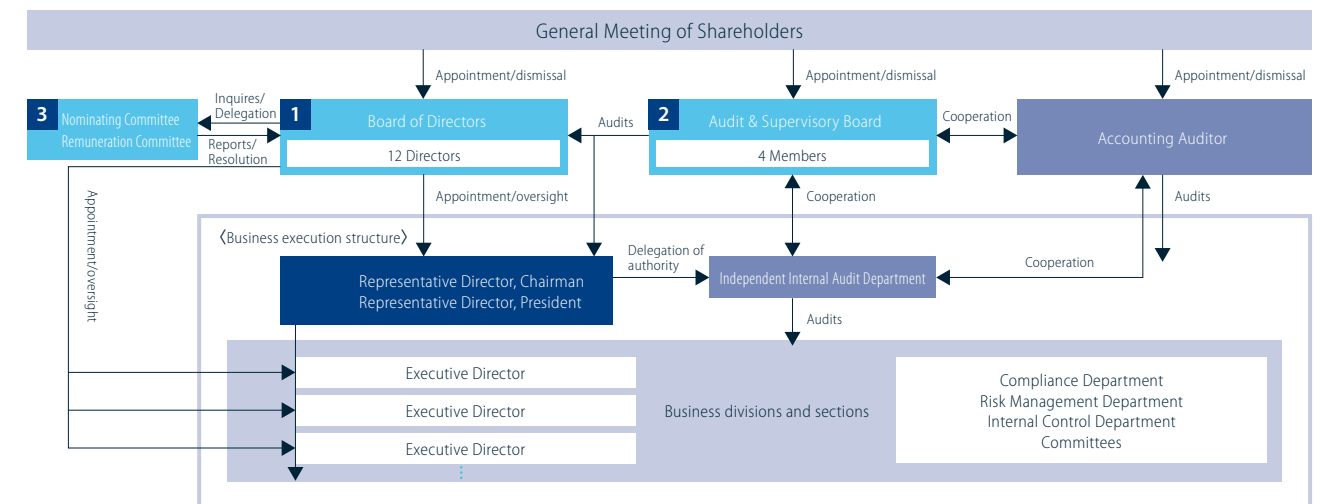
To clarify management responsibility and establish the optimal management system in response to changes in the business environment in a flexible manner, the term of office of the Directors is one year. The four Outside Directors conduct oversight of the Directors’ execution of duties for further enhancing the transparency and objectivity of management.

Furthermore, the Audit & Supervisory Board Members attend all Board of Directors’ meetings and other important meetings on business to accomplish the management oversight function of the Audit & Supervisory Board.

For meetings of the Board of Directors and the Audit & Supervisory Board, materials on the resolutions and reports are distributed in advance to Outside Directors and Outside Audit & Supervisory Board members. For important resolution items, we also provide time for prior explanation. This approach helps streamline in-meeting explanations and ensures sufficient discussion time for enhancing Board effectiveness.

Organization for corporate governance (as of June 27, 2025)

Headed by the Company’s Chairman and consisting of 12 members including four Outside Directors, the Board of Directors holds a meeting once a month in principle and resolves and reports on material business matters.

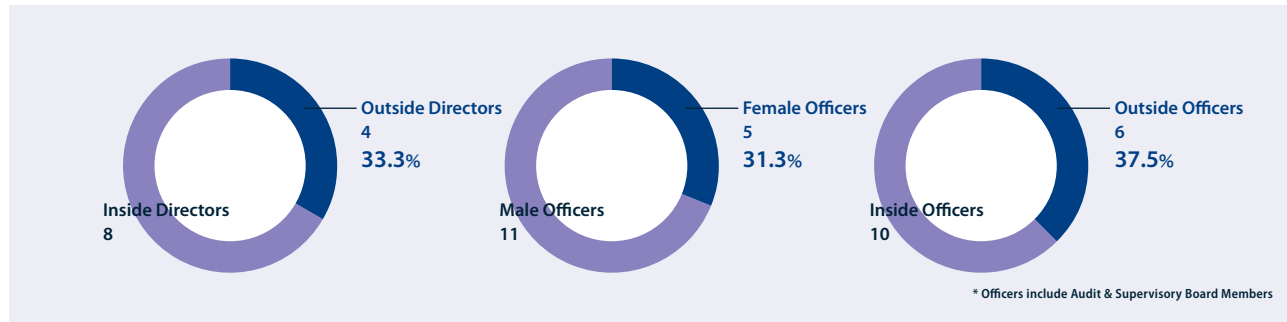


	1 Board of Directors	2 Audit & Supervisory Board	3 Nominating Committee and Remuneration Committee
Attendees	All Directors and Audit & Supervisory Board Members	All Audit & Supervisory Board Members	Yoshinao Wada (Outside Director) Yukari Kobayashi (Outside Director) Shigenobu Maekawa (Representative Director, Chairman)
Role	- Performing the oversight function for management in general and ensuring fairness and transparency of management - Determining policies governing the appointment and dismissal of Directors and Audit & Supervisory Board Members - Evaluating serious risks and formulating countermeasures - Making decisions, such as the execution of important business operations	- Playing a role in corporate oversight in coordination with the Board of Directors - Supervising the execution of duties by the Board of Directors and working to establish the corporate governance system - Actively expressing opinions based on their own specialized knowledge and vast experience	Nominating Committee - Deliberating on matters related to the appointment and dismissal of Directors and Audit & Supervisory Board Members and reporting to the Board of Directors Remuneration Committee - Deliberating on proposals for the General Meeting of Shareholders related to remuneration of Directors and Audit & Supervisory Board Members and basic policies governing remuneration for Directors, and reporting to the Board of Directors - Deliberating and making decisions on the details of remuneration for individual Directors based on the responsibility delegated by the Board of Directors
Meetings held in FY2024	15 (13 regular meetings, 2 extraordinary meeting)	24	4 (Nominating Committee: 1; Remuneration Committee: 3)

■ Inside Directors
 ■ Outside Directors
 ■ Standing Audit & Supervisory Board Members
 ■ Outside Audit & Supervisory Board Members
 ☆ Chairperson

Strengthening governance

Composition of Board of Directors



Status of Operations of the Board of Directors

In addition to the resolutions provided for by laws and regulations, the Articles of Incorporation, and the Rules of the Board of Directors, meetings of the Board of Directors also focus on strategic discussions of basic management policies.

In FY2024, the Board of Directors continued engaging in lively discussions aimed at achieving the sustainable growth of the Company, with a focus on matters relating to important business, matters relating to financial results, and matters relating to organization and personnel. For matters relating to important business, the Board of Directors held discussions focused primarily on whether to proceed to clinical trial phases for products developed in-house and in-licensed products and decisions on capital investments. For matters relating to financial results, the Board of Directors set aside sufficient time on the agenda for the quarterly financial reports, which are important for implementing management strategy, and engaged in in-depth discussions and deliberations as a whole to deepen their understanding. Other topics discussed included decisions on whether to conclude contracts for in-licensed products, as well as the adoption of a restricted stock compensation plan for Directors (excluding Outside Directors).

Main topics of deliberation

Category	Number of discussions
Matters relating to the General Meeting of Shareholders	3
Matters relating to the directors	9
Matters relating to the Nominating Committee	2
Matters relating to the Remuneration Committee	4
Matters relating to financial results	12
Matters relating to shares	1
Matters relating to corporate governance	3
Matters relating to organizations and personnel	9
Matters relating to in-licensing and partnerships	5
Matters relating to important business (research and development, capital investment, management, etc.)	20

Topics and content of deliberations by the Board of Directors

Topics	Content
Progress management of pharmaceutical R&D	The Board discussed measures to ensure timely progress of development projects, including an analysis of the causes behind delays in developed products including in-house discovered products.
Concluding of contracts for in-licensing candidates	The Board discussed the key characteristics, clinical data, business potential, and contract terms for several licensing and partnership agreements, including a U.S. marketing alliance and domestic license agreement for ATSN-101, a gene therapy for biallelic GUCY2D mutation-associated inherited retinal dystrophy; and regional partnership agreements (covering the U.S., Japan, and other parts of Asia) for RGX-121, a treatment for mucopolysaccharidosis type II, and RGX-111, a treatment for mucopolysaccharidosis type I.
Global expansion	The Board reviewed the status of global development and monthly progress in global sales, and also discussed the future direction of our business operations in Europe.
Review of agenda items submitted to the Board of Directors	To further enhance the depth and engagement of Board discussions, the Board revised the scope and criteria for agenda items submitted to the Board, with a view to delegating more authority to the executive side.

Skills Matrix of Directors and Audit & Supervisory Board Members

Nippon Shinyaku requires the Directors to possess qualities suitable for leading management in the global expansion of its business. In addition, the Directors should possess experience and knowledge in a wide range of areas, excellent character, high ethical standards, and extensive business-related experience and knowledge.

Also, to ensure consistency with the Company's

management strategy, Nippon Shinyaku has been implementing the "Three key themes" set forth in the 7th Medium-Term Management Plan, along with the initiative "Strengthening five management foundations" that are supporting these themes. Nippon Shinyaku has identified the skills deemed necessary to achieve these objectives and has designated them as disclosure items in its skill matrix.

Correlation between skills and the 7th Medium-Term Management Plan

	Three key themes Strengthening five management foundation	Related skills
Three key themes	Fostering growth drivers to replace Upravi	R&D, Sales/Marketing, Global business
	Expanding global development	Global business, Corporate management/Management strategy, Legal affairs/Risk management, R&D, Sales/Marketing, Production/ Quality, Personnel/HR development
	Continuous pipeline expansion	Research & Development
Strengthening five management foundations	Promoting sustainability management for realizing a sustainable society	ESG/Social contributions, Legal affairs/Risk management
	Speeding up R&D	Personnel/HR development
	Promoting human capital management that allows each employee to grow and diverse human resources to play an active role	Research & Development
	Business process reengineering and productivity improvement by promoting digitalization	IT/Information management
	Financial strategy for sustainable growth	Corporate management/Management strategy, Finance/Accounting

Skills Matrix of Directors and Audit & Supervisory Board Members

Category	Name	Attendance at meetings of Board of Directors/Audit & Supervisory Board		Skills and Experience									
				Corporate management/Management strategy	Global business	Finance/Accounting	Legal affairs/Risk management	Research & Development	Sales/Marketing	Production/Quality	Personnel/HR development	ESG/Social contribution	IT/Information management
Inside Directors	Shigenobu Maekawa	15/15		●	●	●	●					●	●
	Toru Nakai	15/15		●	●	●			●				
	Takashi Takaya	15/15		●			●		●		●	●	●
	Takanori Edamitsu	15/15		●		●	●					●	
	Hitoshi Ishizawa	15/15							●				
	Hitomi Kimura	15/15			●			●		●			
	Kazuyuki Iwata	—						●	●				
Outside Directors	Keiichi Kuwano	—						●					
	Yoshinao Wada	15/15						●			●		
	Yukari Kobayashi	15/15		●	●	●			●		●		●
	Mayumi Nishi	15/15						●					
Standing Audit & Supervisory Board Members	Yohtaro Hongo	—			●	●							
	Hirotsugu Ito	15/15	24/24						●				
	Eriko Doi	12/12	19/19					●		●			
	Hiroharu Hara	15/15	24/24			●							
Outside Audit & Supervisory Board Members	Mariko Chaki	12/12	19/19				●						

* The above list does not represent all the expertise and experience of the Directors and Audit & Supervisory Board Members



Reasons for Directors' appointments

https://www.nippon-shinyaku.co.jp/english/company_profile/profile/executive_officer/

Outside Directors' Activities

Nominating Committee

The Nominating Committee consists of two Outside Directors and one Inside Director and is chaired by an Outside Director. Candidates for Directors are selected in accordance with the Corporate Governance Basic Policy, which states that the Directors of the Company shall have excellent personality, insight, management sense, ability, and abundant experience, and shall maintain good mental and physical health with high ethical standards.

Also, to ensure that the Board of Directors has a comprehensive understanding of the Company as a whole and is able to make appropriate decisions, consideration is given to the diversity of the Board's composition. The Candidates for Directors are approved by the Board of Directors based on recommendations from the Nominating Committee. The Nominating Committee met once in FY2024 to deliberate on matters related to the selection of Directors.

Remuneration Committee

The Remuneration Committee consists of two Outside Directors and one Inside Director and is chaired by an Outside Director. Remuneration of Directors is set within the total remuneration amount approved by the General Meeting of Shareholders. It shall

effectively serve as an incentive for Directors to seek the sustainable enhancement of corporate value and its details shall be fair and rational enough to fulfill its accountability to stakeholders. Remuneration consists of three components: fixed monthly base remuneration, performance-linked remuneration (bonuses) determined based on the results of each fiscal year, and non-monetary remuneration (stock-based remuneration) as a medium- to long-term incentive. Individual remuneration amounts are determined based on deliberations by the Remuneration Committee, under delegation from the Board of Directors. In FY2024, three meetings were held, during which the Remuneration Committee discussed matters including the adoption of a restricted stock compensation plan for Directors (excluding Outside Directors) and the individual remuneration amounts for each Director.

Composition of each committee

Committee name	No. of members	No. of Inside Directors	No. of Outside Directors	Chairperson
Nominating Committee	3	1	2	Outside Directors
Remuneration Committee	3	1	2	Outside Directors

Evaluation of Effectiveness of the Board of Directors

Initiatives to enhance effectiveness of the Board of Directors

Once each year, Nippon Shinyaku evaluates the Board of Directors at a Board of Directors meeting in an effort to bring about improvements that will enhance its effectiveness. In order to analyze and evaluate the overall effectiveness of the Board of Directors, in FY2024, the Company implemented a self-evaluation survey for all Directors and Audit & Supervisory Board Members. As a result, it was able to confirm that within the Board of Directors, each executive Director and Outside Director continued to actively express their views, that open-minded and constructive discussions were pursued from a wide perspective, and that appropriate judgment was being performed by the management. Therefore, it was determined that the overall effectiveness of the Board of Directors was properly maintained. Based on the results of this analysis and evaluation, the Board of Directors will focus on further invigorating and enhancing discussions and will continue to ensure and improve the effectiveness of the Board of Directors moving forward.

Analytical and evaluation process



The survey consisted of a self-evaluation based on the following 17 questions in 6 broad categories using a scale of 1 (Not established/Dissatisfied) to 5 (Established/Satisfied). In FY2024, the overall evaluation was a score of 4.7, which was 0.1 higher than the prior year, indicating that respondents were generally satisfied.

Survey items

[1] Board of Directors composition
(members, skills matrix, Outside Directors)

[4] Personal evaluation
(initiative, contributions, prior consideration status)

[2] Board of Directors agenda items, etc.
(agenda items, reports, and their content and scope)

[5] Status of improvement
(improvement of content of materials, making deliberations and the content of reports more concise)

[3] Board of Director operations
(timing of materials distribution, comprehensiveness of necessary data, volume of materials, meeting frequency, length of deliberations, incorporation of Outside Directors' opinions, wide-ranging discussion)

[6] Overall evaluation

Results of Board of Directors evaluation for FY2024

Issues identified in FY2023	Issue 1 More robust discussion of medium- and long-term issues	Issue 2 Discussions on ongoing revisions of the scope and criteria of agenda items	Issue 3 Improvement of advance distribution of Board meeting materials
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Initiatives in FY2024	- To ensure sufficient time for discussions on important topics, the time allocated to explanations during Board of Directors meetings, particularly for reporting items, was shortened or omitted. - For important resolution items, prior explanations were provided to Outside Directors, Audit & Supervisory Board members, and any Inside Directors who wished to attend, to ensure more substantive discussions. - Throughout the year, the number of agenda items and the time required for each were analyzed, and the scope and the approach to the criteria for items submitted to the Board were reviewed. - As in previous years, Board materials were consistently distributed a set number of days in advance of each meeting.
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Future direction	Given that a number of opinions were expressed in favor of devoting more attention to discussion of important matters, the Company will continue reviewing the scope and criteria for items submitted to the Board of Directors and further increase time for discussions on medium- to long-term issues
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Issues identified in FY2024	While the effectiveness of the Board of Directors is generally ensured, to continue ensuring and enhancing its effectiveness, the Company will address the following issues in FY2025.		
	Issue 1 Review of the items submitted to the Board of Directors	Issue 2 Further streamlining of explanations on agenda items	Issue 3 Encouraging more proactive remarks by Directors from a management perspective



Strengthening governance

Officers' Remuneration System

Basic Policy

Our basic policy regarding the remuneration of Directors is that it shall effectively serve as an incentive for Directors to seek the sustainable enhancement of corporate value and that the details surrounding it shall be fair and rational enough to fulfill its accountability to shareholders and employees. The adequate level of each individual Director's remuneration shall be determined by taking into account the responsibilities of their respective positions.

Structure of remuneration

Until FY2023, Directors' remuneration consisted of monthly remuneration and Directors' bonuses, and in FY2024, we adopted a restricted stock compensation plan to add an incentive for Directors to seek the sustainable enhancement of corporate value and to promote greater sharing of value with shareholders.

Directors

Basic remuneration (fixed remuneration): Determined by evaluating the performance of each Director in addition to the fixed amount corresponding to their position, which has been pre-determined by taking into account a comprehensive range of information, including survey data from external institutions and levels of remuneration for their counterparts at competitors.

Performance-linked remuneration (bonuses): Monetary remuneration reflecting performance indicators paid to raise awareness toward improving business performance for each period. Bonus amounts are determined by considering the performance evaluation for each Director and calculating the amount based on the consolidated operating income for each period.

Non-monetary remuneration (shares remuneration): The number of shares granted is determined from an amount calculated in accordance with consolidated operating income in each business year, taking also into account each Director's performance evaluation, etc.

Outside Directors and Audit & Supervisory Board Members

Remuneration of Outside Directors and Audit & Supervisory Board Members comprises fixed remuneration only.

Remuneration-related governance

Remuneration for individual Directors is determined through deliberations by the Remuneration Committee as entrusted by the Board of Directors within the limit of the amount of executive remuneration approved by resolution of the General Meeting of Shareholders.

Total remuneration for each officer category Subtotals for each type of remuneration and numbers of recipients

Officers category	Total remuneration (millions of yen)	Subtotals for each type of remuneration (millions of yen)			Number of recipient
		Basic remuneration	Performance-linked remuneration		
			Bonuses	Restricted stock	
Directors (excluding Outside Directors)	442	215	136	90	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	34	34	—	—	3
Outside Officers	60	60	—	—	7

Succession plan

Development of leadership candidates

Nippon Shinyaku recognizes that it is important to train successors from various perspectives based on the future vision of the Company. We run HONKI Juku selective training programs which are classified into Leader, Management, and Executive according to the position and number of years at the Company of trainees.

The Leader program targets the younger group aged 25-35 to quickly uncover and pick out leadership candidates. The Management program provides lectures on management

basics and middle management for executives aged 36-45 to acquire the perspective of a department manager. The Executive program aims for acquisition of practical management knowledge to train the next generation of management candidates. In FY2024, 23 people participated in the three levels of the HONKI Juku (the second class). The target is for 115 employees to participate in the program over 5 years. These efforts enable us to constantly secure motivated and outstanding human resources as we strive to develop and acquire the human resources that will lead the Company in the future.

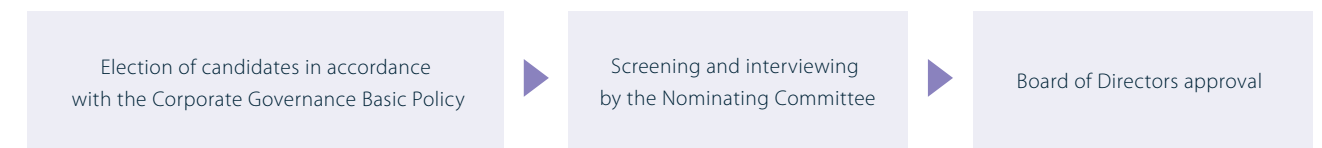
Succession plan

A candidate for President shall be nominated in accordance with the Corporate Governance Basic Policy, which states, "The Directors of the Company shall have excellent personality, insight, management sense, ability, and abundant experience, and shall maintain good mental and physical health with high ethical standards. The Company shall bear consideration on diversity in the members of the Board of Directors in order that the members can gain a comprehensive understanding of the Company as a whole and make appropriate judgments as members of the Board of Directors." The candidate shall be approved by the Board of Directors after screening by the Nominating Committee, which consists of two Outside Directors and one Inside Director and is

chaired by an Outside Director.

Training for officers

Nippon Shinyaku holds training and debriefing sessions attended by all Directors, in order to convey information on legal responsibilities, corporate governance, etc., and to share information on the important operations performed by each division. Audit & Supervisory Board Members can also attend these sessions. In addition, when new Directors and new Audit & Supervisory Board Members assume office, Nippon Shinyaku holds in-house training sessions for newly appointed officers and provides necessary training opportunities.



Internal Control System

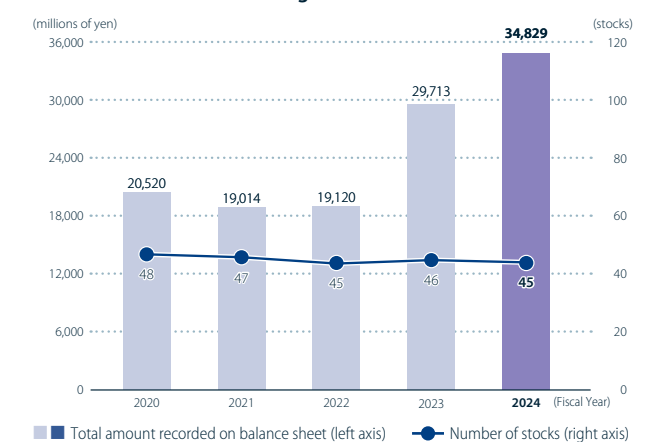
Pursuant to the Japanese Companies Act, we have resolved a basic policy on the establishment of an internal control system through our Board of Directors, establishing a framework to ensure the appropriateness of business operations by ensuring regulatory compliance and raising business effectiveness and efficiency. Moreover, we comply with the internal control

reporting requirements applied from fiscal 2008 under the Financial Instruments and Exchange Act, and operate under a framework we have developed for ensuring proper financial reporting. The status of internal controls related to financial reporting is evaluated by the Internal Audit Department, which reports directly to the Chairman.

Cross-shareholding Status

The Board of Directors will examine the strategic rationale and economic rationale for holding each individual cross-shareholding, and will gradually reduce holdings deemed to have limited significance, taking into account factors such as funding needs and market conditions. Regarding the exercise of voting rights pertaining to cross-shareholdings, we will judge the situation on whether it contributes to improving the corporate value of the Company and the issuing company, and will respond appropriately. In FY2024, the Company sold all shares of one stock and part of the shares of another, for total proceeds of ¥704 million. Also, to strengthen the partnership with Capricor Therapeutics Inc., with which the Company has a marketing alliance agreement for CAP-1002, the Company made an additional equity investment. The balance sheet carrying amount of stock holdings also increased due to the rise in stock prices.

Status of cross-shareholdings



Compliance and Risk Management

Basic Approach to Compliance and Compliance Framework

Guided by its management philosophy of “Helping People Lead Healthier, Happier Lives,” the Nippon Shinyaku Group places great importance not only on compliance with laws and regulations, but also on acting with integrity based on a strong sense of ethics. We recognize that trust of society is built through the accumulation of small, daily actions, and that a single mistake could cause that trust to be lost in an instant. As members of a company engaged in life-related businesses, we will continue to practice compliance while valuing the concept of “Patient Centricity,” placing patients at the center of all we do, in order to further strengthen the trust that we have built to date.

WEB ▶ <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/governance/compliance.php#anchor01>

Compliance Framework Chart



Compliance Implementation and Awareness Initiatives

In order to spread and raise compliance awareness, the Compliance Management Department plans and proposes compliance implementation and awareness initiatives based on advice from the Compliance Council, which is composed of the heads of related departments. Initiative plans and their implementation status are reported to and deliberated by the Risk & Compliance Committee, chaired by the President and comprising all Inside Directors as members. Awareness-raising initiatives include Code of Conduct training for new employees,

year-round compliance department training for all employees, follow-up reviews through e-learning, and publication of the “Risk & Compliance Bulletin” on the Company’s intranet. These efforts ensure that the entire Group implements compliance. In addition, the Group conducts an annual “Compliance Awareness Survey” for all employees. Survey results are shared across the Group, and follow-up is provided to departments where risks are identified in an effort to prevent compliance risks from materializing.

Internal Reporting System

To promptly identify legal violations and other misconduct and to minimize risks arising from such violations, the Nippon Shinyaku Group has established the “Hotline” internal reporting desk both inside and outside the Company. This desk is available to Group employees (including temporary staff, contract company employees, and former employees within one year of resignation) as well as officers and employees of business partners. Reports and consultations can be made via a dedicated phone line or email, and may be submitted anonymously. Whistleblowers are

protected through necessary measures such as confidentiality obligations, and efforts are made to ensure proper operation of the system so that no disadvantage is incurred as a result of making a report. The contact information for the “Hotline” is posted on in-house posters and included in the emergency contact app on employees’ mobile phones as part of ongoing efforts to ensure thorough awareness of and improve accessibility to the internal reporting system. In FY2024, there were 29 reports and consultations, all of which were handled appropriately.

Basic Approach to Risk Management and Risk Management Framework

The Nippon Shinyaku Group has established Basic Risk Management Rules and promotes risk management (RM). Identified risks are broken down into major, medium, and minor categories, and then rated as high, medium, or low risk in terms of importance using a 2-axis (impact and probability) risk matrix. Subsequently, the responsible departments take the lead in preparing preventive measures and countermeasures using a risk management sheet. Each year, the Group further selects highly critical risk topics and works to reinforce preventive measures by establishing an action plan for the year.

The results of initiatives during the fiscal year, as well as important risk themes for the following fiscal year, are reported to and deliberated by the Risk & Compliance Committee, chaired by the President. The Board of Directors receives reports on these matters and supervises RM by reviewing the implementation status and effectiveness of RM initiatives.

In FY2024, all employees completed an RM self-check, and the results were used to identify points that should be kept in mind, which were thoroughly covered during in-house training. To further raise risk awareness, RM training was conducted for all employees. In addition, a new incident/accident reporting drill for managers was implemented to confirm initial response procedures in the event of an incident or accident.

WEB ▶ <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/governance/compliance.php>

Information Security Initiatives

The Nippon Shinyaku Group recognizes the critical importance of information security. Based on the Nippon Shinyaku Group Basic Policy on Information Security and the Information Security Management Regulations, the Group has established the ISMS*1 Promotion Committee to advance information security measures across the entire Group.

To respond to the rapidly changing information security environment, the Group established the new IT Infrastructure Security Section within the Information Systems Department in April 2025, creating a framework to respond promptly and appropriately to the latest security threats. Key security enhancement measures to be undertaken by the IT Infrastructure Security Section include: building a network architecture based on the concept of zero-trust security to accommodate hybrid work

Risk Management Framework Chart



environments such as telework; implementing global 24/7/365 security monitoring operations in collaboration with an external SOC*2; and establishing a rapid-response framework through a CSIRT*3 to prepare for potential security incidents.

As part of measures against human risk, the Group conducts training and awareness programs for employees to ensure thorough understanding of the importance of information security. In particular, as part of countermeasures against targeted email attacks, employees are randomly selected to undergo unannounced drills to improve their ability to respond to suspicious emails.

*1 ISMS: Information Security Management System

*2 SOC: Security Operation Center

*3 CSIRT: Computer Security Incident Response Team

Messages from Outside Directors

Toward a New Stage of Global Growth Beyond the Patent Cliff

Yoshinao Wada

Outside Directors



To overcome the patent cliff and achieve sustainable growth, Nippon Shinyaku has laid out a clear growth strategy in its 7th Medium-Term Management Plan. Within the Board of Directors, we have identified the challenges to realizing this plan, placing particular emphasis on the impact that delays in R&D can have on the business value of development-stage drugs. In response, we have implemented concrete measures such as accelerating phase transitions, enhancing information sharing across departments, and strengthening progress monitoring. In my own capacity, I have attended in-house development meetings as an observer, drawing on insights gained from my ongoing work in medical research and clinical practice in internal medicine. I have also actively engaged in interviews with operational staff, directly sensing their awareness of front-line challenges and motivation, and sharing my own perspectives with them. While the development of new drugs takes more than 15 years, I believe that

the continuous accumulation of such PDCA cycles will lead to medium- to long-term growth.

During this plan period, capital allocation is projected to be about 1.5 times that of the 6th Medium-Term Management Plan, and over the past year in particular, the Company has been active in in-licensing products from other companies to expand its pipeline. As a result, our global business, which is centered on U.S. subsidiary NS Pharma, has evolved to a new stage, and our early-stage growth strategies are steadily being implemented.

I encourage all stakeholders to watch closely as Nippon Shinyaku takes flight under the slogan "For Global Growth Beyond the Cliff."

Diverse Talent and a Culture that Encourages Challenge as the Driving Force for Further Growth

Yukari Kobayashi

Outside Directors



Nippon Shinyaku has been steadily strengthening its governance structure through the effective operation of the Board of Directors and by increasing the transparency of its decision-making processes. In particular, I highly value the fact that the Company is fostering a corporate culture in which management listens sincerely to the opinions of Outside Directors and engages in repeated dialogue to improve the quality of management. At the same time, accelerating R&D in the field of rare and intractable diseases and enhancing responsiveness to the global market are important challenges from both the perspectives of social significance and sustainable growth.

In my career to date, I have engaged in initiatives to improve cross-border management quality and drive corporate transformation, drawing on experiences such as launching new businesses, managing cross-departmental projects at global companies, and running my own company. Using these

experiences, I intend to support the steady execution of the 7th Medium-Term Management Plan and the flexible review of strategies in response to environmental changes.

From a human resources perspective, while the professionalism and integrity of its employees are among Nippon Shinyaku's strengths, I believe that for further growth it will be increasingly important to embrace diversity, manage in ways that make use of differing values, and support career development beyond conventional boundaries. I am committed to helping foster a culture in which employees across the organization can learn from one another and take on new challenges for supporting the discovery and development of the next generation of human resources.

As an Outside Director, I will continue to contribute to the enhancement of corporate value through frank and constructive recommendations.

Utilizing Pharmaceutical Expertise to Support Sustainable Growth

Mayumi Nishi

Outside Directors



Recently, with the advancement of corporate governance reforms, the role of Outside Directors has been drawing increasing attention. Now in my third year as an Outside Director of Nippon Shinyaku, I am once again keenly aware of the weight of this responsibility. Promoting corporate governance is directly linked to competitiveness, sustainable growth, and the enhancement of corporate value, and requires working earnestly with management to address key management challenges.

After graduating from the Faculty of Pharmaceutical Sciences, I worked at a cancer research institute, then re-enrolled in medical school, gaining clinical experience before engaging in basic research. Utilizing my knowledge and experience in both pharmaceutical sciences and medicine, as well as my professional network, I strive to provide high-value-added recommendations from an independent standpoint, particularly in the field of research and development.

The development of new drugs always entails significant risk, and medium- to long-term strategies demand highly sophisticated decision-making. Achieving sustainable growth requires advancing both in-house drug discovery and external in-licensing in a well-balanced manner. At the same time, I hope that, as a Kyoto-based pharmaceutical company, Nippon Shinyaku will continue to create innovations originating from within the Company, maintaining pride in its heritage.

Although the business environment is undergoing major changes, Nippon Shinyaku continues to make tireless efforts as a global healthcare company from Kyoto, striving to deliver hope to patients and their families around the world. I, too, will continue to contribute as an Outside Director with a strong sense of commitment and responsibility.

Supporting the Realization of Business Strategies with a Focus on Growth Acceleration and Dialogue with Capital Markets

Yohtaro Hongo

Outside Directors



Among pharmaceutical companies of Nippon Shinyaku's scale, those that can consistently conduct in-house drug discovery and development with a view to the global market are extremely rare worldwide. I strongly believe that further developing this unique strength over the medium to long term will be the source of the Company's sustainable growth.

I have worked in healthcare investment banking for more than 25 years, supporting the growth strategies of numerous companies through M&A advisory and capital raising. Utilizing this experience, I will actively provide advice and support to help Nippon Shinyaku overcome the patent cliff of Upravi and achieve its next leap forward.

To achieve the goals of the 7th Medium-Term Management Plan, it is essential to invest in R&D and overseas expansion with a keen eye on balancing risk and return, while gaining the trust of shareholders and investors in these initiatives. I will help ensure

that the governance structure is in place and functioning so that management can make these difficult decisions of investing strategically without hesitation while avoiding excessive risk, both appropriately and in a timely manner. Also, at a time when upfront investment is expected to cause a temporary decrease in profits, it is critically important to communicate the purpose and details of such investments accurately to shareholders and investors. I will support the Company's strategic communications and contribute to building a framework that ensures shareholders and investors receive the information that they need accurately and promptly.

Management Team (Current as of June 27, 2025)

Inside Director



Shigenobu Maekawa
Representative Director,
Chairman

Number of shares of the Company held
59,017

Apr. 1976 Joined the Company
Mar. 1992 Transfer to Japan Federation of Employers' Associations
Apr. 2002 Department Manager, Corporate Planning Department,
Corporate Strategy Office
Apr. 2004 Corporate Officer
Jun. 2005 Director
Jun. 2005 Corporate Planning, Finance & Accounting, and
Information Systems, and Department Manager,
Corporate Planning Department
Jun. 2006 Managing Director
Apr. 2007 General Manager, Corporate Planning,
Finance & Accounting, and Information Systems
Jun. 2007 Representative Director, President
Jun. 2021 Representative Director, Chairman (current position)
Jun. 2022 Chairman of Kyoto Employers' Association (current
position)
Jun. 2023 Outside Director of KYOCERA Corporation (current
position)

<Significant concurrent positions>
Chairman, Kyoto Employers' Association
Outside Director, KYOCERA Corporation



Toru Nakai
Representative Director,
President

Number of shares of the Company held
17,487

Apr. 1995 Joined the Company
Apr. 2016 Department Manager, Business Planning
Department
Apr. 2018 Acting General Manager, Corporate Planning (NS
Pharma, Inc.)
Apr. 2019 General Manager, Global Business Division, Attached
to Global Business Division (NS Pharma, Inc.)
Jun. 2019 Director
Jun. 2019 General Manager, Global Business; Head of Global
Business Division
Jun. 2021 Representative Director, President (current position)



Takashi Takaya
Director, Personnel, General Affairs,
Risk Management, Compliance &
Digital Transformation

Number of shares of the Company held
8,082

Apr. 1984 Joined the Company
Apr. 2005 Department Manager, Marketing Department, Sales
and Marketing
Apr. 2009 Department Manager, Marketing Department, Sales
and Marketing Planning Division, Sales and Marketing
Apr. 2010 Department Manager, Marketing and Planning
Department, Sales and Marketing Planning Division,
Sales and Marketing
Apr. 2011 Head of Sales and Marketing Planning Division,
Sales and Marketing
Apr. 2012 Corporate Officer; Head of Sales and Marketing
Planning Division, Sales and Marketing
Jun. 2018 Director (current position)
Jun. 2018 General Manager, Administration
Apr. 2022 General Manager, Personnel, General Affairs, Risk
Management, Compliance & Digital Transformation
(current position)



Takanori Edamitsu
Director, Business Management
& Sustainability

Number of shares of the Company held
7,914

Apr. 1989 Joined the Company
Aug. 2011 Department Manager, Corporate Planning
Department
Apr. 2013 Corporate Officer; Department Manager, Corporate
Planning Department
Jun. 2018 Director (current position)
Jun. 2018 General Manager, Business Management
Apr. 2022 General Manager, Business Management &
Sustainability (current position)



Hitoshi Ishizawa
Director, Functional Food

Number of shares of the Company held
8,214

Apr. 1985 Joined the Company
Apr. 2013 Department Manager, Kita-Kanto Branch Office,
Northern Japan Division, Sales and Marketing
Apr. 2014 Department Manager, Chugoku Branch Office,
Western Japan Division, Sales and Marketing
Apr. 2015 Department Manager, Tokyo Branch Office, Eastern
Japan Division, Sales and Marketing
Apr. 2017 Department Manager, Osaka Branch Office, Sales and
Marketing
Apr. 2018 Corporate Officer; Department Manager, Osaka
Branch Office, Sales and Marketing
Apr. 2021 Corporate Officer; Department Manager, Kansai
Branch Office, Sales and Marketing
Jun. 2021 Director (current position)
Jun. 2021 General Manager, Functional Food, Head of
Functional Food Division (current position)



Hitomi Kimura
Director, Resource Procurement,
Production & Assurance

Number of shares of the Company held
4,582

Apr. 1984 Joined the Company
Apr. 2015 Department Manager, Regulatory Affairs
Department, Regulatory Affairs, Safety Management
and Quality Assurance Division
Apr. 2020 Head of Regulatory Affairs, Safety Management and
Quality Assurance Division (Marketing Supervisor-
General)
Apr. 2021 Corporate Officer; Head of Regulatory Affairs, Safety
Management and Quality Assurance Division
(Marketing Supervisor-General)
Jun. 2021 Director (current position)
Jun. 2021 General Manager, Resource Procurement,
Production & Assurance (current position)



Kazuyuki Iwata
Director, Sales and Marketing

Number of shares of the Company held
3,000

Apr. 1990 Joined the Company
Apr. 2015 Department Manager, Chiba Branch Office, Eastern
Japan Division, Sales and Marketing
Apr. 2016 Department Manager, Yokohama Branch Office,
Eastern Japan Division, Sales and Marketing
Apr. 2017 Department Manager, Primary Care Products
Promotion Department, Sales and Marketing
Planning Division, Sales and Marketing
Apr. 2019 Department Manager, Pharmaceutical Information
of Urology Department, Sales and Marketing
Planning Division, Sales and Marketing
Apr. 2021 Department Manager, Kanetsu Branch Office, Sales
and Marketing
Apr. 2022 Department Manager, Nagoya Branch Office, Sales
and Marketing
Apr. 2023 Corporate Officer; Department Manager, Nagoya
Branch Office, Sales and Marketing
Jun. 2025 Director (current position)
General Manager, Sales and Marketing; Head of Sales
and Marketing Division (current position)



Keiichi Kuwano
Director,
Research & Development

Number of shares of the Company held
700

Apr. 1993 Joined the Company
Apr. 2016 Department Manager, R&D Administration
Department, R&D Administration
Division, Research & Development
Jun. 2021 Department Manager, Discovery Research Labs,
Research & Development
Apr. 2022 Corporate Officer, Department Manager, Discovery
Research Labs, Research & Development
Jun. 2025 Director (current position)
General Manager, Research & Development; Head of
Research & Development Division (current position)

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For the reasons for the appointment of Directors and Audit & Supervisory Board Members, please visit the following website:

WEB ▶ https://www.nippon-shinyaku.co.jp/english/company_profile/profile/executive_officer/index.php

Outside Directors



Yoshinao Wada
Outside Directors

Number of shares of the Company held
500

Jul. 1975 Joined Osaka University Hospital
Nov. 1981 Department of Maternal Medicine, Osaka Medical Center for
Maternal and Child Health
Oct. 1989 Obtained the degree of Doctor of Medicine (Osaka University)
Apr. 1991 Department Manager, Department of Molecular Medicine,
Research Institute, Osaka Medical Center for Maternal and
Child Health
Apr. 1995 Visiting Professor, Osaka University
Apr. 1998 Director, Research Institute, Osaka Medical Center for
Maternal and Child Health
Apr. 2011 Department Manager, Department of Maternal Medicine;
Director, Research Institute, Osaka Medical Center for
Maternal and Child Health
Apr. 2014 Chief Department Manager, Department of Maternal
Medicine; Director, Research Institute, Osaka Medical Center
for Maternal and Child Health
Apr. 2016 Part-time physician, Department of Maternal Medicine,
Osaka Medical Center for Maternal and Child Health
Apr. 2017 Part-time physician, Department of Maternal Medicine,
Osaka Women's and Children's Hospital (current position)
Apr. 2018 Visiting Professor, Yokohama City University
Jun. 2019 Director, the Company (current position)
<Significant concurrent positions>
Part-time physician, Department of Maternal Medicine, Osaka Women's
and Children's Hospital



Yukari Kobayashi
Outside Directors

Number of shares of the Company held
500

Apr. 1987 Joined IBM Japan, Ltd.
Jul. 2002 Senior Manager, Overall Management of System Products
Marketing, IBM Japan, Ltd.
Jan. 2007 Director in charge of Public Sector, Global Business Service,
IBM Japan, Ltd.
Jan. 2007 Executive Officer, IBM Business Consulting Services KK
Mar. 2016 Growth Leader for Mercer Far East Zone; Chief of staff,
Mercer Japan Ltd.
Jan. 2018 Director, Mercer Investment Solutions Ltd.
Feb. 2018 COO, Mercer Japan Ltd.
Sep. 2018 Corporate Officer; Corporate Strategy Management Lead,
Area Transformation Lead, and Chief of Staff, Microsoft Japan
Co., Ltd.
Mar. 2020 Representative Partner, Amanda Life Consulting LLC.
(current position)
Jun. 2021 Director, the Company (current position)
Apr. 2022 Outside Director, Panasonic Connect Co., Ltd.
Mar. 2023 Outside Director, Audit Committee Member, Bridgestone
Corporation (current position)
Jun. 2023 CEO, JC1 LLC (current position)
<Significant concurrent positions>
Representative Partner, Amanda Life Consulting LLC.
Outside Director, Audit Committee Member, Bridgestone Corporation
CEO, JC1 LLC



Mayumi Nishi
Outside Directors

Number of shares of the Company held
400

Apr. 1980 Joined Department of Biology, Aichi Cancer Center Research
Institute
Apr. 1980 Obtained pharmacist license
Apr. 1991 Joined Department of Anesthesiology, Kyoto Prefectural
University of Medicine
May 1991 Obtained medical license
Mar. 1997 Obtained the degree of Doctor of Medicine (Kyoto
Prefectural University of Medicine)
Apr. 1997 Teaching Associate, Department of Anatomy I, Kyoto
Prefectural University of Medicine
Jun. 1998 Lecturer, Department of Anatomy I, Kyoto Prefectural
University of Medicine
Apr. 2003 Lecturer, Graduate School of Medical Science, Kyoto
Prefectural University of Medicine
Apr. 2005 Assistant Professor, Department of Anatomy and
Neurobiology, Graduate School of Medical Science, Kyoto
Prefectural University of Medicine
Apr. 2007 Associate Professor, Department of Anatomy and
Neurobiology, Graduate School of Medical Science, Kyoto
Prefectural University of Medicine
Aug. 2009 Professor, Department of Anatomy and Cell Biology, Nara
Medical University
Apr. 2010 Visiting Professor, Graduate School of Medical Science,
Kyoto Prefectural University of Medicine
Apr. 2023 Professor Emeritus, Nara Medical University (current position)
Jun. 2023 Director, the Company (current position)



Yohtaro Hongo
Outside Directors

Number of shares of the Company held
1,000

Apr. 1990 Joined The Sanwa Bank, Ltd.
May 1995 Received MBA from The Wharton School, University of
Pennsylvania
Aug. 1999 Joined Investment Banking Division, JPMorgan Securities
Japan Co., Ltd.
May 2008 Managing Director, JPMorgan Securities Japan Co., Ltd.
Jan. 2023 Vice Chairman, Investment Banking Division, JPMorgan
Securities Japan Co., Ltd.
May 2025 Resigned from JPMorgan Securities Japan Co., Ltd.
Jun. 2025 Director, the Company (current position)

Audit & Supervisory Board Members



Hirotsugu Ito
Standing Audit &
Supervisory Board Members

Number of shares of the Company held
2,800

Apr. 1986 Joined the Company
Apr. 2015 Department Manager, Keiji Hokuriku Branch Office, Western
Japan Division, Sales and Marketing
Apr. 2017 Department Manager, Kyushu Branch Office, Sales and
Marketing
Apr. 2019 Department Manager, Chushikoku Branch Office, Sales and
Marketing
Apr. 2021 Department Manager, Nagoya Branch Office, Sales and
Marketing
Apr. 2022 Department Manager, Information Service Supervisory
Department
Jun. 2023 Standing Audit & Supervisory Board Member (current
position)



Eriko Doi
Standing Audit &
Supervisory Board Members

Number of shares of the Company held
100

Apr. 1984 Joined the Company
Apr. 2007 Manager, Planning and Coordination Section, R&D
Administration Department, Research & Development
Planning Center, Research & Development
Apr. 2008 Manager, Planning and Coordination Section, R&D
Administration Department, Research & Development
Planning Division, Research & Development
Apr. 2016 Department Manager, Safety Management Department,
Regulatory Affairs, Safety Management and Quality
Assurance Division
Apr. 2018 Department Manager, Safety Management Department,
Regulatory Affairs, Safety Management and Quality
Assurance Division (safety manager)
Jun. 2024 Standing Audit & Supervisory Board Member (current
position)



Hiroharu Hara
Outside Audit &
Supervisory Board Members

Number of shares of the Company held
400

Apr. 1983 Joined Osaka Regional Taxation Bureau
Jul. 2012 District Director, Shingu Tax Office, Osaka Regional Taxation
Bureau
Jul. 2015 Director, Second International Information Div., First
Examination Dept., Osaka Regional Taxation Bureau
Jul. 2016 District Director, Nishi Tax Office, Osaka Regional Taxation
Bureau
Jul. 2017 Director, Research Management Div., First Examination Dept.,
Osaka Regional Taxation Bureau
Jul. 2019 Deputy Assistant Regional Commissioner, Second
Examination Dept., Osaka Regional Taxation Bureau
Jul. 2020 District Director, Kita Tax Office, Osaka Regional Taxation Bureau
Jul. 2021 Retired from Kita Tax Office, Osaka Regional Taxation Bureau
Aug. 2021 Registered as Licensed Tax Accountant
Jun. 2023 President, Hiroharu Hara Tax Accountant office (current
position)
Jun. 2023 Outside Audit & Supervisory Board Member (current
position)
<Significant concurrent positions>
President, Hiroharu Hara Tax Accountant office



Mariko Chaki
Outside Audit &
Supervisory Board Members

Number of shares of the Company held
0

Sep. 2002 Completed legal apprenticeship at Legal Training and
Research Institute
Oct. 2002 Registered with Kyoto Bar Association
Oct. 2002 Joined Oike Law Office
Oct. 2006 Partner, Oike Law Office (current position)
Jun. 2024 Outside Audit & Supervisory Board Member (current position)
<Significant concurrent positions>
Partner, Oike Law Office

Corporate Officers

Hayato Wada
Department Manager,
Kansai Business Office

Toru Yamaguchi
Department Manager,
Odawara Central Factory

Masaya Toda
Head of Licensing &
Alliance Division

Yukiteru Sugiyama
NS Pharma, Inc.
President

Kazuyuki Yamate
Head of Digital Transformation
Division

Hideyasu Takechi
Department Manager,
Corporate Planning Department

Mitsuharu Koizumi
Head of Sales and
Marketing Planning Division

Yoko Nakanishi
Head of R&D Planning and
Human Resources Department

Yoshizumi Tanaka
Head of Regulatory Affairs
Supervision and Assurance Division

Manabu Beppu
Head of R&D Planning and
Administration Dept.

Katsumi Noda
Department Manager,
Tokyo Business Office

Takeshi Seita
Head of Clinical
Development Division

Eleven-Year Financial Data

Nippon Shinyaku Co., Ltd. and Consolidated Subsidiaries

JGAAP

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
For the year								
Net sales	79,991	84,209	98,781	101,448	114,716	116,637	121,885	137,547
Pharmaceuticals	66,340	70,489	85,315	87,416	100,223	101,643	106,478	120,650
Functional Food	13,651	13,720	13,466	14,031	14,492	14,994	15,406	16,897
Cost of sales	41,226	44,016	44,835	46,929	50,952	53,155	49,954	50,657
Gross profit	38,764	40,192	53,946	54,519	63,764	63,481	71,931	86,890
Total selling, general and administrative expenses	30,202	31,643	38,666	37,439	43,119	41,813	45,796	58,591
Selling, general and administrative expenses	21,233	21,904	23,762	24,217	26,418	27,819	29,692	32,204
R&D expenses	8,968	9,739	14,903	13,221	16,701	13,994	16,104	26,386
Operating income	8,562	8,549	15,280	17,079	20,644	21,668	26,134	28,299
Net income attributable to owners of the parent	5,882	6,340	11,749	12,953	16,302	16,866	20,702	23,044
Depreciation and amortization	2,665	2,452	2,648	2,773	3,418	3,468	3,550	2,933
Capital investment	1,239	3,554	3,949	2,811	1,242	2,500	2,583	4,264
Cash flows from operating activities	6,113	8,915	18,916	6,719	15,310	12,737	21,388	16,018
Cash flows from investing activities	(3,718)	(3,978)	(5,750)	(11,342)	511	(2,339)	(1,564)	(6,359)
Cash flows from financing activities	(1,773)	(1,907)	(2,193)	(3,787)	(3,708)	(5,660)	(6,199)	(6,801)

End of the year

Total assets	129,757	135,370	150,905	155,887	168,763	175,017	197,028	210,052
Interest-bearing debt	—	—	—	—	—	—	—	—
Net assets	101,207	102,762	114,316	125,689	135,190	145,760	162,543	176,767

Financial information per share (yen)

Earnings per share (EPS)	87.26	94.1	174.42	192.31	242.04	250.42	307.37	342.14
Net assets	1,498.88	1,522.33	1,693.81	1,862.54	2,003.39	2,160.11	2,409.01	2,620.02
Dividend per share	25	28	48	52	70	86	99	110

Major financial indicators regarding profitability and valuation

Operating income to net sales (%)	10.7	10.2	15.5	16.8	18.0	18.6	21.4	20.6
R&D expenses to net sales (%)	11.2	11.6	15.1	13.0	14.6	12.0	13.2	19.2
Equity ratio (%)	77.8	75.8	75.6	80.5	80.0	83.1	82.4	84.0
Return on assets (ROA) (%)	7.0	6.5	10.8	11.2	12.7	12.6	14.0	13.9
Return on equity (ROE) (%)	6.1	6.2	10.8	10.8	12.5	12.0	13.5	13.6
Price book value ratio (PBR) (times)	2.9	2.9	3.3	3.8	4.0	3.9	3.4	3.2
Price earnings ratio (PER) (times)	50.1	46.8	32.5	37.0	33.3	33.9	26.8	24.4
Payout ratio (%)	28.7	29.8	27.5	27.0	28.9	34.3	32.2	32.2
Number of outstanding shares (shares)	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484
Market capitalization (millions of yen)	307,350	309,107	398,326	500,191	566,227	595,733	578,170	585,195

* IFRS adopted from the fiscal year ended March 31, 2022.

IFRS

(millions of yen)

	FY2021	FY2022	FY2023	FY2024
For the year				
Revenue	137,484	144,175	148,255	160,232
Pharmaceuticals	120,650	121,988	125,105	138,654
Functional Food	16,834	22,187	23,150	21,577
Cost of sales	50,191	55,980	50,234	51,116
Gross profit	87,293	88,195	98,021	109,115
Selling, general and administrative expenses	32,173	34,812	34,959	38,011
R&D expenses	22,863	24,135	31,676	34,341
Operating profit	32,948	30,049	33,295	35,450
Profit attributable to owners of parent	24,986	22,812	25,851	32,558
Depreciation and amortization	4,588	5,041	5,023	6,015
Capital expenditures (Including investment in intangible assets)	10,744	13,034	16,430	31,027
Cash flows from operating activities	21,316	26,170	16,289	36,126
Cash flows from investing activities	(10,037)	(17,631)	(9,921)	(28,877)
Cash flows from financing activities	(8,407)	(9,605)	(9,719)	(9,902)

End of the year

Total assets	219,943	237,451	263,404	283,637
Interest-bearing debt (Including lease liabilities)	2,713	2,665	2,872	2,804
Total equity	180,886	195,933	220,534	247,340

Financial information per share (yen)

Basic earnings per share (EPS)	370.97	338.7	383.82	483.40
Equity attributable to owners of parent per share	2,681.18	2,904.49	3,269.72	3,666.27
Dividends	110	114	124	124

Major financial indicators regarding profitability and valuation

Operating profit to revenue (%)	24.0	20.8	22.5	22.1
R&D expenses to revenue (%)	16.6	16.7	21.4	21.4
Ratio of equity attributable to owners of parent to total assets (%)	82.1	82.4	83.6	87.1
Profit before tax to total assets (ROA) (%)	15.7	13.3	13.4	13.2
Return on equity attributable to owners of parent (ROE) (%)	14.5	12.1	12.4	13.9
Price book value ratio (PBR) (times)	3.1	2.0	1.4	1.0
Price earnings ratio (PER) (times)	22.5	17.2	11.6	7.9
Payout ratio (%)	29.7	33.7	32.3	25.6
Number of outstanding shares (shares)	70,251,484	70,251,484	70,251,484	70,251,484
Market capitalization (millions of yen)	585,195	409,566	314,024	267,096

Non-Financial Data

Environment

*Since environmental data values are rounded to the nearest decimal point, the sum of individual figures may not match the total.

Material Flow Data

Inputs	Classification		FY2022	FY2023	FY2024
	Materials				
		Raw materials (t)	288	318	321
		Packaging materials (t)	245	475	571
	Energy				
		Electricity (MWh)	15,881	17,884	19,215
		Heavy oil (kL)	0	0	0
		Kerosene (kL)	0	0	0
		City gas (1,000 m³)	1,562	1,471	1,693
		LPG (1,000 m³)	6	0	0
		Gasoline (kL)	398	404	342
		Diesel (kL)	3	2	3
	Water intake*1				
		Tap water (1,000 m³)	54	58	66*2
		Well water (1,000 m³)	101	95	82*2
Outputs	Products				
		Shipped products (t)	479	574	785
		Transported products (10,000 t-km)	13	12	9
	Gas & Water emissions				
		CO₂ emissions (t-CO₂)	9,182	7,283	8,228
		Wastewater *1 (1,000 m³)	164	153	147*2
	Waste substances*1				
		Amount generated (t)	388	390	480
		Final amount of landfilled waste (t)	2.3	2.0	1.7
	Container and package recycling				
		Waste containers and packages (Amount contracted out as post-consumer recovered waste) (t)	172	206	197
	Class I Designated Chemical Substances handled*3				
		Dichloromethane (kg)	1,349	968	939
		n-Hexane (kg)	2,575	2,286	3,154

*1 Main business locations: Head office area, Odawara Central Factory, Discovery Research Laboratories in Tsukuba

*2 The calculation method has been revised.

*3 Lists Class I Designated Chemical Substances based on the Pollutant Release and Transfer Register (PRTR) system under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management thereof with a handling amount of 1,000 kg or more.

Putting Environmental Management System Certification into Action

Office name	Acquired certifications	Date of certification acquisition	Last 3rd-party review
Odawara Central Factory	ISO14001	August 2004	February 2025 (Review for renewal)
Head Office area business office	KES Step2	June 2012	June 2025 (Review for renewal)

Environmental Accounting (parent company)

Environmental conservation costs*1 (excluding our sales offices)	Costs		FY2023		FY2024	
			Investments	Expenses	Investments	Expenses
Costs within our business areas (Thousands of yen)	Pollution prevention costs*2 (Thousands of yen)		100,100	65,395	132,870	62,742
	Global environmental conservation costs*3 (Thousands of yen)		220,350	177,187	61,881	169,696
	Resource recycling costs*4 (Thousands of yen)		1,329	58,110	1,125	69,053
	Upstream & downstream costs*5 (Thousands of yen)		0	7,147	0	7,108
Costs outside our business areas (Thousands of yen)	Management activity costs*6 (Thousands of yen)		56,781	77,056	0	81,538
	R&D costs (Thousands of yen)		0	0	0	0
	Social activity costs*7 (Thousands of yen)		0	11,029	0	2,877
	Environmental remediation costs (Thousands of yen)		0	82	0	0
Total (Thousands of yen)			378,560	396,006	195,877	393,014

Environmental conservation benefits	Benefit verification	FY2023	FY2024	Change	% Change
	CO₂ emissions (t-CO₂)	7,283	8,228	945	113.0%
	• Electricity usage (MWh)	17,884	19,215	1331	107.4%
	• Heavy oil & kerosene usage (kL)	0	0	0	—
	• City gas & LPG usage (1,000 m³)	1,471	1,693	222	115.1%
	• Gasoline & diesel usage (kL)	406	342	-64	84.2%
	Water consumption (main business locations) (1,000 m³)	145	148	3	102.1%
	Waste substances generated (main business locations) (t)	390	480	90	123.1%
	Final amount of landfilled waste (main business locations) (t)	2.0	1.7	-0.3	85.0%

*1 Costs aimed at reducing the environmental impact caused by business activities. We compiled them based on "Environmental Accounting Guidelines 2005" published by the Ministry of the Environment.

*2 Costs related to environmental damage prevention due to pollution such as water pollution, soil pollution, air pollution, etc.

*3 Costs related to global warming prevention, energy-saving activities, etc.

*4 Costs related to proper disposal of waste, recycling etc.

*5 Consignment fee for recycling of containers and packaging (costs for collection and recycling of packaging containers for pharmaceuticals, etc. in Nippon Shinyaku), etc.

*6 Costs related to maintenance and operation of EMS (Environmental Management System) and environmental education of employees.

*7 Costs related to offering classes to elementary schools in Kyoto city, greening in the workplace, local cleanup activities, etc.

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☒The environmental performance indicators with checkmarks have received third party guarantees.

	FY2020	FY2021	FY2022	FY2023	FY2024
Nippon Shinyaku Group CO₂ emissions (t-CO₂) (Received third-party verification)					
Scope 1: Direct greenhouse gas (GHG) emissions from owned or controlled sources	4,964	4,738	4,911	4,366	4,683
Scope 2: Indirect emissions that occur through the use of purchased electricity, steam, and heat	6,765	5,852	5,204	4,057	4,650
Scope 3: 1: Purchased goods and services	183,640	189,415	208,157	218,100	232,917
Supply chain emissions by scope (t-CO₂) (unconsolidated)					
Scope 1: Direct greenhouse gas (GHG) emissions from owned or controlled sources	4,396	4,449	4,471	3,948	4,262
Scope 2: Indirect emissions that occur through the use of purchased electricity, steam, and heat	6,101	5,236	4,711	3,335	3,966
Scope 3: 1. Purchased goods and services	163,905	171,906	188,834	212,430	228,141
Scope 3: 2. Capital goods	13,385	14,639	20,043	46,557	87,847
Scope 3: 3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	1,924	1,938	1,942	1,685	1,798
Scope 3: 4. Transportation and delivery (upstream)	678	721	658	271	171
Scope 3: 5. Waste generated in operations	223	225	208	207	340
Scope 3: 6. Business travel	233	235	233	243	245
Scope 3: 7. Employee commuting	231	270	287	446	449
Scope 3: 9. Transportation and delivery (downstream)	1,813	1,977	2,345	1,435	—*1
Scope 3: 12. End-of-life treatment of sold products	99	139	140	390	178
Scope 3: 13. Leased assets (downstream)	628	628	628	625	315
Total energy consumption (MWh)					
Nippon Shinyaku Co., Ltd.	63,066	63,451	65,200	69,647	41,233*2
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	6,516	5,975	5,618	5,583	3,612*2
Electricity (MWh)					
Nippon Shinyaku Co., Ltd.	15,212	15,350	15,881	17,884	19,215
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	1,835	1,704	1,650	1,663	1,633
City gas, LP gas (1,000 m³)					
Nippon Shinyaku Co., Ltd.	1,541	1,523	1,562	1,471	1,694
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	113	100	81	75	79
Water (tap water + well water) (1,000 m³)					
Nippon Shinyaku Co., Ltd.*3	161	165	155	153	148*3
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	30	29	24	25	28

*1 The calculation of emissions in FY2024 is incomplete because a portion of the data of the relevant pharmaceutical wholesalers is undisclosed at calculation time.

*2 The calculation method has been partially revised.

*3 Main business locations: Head office area, Odawara Central Factory, Discovery Research Laboratories in Tsukuba

Social

	FY2020	FY2021	FY2022	FY2023	FY2024
Employee Numbers and the Promotion of Women in the Workplace (persons)					
Number of employees (parent company)	1,806	1,827	1,857	1,865	1,876
Number of female employees	529	552	565	582	598
Ratio of female employees (%)	29.3	30.2	30.4	31.2	31.9
Number of executives	555	571	596	614	624
Number of female executives	84	92	100	110	112
Ratio of female executives (%)	15.1	16.1	16.8	17.9	17.9
Number of managers	331	343	301	314	313
Number of female managers	34	38	40	42	45
Ratio of female managers (%)	10.3	11.1	13.3	13.4	14.4
Number of recruits	76	57	62	75	89
Number of female recruits	33	28	20	34	30
Ratio of female recruits (%)	43.4	49.1	32.3	45.3	33.7
Average number of years of service	17.3	17.4	17.5	17.4	17.2
Average number of years of service of female employees (years)	16.7	16.5	16.6	16.4	16.5
Average number of years of service of male employees (years)	17.6	17.8	17.8	17.9	17.5
Number of employees taking parental leave for childcare (male)	14	30	61	51	48
Rate of uptake of parental leave for childcare (male %)	20.3	50	69.3	70.8	76.2
Number of employees taking parental leave for childcare (female)	19	19	25	29	17
Rate of uptake of parental leave for childcare (female %)	100	100	100	100	94.4
Paid annual leave acquisition rate (%)	63.5	63.5	69.6	71.8	75.3
Total annual working hours (hours)	1821.96	1819.89	1841.69	1854.32	1860.25
Employee turnover (%)	1.97	1.66	1.92	2.0	2.3
Employee turnover rate after three years for new graduates joining the Company on Apr. 1 (as of Apr. 1 three years later) (%)	6.3	1.5	6.0	3.5	8.1
Average annual salary (thousands of yen)	7,958	8,061	8,151	7,835	9,192*1
Wage differential between men and women	—	—	79.1	78.8	81.0
Human Resources Development					
Hours of basic training attended per employee (hours)		7.2	10	9.1	15.3
Hours of voluntary training attended per employee (hours)		10.7	10.3	20.1	18.8
Human resources development investment amount per employee (Thousands of yen)		79	83	85	93

*1 Average for regular employees

Governance

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of directors (persons)					
Number of outside directors	12	12	12	12	12
Number of female directors	4	4	4	4	4
Ratio of female directors (%)	33.3	33.3	33.3	33.3	33.3
Number of audit & supervisory board members (persons)					
Number of outside audit & supervisory board members	4	4	4	4	4
Ratio of outside audit & supervisory board members (%)	50	50	50	50	50

Stakeholder engagement

Communication with stakeholders

Nippon Shinyaku's business is supported by a variety of stakeholders. The Company believes it is important to listen to and engage in dialogue with a diverse range of stakeholders, including shareholders, employees, society (local communities, business partners, etc.), customers (patients, consumers, medical professionals), and the environment.

Material issues
and related SDGs

Strengthening governance



By reflecting the requests and opinions obtained through regular dialogue in our corporate activities, Nippon Shinyaku will grow as a company and provide new value to society. In doing so, we will contribute to the realization of a sustainable society and build relationships of trust with our stakeholders.

Strengthening relationship with all stakeholders

	Stakeholder relations	Stakeholders' expectations	Dialogue and means, frequency
Shareholders	Nippon Shinyaku will strive to pay a return to shareholders by securing appropriate profit through management that is conscious of cost of capital. We are intent on meeting the expectations of shareholders and investors by promoting constructive communication through fair management that emphasizes timely and honest disclosure of corporate information and proactive dialogue.	• Shareholder return measures (sustainable growth in dividends) • Fair stock price • Timely, appropriate disclosure, including information on non-financial activities, and opportunities for dialogue • Sustainable enhancement of corporate value • ESG initiatives	• Number of dialogues with institutional investors and analysts: approx. 170 • Participation in events sponsored by securities corporations: 11 • Financial results briefings (May, November) • Financial results conference calls (August, February) • General Meeting of Shareholders (June) • The 7th Five-Year Medium-Term Management Plan briefing (May) • R&D briefing (February) • Sell-side analyst small meeting (February) • Overseas IR events (September) • Participation in individual investor fair (August)
Employees	We believe that in order to achieve our business philosophy, each employee must grow and work together by making the most of their individual qualities and strengths. To this end, we have established the "NS Mind" as the attitude and mindset that all employees should aspire to, and we have put in place a career development support framework that emphasizes autonomy.	• Rewarding company that makes flexible work styles possible • Creating a comfortable workplace environment • Fair and impartial employee evaluation system • Active participation of diverse human resources • Provide opportunities for self-growth	• Training for employees, setting up opportunities for dialogue with directors • Conducting stress checks • Engagement score of 68% (response rate of 95%) • Internal Compliance Reporting System (whistleblower hotlines)
Society	As a corporate citizen, Nippon Shinyaku will maintain communication and deepen exchanges with society while actively undertaking initiatives to solve social issues. We will maintain sound and appropriate relationships with business partners and aim to achieve growth with them.	• Coexistence with local communities • Contributions to local community development • Lessen environmental impact • Environmental conservation and highly-safe business activities	• On-site classes on food education: 7 schools • Yamashina Botanical Research Institute: 177 tours, 2,230 visitors • Nippon Shinyaku Sparkling Future Mobile Library: participated in 33 events; lent out 5,724 picture books • Conducted surveys of suppliers (CSR, stable supply, sustainability procurement policy) • Distributed 15,000 copies of the Nippon Shinyaku Children's Literary Award winning picture book
Customers	In the Pharmaceuticals Business, Nippon Shinyaku places the highest priority on patients who suffer from illnesses and makes efforts to provide information to ensure that patients are properly medicated by medical professionals. In the Functional Food Business, the Company seeks to leverage its advanced technical expertise as a maker of pharmaceuticals to supply high-value-added products that meet customer needs.	• Stable provision of products and services that boast high quality and safety • Initiatives related to unmet medical needs (development of new pharmaceuticals) • Timely provision of pharmaceutical information • Provision of information on disease	• Number of inquiries about pharmaceuticals Total 11,273 (9,454 from medical professionals, 675 from wholesalers, 1,064 from general consumers, 80 from others) • Disease awareness via the Company's website • Online seminars available to the public (muscular dystrophy, hematological cancers) • Patient exchange events • Booths at marathons in Japan, etc.
Environment	In addition to conducting environment friendly business activities, Nippon Shinyaku works to protect, maintain, and improve the environment and aims to achieve growth in harmony with the environment.	• Environmental preservation • Sustainable business activities • Lessen environmental impact • Biodiversity protection and conservation	• Events designed to educate about botany at the Yamashina Botanical Research Institute • Preservation activities for plants related to Kyoto's culture

Corporate Data/Investor Information (As of March 31, 2025)

Corporate Data

Corporate Name	Nippon Shinyaku Co., Ltd.
Founded	November 20, 1911
Date of Incorporation	October 1, 1919
Head Office	14, Nishinosho-Monguchi-cho, Kisshoin, Minami-ku, Kyoto 601-8550, Japan Tel.: +81-75-321-1111 Fax: +81-75-321-0678 https://www.nippon-shinyaku.co.jp/english/
Paid-in Capital	¥5,174 million (Tokyo Stock Exchange Prime Market since April 4, 2022)

Representative Directors	Shigenobu Maekawa, Chairman Toru Nakai, President
Accounting Auditor	Deloitte Touche Tohmatsu LLC Shijokarasuma FT Square 20, Naginataboko-cho, Karasuma-higashiiru, Shijo-dori Shimogyo-ku, Kyoto 600-8008, Japan
Issued and Outstanding Number of Shares	70,251,484
Number of Shareholders	14,149
Share Registrar	Mitsubishi UFJ Trust and Banking Corporation 6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-0044, Japan

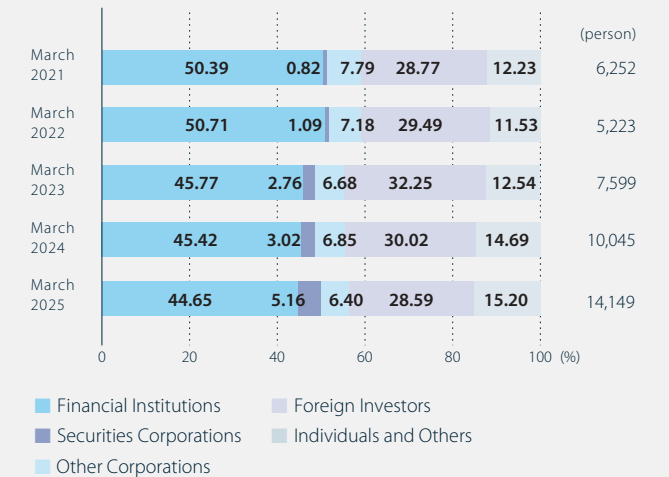
Investor Information

Major shareholders

Shareholders	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8,936	13.26
Meiji Yasuda Life Insurance Company	6,486	9.63
Custody Bank of Japan (Trust account)	5,141	7.63
The Bank of Kyoto, Ltd.	3,090	4.59
MUFG Bank, Ltd.	2,706	4.02
JPMorgan Securities Japan Co., Ltd.	2,273	3.37
Nippon Life Insurance Company	1,341	1.99
STATE STREET BANK AND TRUST COMPANY 505103	992	1.47
Tokio Marine & Nichido Fire Insurance Co., Ltd.	881	1.31
STATE STREET BANK AND TRUST COMPANY 505001	860	1.28

*1 The percentage of shares owned is calculated as the total number of shares issued and outstanding minus the number of treasury shares (2,872,839 shares).
*2 The percentage of shares owned is rounded to the second decimal place.

Shareholder composition over the past five years



Recognition by External Parties

Inclusion in ESG indices



External evaluation of sustainability

