NIPPON SHINYAKU CO., LTD.







INTEGRATED REPORT 2026

A New Way of Life









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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 2025 (April 1, 2025 – March 31, 2026)
* Some sections of the report discuss initiatives from April 2026 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.

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Our Philosophy







Our Philosophy

Helping People Lead Healthier, Happier Lives



Our Promise

A New Way of Life

Delivering meaningful value to create a better future for every patient

Guided by our philosophy of "Helping People Lead Healthier, Happier Lives," Nippon Shinyaku has remained firmly committed to addressing the challenges of intractable and rare diseases —areas where treatment options are limited.
The driving force behind this commitment is our unwavering determination to create a future allowing patients and their families to live with a sense of security and genuine hope.
We continue our bold, sincere efforts to break new ground and address unmet medical needs, no matter how rare a disease may be, as we strive to create new ways of life for every patient around the world.





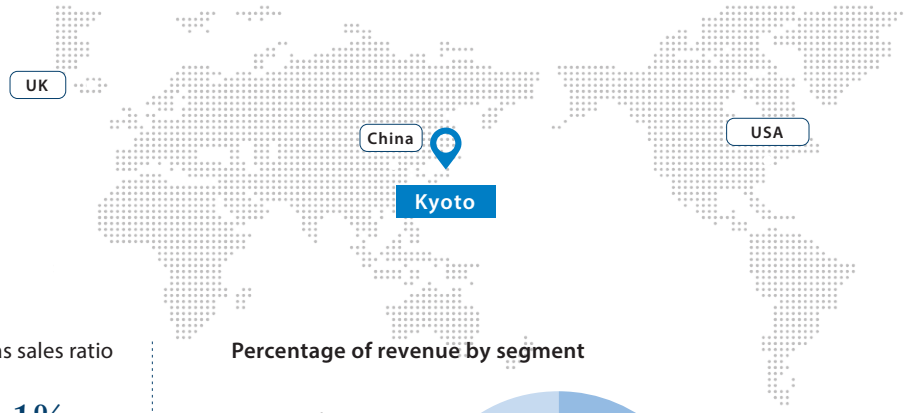
About Nippon Shinyaku (Figures for FY2025 or as of March 31, 2026)

From Our Beginnings in Kyoto to a Pharmaceutical Company Tackling Intractable and Rare Diseases

Revenue
¥170.7billion
Increase of 6.6% year-on-year

Operating profit
¥35.4billion
Increase of 0.1% year-on-year

ROIC
13.1%
Decrease of 3.9 pt year-on-year



R&D expenses
¥36.7billion
Increase of 6.9% year-on-year

Percentage of R&D investment allocated to intractable and rare diseases*1
70.7%
Increase of 7.0 pt year-on-year

Percentage of sales*2 from therapeutic agents for intractable and rare diseases*1
74.2%
Increase of 1.8 pt year-on-year

Percentage of sales from new products*3
83.0%
Increase of 10.8 pt year-on-year

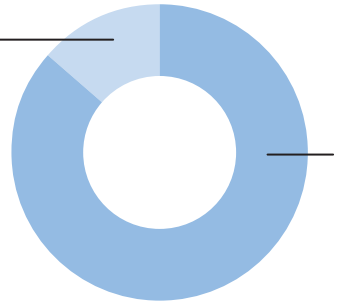
Number of development pipelines*4
24
Increase of 2 year-on-year

Percentage of intractable and rare diseases in the pipeline
87.5%
Increase of 1.1 pt year-on-year

Overseas sales ratio
45.1%
Decrease of 2.2 pt year-on-year

Number of countries where products are sold
76
Increase of 1 year-on-year

Percentage of revenue by segment



Functional Food Business
13%
Increase of 3.3% year-on-year

Pharmaceuticals Business
87%
Increase of 7.1% year-on-year

Percentage of research personnel
29.8%
Increase of 0.3 pt year-on-year

Percentage of women in management positions
15.5%
Increase of 1.1 pt year-on-year

Uptake rate for childcare leave (male)
75.0%
Decrease of 1.2 pt year-on-year

Digital transformation promotion talent
1,043
Increase of 256 year-on-year

External evaluation of human resources and digital transformation

- Health & Productivity Management Outstanding Organization (White 500: top 500 large enterprises)
- KENKO Investment for Health Stocks
- "Eruboshi" Certification
- "Kurumin" Certification
- Digital Transformation Certification

*1 Including hematology *2 Including income from industrial property rights, etc.
*3 Percentage of pharmaceutical sales (excluding income from industrial property rights, etc.) accounted for by original drugs on the NHI price listing within the past 15 years and for which no generic drugs are available
*4 The aggregation criteria were revised in FY2025, and the previous fiscal year's results were recalculated accordingly

A Century of Progress Built on the Challenge of Drug Discovery

Since its founding in 1919, Nippon Shinyaku has carried on the founding spirit of "making Japanese medicines with Japanese hands," working to create new drugs that meet the hopes of patients.
In recent years, we have designated intractable and rare diseases as priority areas and have continued to strive to provide patients with new treatment options.

Early years

The founding spirit that inspired our commitment to taking on challenges

In 1911, at a time when Japan had little choice but to rely on imports for many of its pharmaceuticals, our founder, Hisomu Ichinose, undertook the task of producing Santonin vermicide domestically.
After 15 years of research and quality improvements, he succeeded in establishing domestic production, which subsequently contributed significantly to the decline in roundworm infection rates in Japan.
This pioneering spirit lives on in our drug discovery efforts today.



Founder
Hisomu Ichinose

2000s

Establishing an original drug discovery platform

The company began researching nucleic acid drugs in the 1990s and established proprietary RNA synthesis technology in 2007.
We also established drug discovery technologies that enable us to target diseases that have been difficult to treat with conventional small molecule drugs, and built an R&D foundation to support efforts to address intractable and rare diseases.
This technology continues to contribute to the development of nucleic acid drugs today.

2010s

Focusing on intractable and rare diseases

We identified intractable and rare diseases, which affect small patient populations and have limited effective treatment options, as a growth area and therefore increased our investment in R&D.
Uptravi, our in-house discovered treatment for pulmonary arterial hypertension, has evolved into a global product sold in 76 countries.
We established a high level of expertise in intractable and rare diseases, which has also contributed significantly to enhancing our business foundation.

2020s

Taking on the global challenge in intractable and rare diseases

We launched Viltepso, the first nucleic acid drug developed in Japan, in the U.S. market in 2020.
In addition to establishing its own marketing infrastructure in the U.S., the company opened Innovation Research Partnering (IRP) in Cambridge in 2023 to accelerate its global expansion.
Currently, 87.5% of our development pipeline consists of treatments for intractable and rare diseases, with the goal of providing new treatment options to patients around the world.

2004
Trisenox, a treatment for relapsed or refractory acute promyelocytic leukemia

2009
Adcirca, a treatment for pulmonary arterial hypertension

2016
Uptravi, a treatment for pulmonary arterial hypertension



2020
Launched Viltepso, Japan's first nucleic acid drug



2023
Established IRP drug discovery center in the U.S.

2026
Elzonris, a treatment for blastic plasmacytoid dendritic cell neoplasm

Trends in revenue and operating profit

1919
Nippon Shinyaku founded

1997
Discovery Research Laboratories in Tsukuba completed
Full-scale research into nucleic acid drugs

2005
Amnolake, a treatment for relapsed or refractory acute promyelocytic leukemia

2007
Established world's longest RNA synthesis technology

2011
Vidaza, a treatment for myelodysplastic syndromes



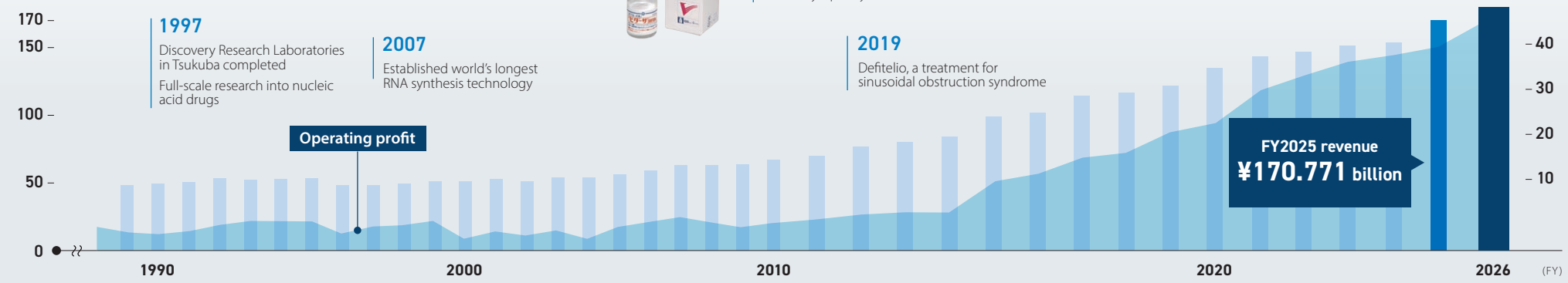
2018
Gazyva, a treatment for CD20-positive follicular lymphoma and CD20-positive chronic lymphocytic leukemia

2019
Defitelio, a treatment for sinusoidal obstruction syndrome

2022
Fintepla, an anti-epileptic treatment

2024
Jaypirca, a treatment for mantle cell lymphoma





Addressing the Challenge of Intractable and Rare Diseases

Addressing Overlooked Diseases Head-On

We will continue to open up new possibilities in areas where treatment options are still limited.

Due to the small number of patients and the challenges inherent in conducting research, there are certain diseases where sufficient treatment options have yet to be established.
Leveraging our strengths in drug discovery platforms, including nucleic acid drugs, Nippon Shinyaku has continued to confront intractable and rare diseases for which treatment options have historically been limited. As we gain deeper insights into each individual disease, we will steadily build on new possibilities and directly address the pressing needs of patients, their families, and healthcare professionals, thereby creating new treatment options in areas with significant unmet medical needs.

Percentage of intractable and rare diseases in the pipeline

87.5%

Percentage of R&D investment allocated to intractable and rare diseases

70.7%

Therapeutic areas

- Hematology
- Immunology
- Neuromuscular
- Pulmonary hypertension



Message from the President



Nippon Shinyaku remains steadfast in its commitment to intractable and rare diseases.

Representative Director, President

Toru Nakai

Nippon Shinyaku's journey and unwavering commitment

Since its founding in 1919, Nippon Shinyaku has remained committed to discovering and delivering, through its own efforts the medicines that patients truly need. The intent of our founder, Hisomu Ichinose, to "make Japanese medicines with Japanese hands" remains at the core of our decision-making today, even though the business environment has changed dramatically.

Modern medicine has progressed in significant ways, expanding the range of treatment options available for countless diseases. On the other hand, there are still many diseases for which we continue to lack effective treatments. In the field of intractable and rare diseases in particular, although each disease affects relatively few patients, the range of diseases is vast, with adequate treatment options still lacking for many. That is exactly why I believe that addressing intractable and rare diseases is our company's primary mission. This approach is clearly reflected in our R&D strategy, with approximately 80% of our current development pipeline focused on intractable and rare diseases. This is no coincidence, but rather the direct result of decisions made consistently over many years to allocate management resources based on patient needs, refine our expertise, and improve both our speed and the likelihood of success. It is this sustained focus and steady accumulation of expertise that have shaped the distinctive strengths and capabilities that make Nippon Shinyaku what it is today.

Message from the President

One example of an initiative that has helped us establish our originality is our R&D of nucleic acid drugs. We recognized the potential of these medicines even before the technology was established and continued our research while steadily investing in both our research capabilities and human resources. Our R&D in nucleic acid drugs has grown beyond the mere accumulation of technology, shaping Nippon Shinyaku's corporate philosophy itself. Nippon Shinyaku aspires to be a company that provides high-quality, unique pharmaceuticals that patients suffering from illness and their families truly need. This also means expanding the range of treatment options as part of our business activities and continuing to contribute to the resolution of societal challenges. It is this commitment that makes Nippon Shinyaku an indispensable company in the global healthcare field.

Our business environment will continue to evolve in response to structural changes in the Japanese market, rapid technological innovation, and intensifying global competition. While intractable and rare diseases carry great social significance, the process from development to market launch and widespread distribution of treatments to those who need them also presents numerous challenges. Despite this, I believe this is precisely where Nippon Shinyaku can best demonstrate its distinctive strengths. Based on these foundational beliefs, we have defined our vision for 2035 and are taking steps to bring it to fruition.

Our vision for 2035 and progress of our Medium-Term Management Plan

Our focus on intractable and rare diseases is not only a social mission for us, but also a core element of a sound business strategy that contributes to improving capital efficiency. Our vision for 2035 is to be a global healthcare company from Kyoto creating various types of new ways of life for each person around the world. To achieve this and ensure sustainable growth, we formulated the 7th Five-Year Medium-Term Management Plan "For Global Growth Beyond the Cliff," to map out our path from FY2024 to FY2028.

Under this Medium-Term Management Plan, we view Uptravi's patent cliff as a critical turning point and have identified three key themes: fostering growth drivers to replace Uptravi, expanding global development, and continuous pipeline expansion. To ensure steady progress on these three key themes, we will rigorously allocate resources and manage costs in line with the priorities set out in our management strategies, while managing the capital efficiency of each business using ROIC to secure returns that exceed the cost of capital. Under this policy, in FY2025, we achieved a record-high consolidated revenue of ¥170.7 billion and operating profit of ¥35.4 billion, marking growth in both revenue and earnings, with ROIC at 13.1%.

In our Pharmaceutical Business, we are steadily working to forge new pillars that will support future growth. In Japan, we worked to expand our value in the pulmonary hypertension field, including with the launch of the pediatric formulation of Uptravi. In hematology, we expanded our treatment options with an additional indication for the antineoplastic agent Jaypirca, broader use of Gazyva in combination therapies, and the launch of Elzonris I.V. injection for the treatment of blastic plasmacytoid dendritic cell neoplasm. In the field of urology, we bolstered our portfolio by acquiring the marketing rights to the prostate cancer treatment Erleada.

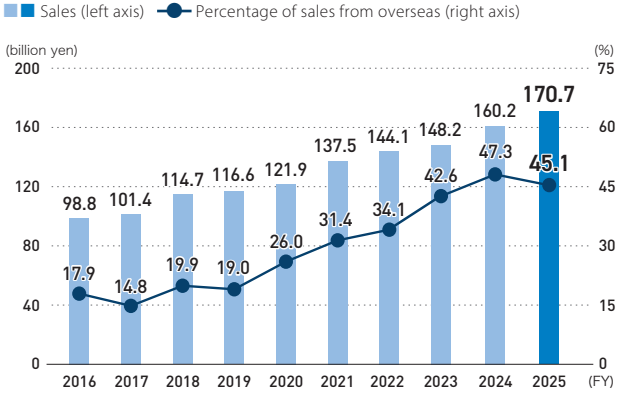
In addition to the above, for our portfolio of new products, including Viltepso for the treatment of Duchenne muscular dystrophy (DMD) and Fintepla for the treatment of epileptic seizures in the pediatric field, we are expanding omnichannel sales activities that combine MR and digital channels to drive the early market uptake of these products. In our global operations, we are steadily expanding our next-generation pipeline with initiatives such as the in-licensing of RGX-121/RGX-111 for the treatment of mucopolysaccharidosis and an option agreement for Tadekinig alfa.

At the same time, uncertainty in the business environment surrounding pharmaceuticals is on the rise, due to factors such as Japan's domestic drug pricing system and U.S. pricing policies, including the Most-Favored-Nation (MFN) framework. In the course of advancing our R&D, there may also be times when progress does not proceed as planned due to factors such as regulatory changes or delays in development. For this very reason, we intend to place even greater emphasis on our choice of research topics, resource allocation, and the speed of commercialization, while steadily developing future growth drivers in FY2026. What matters most is to establish a structure in which multiple growth drivers can emerge on an ongoing basis, regardless of performance in any given fiscal year. To achieve this, we need to maintain a rigorous focus on our priority areas while designing clinical trial plans with an emphasis on success rates and speedy action, exercising sound judgment in in-licensing and partnerships, and strengthening our ability to deliver treatments to patients by integrating marketing, reimbursement, patient support, and supply.

At the same time, to accelerate decision-making and execution during R&D, our goal is to further strengthen project prioritization and progress management, while ensuring greater involvement from senior management as necessary. Furthermore, we will expand the use of digital technologies and AI to enhance the speed and quality of our trial-and-error process by identifying promising research topics, streamlining our development processes, and improving company-wide productivity overall.

In terms of profitability, we expect profits to increase progressively from FY2026 onward. In FY2028, the final year of our Medium-Term Management Plan, we will solidify a growth trajectory beyond the patent cliff by achieving our targets of ¥230.0 billion in revenue, ¥30.0 billion in operating profit, and ROIC of 9% or higher, thereby laying a solid foundation for realizing our vision for 2035. Even if faced with short-term fluctuations, we will remain firmly committed to our core strategic focus on intractable and rare diseases. By steadily delivering results and creating social value to enhance corporate value, we will achieve sustainable growth and continue to earn the trust of our stakeholders.

Sales / Percentage of sales from overseas



Message from the President

R&D strategy

R&D drives value creation at Nippon Shinyaku. We have focused our R&D efforts primarily on intractable and rare diseases, with a strong commitment to bringing unique new drugs to market as quickly as possible. While this field presents challenges in designing clinical trials and securing sufficient numbers of patients, expanding treatment options is immensely important, given the pressing needs of patients and their families. Leveraging regulatory and evaluation insights can accelerate development and improve the probability of success.

Our strength lies in our expertise, underpinned by a solid understanding of diseases, a strong network of healthcare professionals, and a proven track record with our products. For example, we have been advancing the development and commercialization of Viltepso in the field of DMD, building on our accumulated research expertise in nucleic acid drugs. The insights gained from our experience are being applied to identifying promising new research topics and the design of development programs aimed at maximizing value after product introduction.

In our approach to advancing R&D, we place particular emphasis on the combination of expertise, speed, and probability of success, while taking scale into account. We are prioritizing research topics and optimizing resource allocation. In FY2025, we invested ¥36.7 billion in R&D, concentrating these resources on priority areas, while formulating and advancing clinical trial plans focused on maximizing the probability of success. Another distinctive feature of our R&D is our use of multiple modalities, including small molecules, nucleic acid drugs, and gene therapy, to advance our in-house drug discovery efforts. Given that many intractable and rare diseases are hereditary and therefore particularly well suited to treatment with nucleic acid drugs and gene therapy, we are seeking to differentiate ourselves by developing highly original research topics that combine disease characteristics and mechanisms of action with the strengths of each modality. This is the approach to drug discovery that Nippon Shinyaku strives for: embodying our commitment to thinking through every possibility to overcome difficult challenges while maintaining an unwavering focus on maximizing our probability of success.

In expanding our pipeline, we will optimize our approach by combining in-house drug discovery with in-licensing and partnerships. Our aim with in-licensing is not simply to increase the number of projects. Rather, we intend to pursue opportunities only after carefully ascertaining whether we can maximize their value globally and assume responsibility from development and market launch to subsequent information provision and patient support, while taking our future product portfolio into account. We have expanded our in-licensing and partnerships to a total of 19 companies to date. Going forward, we will focus on the three pillars of in-house drug discovery, in-licensing, and product lifecycle management (PLCM) to continuously expand our pipeline and strengthen our execution capabilities.

Speeding up R&D remains a key management priority. While the number of proposed research topics is increasing, not all of them are progressing smoothly to the development phase. We are therefore accelerating our initiative to identify promising research topics at an early stage and ensure their smooth transition to the development stage. By incorporating data analytics and AI, we are evaluating research topics starting in the discovery stage with their subsequent development in mind. We are also working to strengthen our in-house R&D capabilities by enhancing the process from generating research topics to advancing them into actual development. Furthermore, we view open innovation as a vital means of generating research topics and advancing early-stage discovery. In 2025, we entered into a strategic partnership with Boston Children's Hospital to develop innovative treatments for rare diseases. As part of this partnership, we established a framework for collaborative research based on the submission and selection of research topics.



In collaboration with FRONTEO, Inc., we are leveraging AI-driven drug discovery support services to identify promising therapeutic targets. By incorporating external expertise and technologies in this way, we aim to accelerate the creation of first-in-class new drugs for intractable and rare diseases.

To develop drugs that are truly beneficial to society and patients, it is essential to keep the patient perspective in mind at every stage of R&D. By gaining a deeper understanding of patients' needs and consistently incorporating those insights into drug discovery and development planning, we aim to instill a patient-centered approach throughout our organization. Drawing on the insights gained from these perspectives, we will work to develop new drugs that embody Nippon Shinyaku's unique strengths and originality and bring them to market as soon as possible.

Progress toward expanding global development

Our aim in accelerating our global expansion is to leverage the strengths we have cultivated in the field of intractable and rare diseases to bring new treatment opportunities to more patients across national and regional boundaries. In light of ongoing structural changes in the domestic market, we are also aiming to achieve an overseas sales ratio of at least 50% as a practical strategy for simultaneously expanding growth opportunities and solidifying our business foundation. In the 7th Five-Year Medium-Term Management Plan, the Company has clearly outlined its policy of steadily advancing its global expansion while flexibly utilizing all available means, including in-house marketing, alliances, and M&A.

In FY2025, overseas revenue was ¥77.0 billion, accounting for 45.1% of total revenue, marking steady progress toward our target. Uptravi is also marketed in 76 countries by our partner Johnson & Johnson, contributing to the steady expansion of our global presence. Rather than viewing this ratio as simply an end result, I firmly believe that continuing to strengthen our business capabilities in each region is what will drive our next phase of growth.

Message from the President

In the U.S., we are working to strengthen our comprehensive business capabilities across sales, reimbursement, patient support, and supply, with our subsidiary NS Pharma at the core of these operations. We have strengthened our operations to capitalize on our expertise, experience and the potential of our facilities, thereby evolving into an organization capable of maximizing results. In the DMD field, we will continue to market our internally developed therapy, Viltepso, through our own U.S. commercial organization. At the same time, we are preparing for future opportunities involving CAP-1002, a human allogeneic cardiosphere-derived cell therapy, in-licensed from Capricor Therapeutics. The more we adopt new modalities, the more critical quality assurance, a stable supply, and patient access become to our overall success. In the U.S., we have made it our highest priority to establish an operating model that enables us to continuously launch multiple products.
We largely completed the development of our organizational structure in FY2025, and will now work to steadily strengthen our operational foundation by introducing new products. We will further strengthen our presence in the U.S. by advancing the development of DMD candidates originating from our in-house drug discovery, including NS-089 and NS-050, which are currently in clinical trials, and by eventually bringing RGX-121/RGX-111 and ATSN-101 to market, which are currently being developed by our partners.
In China, with Beijing Nippon Shinyaku Co., Ltd. and Tianjin Nippon Shinyaku Co., Ltd. serving as our bases of operations, we are building on the expertise gained from our existing businesses to develop human resources and strengthen marketing capabilities to ensure the smooth delivery of future in-licensed and in-house discovered products. We are also establishing a patient access framework that takes into account the healthcare system and distribution channels. Despite differing market conditions and regulatory frameworks, we are building an operational structure centered on our local operations to support the sustained expansion of our business. In Europe, we are also taking a phased approach to preparing for future business expansion while considering a range of options, including in-house marketing.
In FY2026, we will further reinforce our organizational structure in the U.S. and advance preparations to introduce new products, while in China and Europe, our initiatives will focus on establishing business foundations tailored to the respective market environments and developing a concrete framework for patient access. By clearly defining our priorities in each region and steadily implementing our initiatives, we will expand the role we play in the field of intractable and rare diseases on a global scale.

Human capital

Nippon Shinyaku's greatest competitive strength is its human resources. The reason we have been able to continually take on the challenges presented by the highly demanding field of intractable and rare diseases is that each and every employee we have is genuinely committed to our patients and has worked across departmental boundaries to deliver results. As part of the 7th Five-Year Medium-Term Management Plan, one of the pillars for reinforcing our management foundation is the promotion of human capital management that allows each employee to grow and diverse human resources to play an active role. We have clearly set out a policy of pursuing growth without increasing our domestic workforce by securing and developing global human resources and transformation leaders who will drive digital transformation, reforming our organizational culture, and improving productivity by leveraging digitalization.
At the beginning of the year, I called on our employees to break free from preconceived notions and drive change from the ground up. As the pace of change in the business environment accelerates, we cannot sustain growth by simply building on conventional ways of thinking. This is particularly true in the field of intractable and rare diseases, where we often face unprecedented challenges and cannot make progress simply by waiting for the right answer. Without fear of failure, we start small, learn, and make continual improvements. I believe that our ability to sustain this cycle as an organization will ultimately determine our growth over the medium to long term.

In recent years, we have seen remarkable advances in digital technologies, including AI. I don't view AI as a replacement for human tasks, but rather as a partner that expands the possibilities for creativity and new challenges. We can use AI to improve the speed and quality of our trial-and-error process and focus on more meaningful value creation.
With this in mind, we will pursue investment in digital infrastructure and human resource development as key priorities of our human capital management. At the same time, dialogue remains the core of our work no matter how far technology advances. It is our connections with one another that inspire people, build trust, and give us the strength to keep taking on new challenges.
With the NS Mind—the attitude and mindset that all employees should aspire to—centered on "Give your all for yourself," "Give your all for others," and "Give your all for society," we will further foster a culture that combines individual initiative with collaboration and firmly establish the strengths of our small, highly capable, and distinctive workforce as an organizational resource.

Final thoughts

Drug development inherently involves uncertainty. There is always the possibility that products in development that are expected to drive future growth may not progress as planned, or that the regulatory and market environments may change. Although we are currently facing litigation surrounding CAP-1002, our mission to provide patients with new treatment options as quickly as possible remains steadfast. To fulfill this mission, we will steadily make the necessary preparations while cooperating closely with all relevant parties.
We are not a company that only chooses paths with favorable prospects. We will pursue sustainable growth while building a business structure capable of continuously generating multiple growth drivers. We will stay fully committed to confronting the challenge of developing pharmaceuticals, with a particular focus on intractable and rare diseases. Our resolve to do so will remain unwavering. Nippon Shinyaku aspires to be a company that continues to create meaningful value for society over the long term, rather than being preoccupied with short-term results.

We will strive to live up to the trust placed in us by all our stakeholders, including patients and their families, healthcare professionals, shareholders, investors, and our employees, as we continue to pursue growth and fulfill our responsibilities well into the future.
I sincerely appreciate your continued understanding and support in the future.

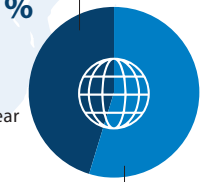
Global Growth Strategy: Accelerating Value Creation Toward 2035

In its 7th Five-Year Medium-Term Management Plan, Nippon Shinyaku has identified "expanding global development" as a key theme.
As we work toward realizing our vision for 2035 as a global healthcare company from Kyoto creating various types of new ways of life for each person around the world, we shall accelerate our growth globally.

Growth Strategy

With a focus on intractable and rare diseases, the Nippon Shinyaku Group is expanding its global business by drawing on both products discovered in-house and cooperation with external partners.
Our in-house drug discovery efforts began with Viltepso, a treatment for Duchenne muscular dystrophy (DMD), and we are now expanding our pipeline in this field with exon-skipping drugs such as NS-089 and NS-050. We are also strengthening our technological foundation by partnering with overseas biotechnology companies to develop new modalities such as gene and cell therapies, while working to diversify our development pipeline.
These initiatives are enabling us to expand our portfolio of products and strengthen our global business foundation.

Breakdown of revenue by region/ Revenue composition ratio



Overseas
45.1%
¥77.099 billion
Increase of 1.8% year on year

Japan
54.9%
¥93.672 billion
Increase of 10.9% year on year



Establishing a Supply and Marketing System

With the goal of improving patient access globally, we are establishing our own marketing organizations in the U.S. and China.While exploring opportunities to expand our business in Europe, we are also considering entry into other regions in cooperation with partner companies, with the goal of delivering our pharmaceuticals to patients around the world.
At the same time, we are enhancing our reliability assurance system to meet regulatory requirements in various countries and strengthening our supply chain, while developing distribution systems capable of handling new modalities such as gene therapy drugs and cell therapy products.
In addition, our Kyoto headquarters and overseas Group companies will cooperate to establish a framework for the integrated management of all functions from research to marketing from a global perspective, thereby accelerating our global expansion.


Innovation Research Partnering office

Development Progress and Challenges

We are pursuing open innovation centered on cooperation with external partners in order to boost our R&D capabilities. With the goal of developing new therapeutic agents for intractable and rare diseases, we are reinforcing our cooperation with academic institutions and biotech startups around the world. As a core function of this initiative, we have established Innovation Research Partnering, based in Cambridge, Massachusetts, to create a framework for translating cutting-edge research findings into drug discovery leads at an early stage. For example, as part of our initiative with Boston Children's Hospital, we call on the hospital's researchers for research topics with the potential to lead to the development of new drugs, select the most promising among them, and then go on to pursue joint research. By combining world-class research capabilities with our expertise in drug discovery, we aim to accelerate our in-house drug discovery efforts and enhance our R&D portfolio, thereby expanding our future pipeline.

Meanwhile, in the context of global pharmaceutical development, as we establish a development framework that leverages cooperation with external partners, we recognize that various challenges may arise from differences in development and distribution processes, partnership arrangements, and business environments across countries.
We are addressing these issues calmly and methodically by engaging in dialogue with the parties concerned and consulting with regulatory agencies. With regard to CAP-1002, a cell therapy product for DMD, we will continue discussions with our business partners and other concerned parties as we proceed with its development and determine our future course of action. We are also considering our next steps for the gene therapies RGX-121 and RGX-111 in light of the progress being made by our partner companies.
Our top priority is to ensure that patients have access to treatment, and we will continue to deliver value to patients around the world by advancing our R&D and resolving challenges.

Global Growth Strategy: Accelerating Value Creation Toward 2035

Establishing a U.S. Business Foundation and Accelerating Business Growth

Viltepso, which we launched in Japan and the U.S. in 2020, is a treatment for DMD that enables the skipping of exon 53 of the dystrophin gene. Since then, Viltepso has built a growing track record of use among patients and has steadily increased our revenue in the U.S., supporting the growth of our business there.
By bringing this product to market, we have established a foundation for sustained business operations in the field of intractable and rare diseases, including market access, insurance reimbursement, patient support programs, logistics and sales systems that ensure a stable supply, and networks with healthcare professionals and patient organizations.
We are leveraging this foundation to accelerate the rollout of our pipeline products.
In the DMD field, in addition to developing multiple exon-skipping drugs, we are also working to develop and in-license therapeutic agents with different mechanisms of action, with the aim of expanding the range of therapies available to underserved patient populations and improving access to care.
These initiatives will enable the Nippon Shinyaku Group to continue delivering sustainable value in the DMD field and fulfill its role as a pharmaceutical company committed to addressing intractable and rare diseases.

Improving Patient Access

In the U.S., ensuring patient access requires a deep understanding of the local healthcare landscape. Led by NS Pharma, our Group is striving to establish a support system designed to deliver meaningful value to each and every patient.
As part of these efforts, our NS Support HUB service for patients and their families provides assistance with insurance reimbursement procedures as well as the support needed to help patients continue treatment. This enables us to facilitate interactions between patients and healthcare providers while supporting the entire process from starting treatment to ongoing care, which helps ensure that patients can access the treatment they need.
These initiatives will enable us to ensure that the value of our products reaches patients while also providing them with sustained access to treatment.



NS Pharma's Initiatives Supporting Our U.S. Business

While the U.S. market tends to favor innovative pharmaceuticals, changes in the business environment, including drug pricing policies, can have a significant impact on profitability, requiring a strategy that takes both opportunities and risks into account.
The Nippon Shinyaku Group has positioned its subsidiary NS Pharma at the core of its U.S. business operations and is working to establish an operating framework that integrates market access, distribution, and patient support. To navigate the unique characteristics of the U.S. healthcare system, we are working to establish a framework that ensures patients have appropriate access to treatment by developing reimbursement and pricing strategies covering both public and private insurance, cooperating with healthcare providers and insurers, and providing patient support programs. We are also coordinating preparations across manufacturing, quality, distribution, and sales to establish a framework for stable product supply and marketing from the initial stages of launch.
These initiatives will enable us to consistently deliver value to patients while driving sustainable business growth.

Employee Voice



Business Strategy Department
Akiyoshi Iwai

Expanding Our Global Business

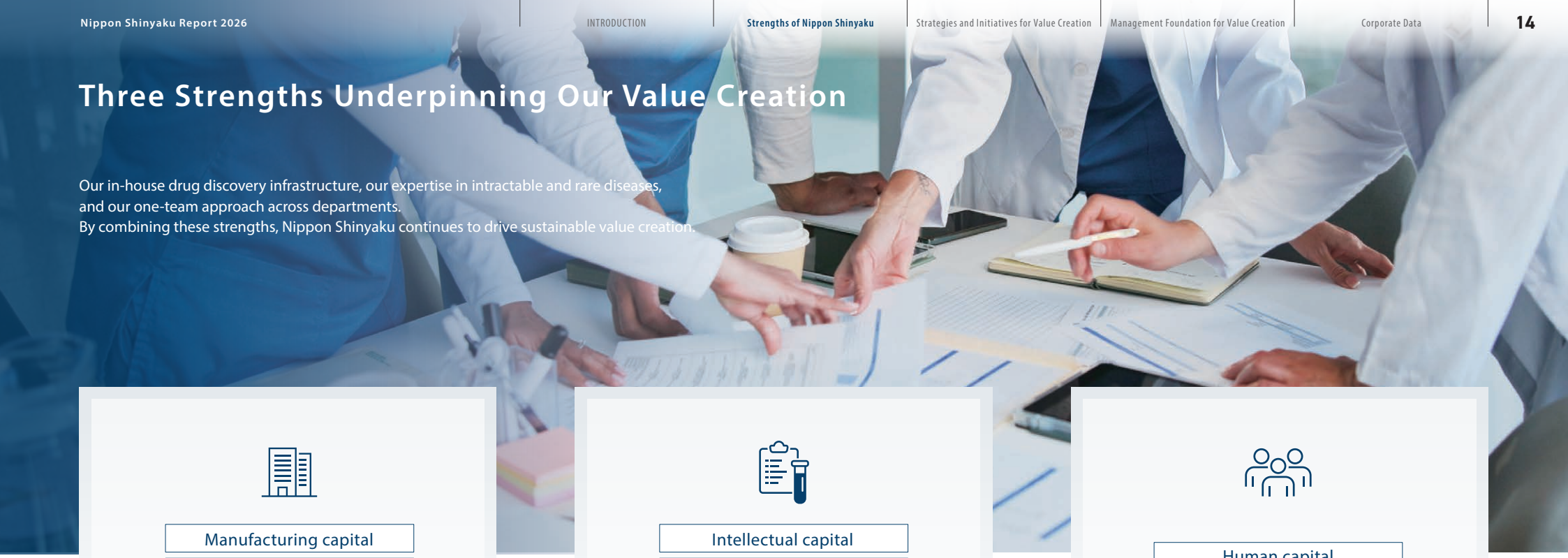
We are currently working to expand patient access globally by pursuing the rollout of Viltepso in overseas markets while identifying the optimal approach for each country based on its healthcare system and market environment. In addition, Uptravi is already available in 76 countries through our global partnership network. Through these initiatives, we are steadily expanding our capabilities, expertise, and networks to accelerate the global delivery of high-quality, differentiated products.
In China, we have local subsidiaries in Beijing and Tianjin, where we sell our products through sales consignment to local partners while building the foundation for introducing new products to the market.
In Europe, we continue to evaluate the optimal timing for business expansion in light of external factors—including the U.S. Most-Favored-Nation (MFN) framework—and pipeline progress.
Overall, these initiatives will further enhance our ability to deliver value in the field of intractable and rare diseases on a global scale.

Strengths of Nippon Shinyaku

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Three Strengths Underpinning Our Value Creation



Our in-house drug discovery infrastructure, our expertise in intractable and rare diseases, and our one-team approach across departments.
By combining these strengths, Nippon Shinyaku continues to drive sustainable value creation.

Manufacturing capital
Intellectual capital

In-House Drug Discovery Infrastructure Built on Small-Molecule and Nucleic Acid Drugs

Building on the small-molecule drug discovery technologies and expertise cultivated since our founding, we have continued to invest in nucleic acid drugs to establish a drug discovery infrastructure that integrates multiple modalities. Our research centers in Kyoto and Tsukuba cooperate closely, enabling us to select and apply the optimal drug discovery approach tailored to the characteristics of each disease.
Leveraging this platform, we successfully introduced the antisense nucleic acid drug Viltepso to the market. We are also applying these technologies and expertise to our next-generation pipeline to support the continuous development of new drugs. This drug discovery infrastructure forms a key source of our competitive strength.

Intellectual capital
Social and relationship capital

Therapeutic Area Expertise in Hematology and Intractable and Rare Diseases

We have identified hematology and intractable and rare diseases as priority areas, pursuing R&D and accumulating extensive knowledge in these fields over many years. In areas with limited patient populations, developing close relationships in healthcare settings is essential, and we gain greater insight into these diseases by maintaining an ongoing dialogue with healthcare professionals and patient organizations.
We incorporate the insights gained from these interactions into our R&D, which has helped us develop products that address the needs of both patients and healthcare professionals. The expertise and networks we have built over many years also provide a strong foundation for the continuous expansion of our pipeline.

Human capital

One-Team Approach

Our R&D, Medical Affairs, and Sales and Marketing departments cooperate closely from an early stage, combining their respective expertise to enhance quality and speed throughout the process, from drug development and market introduction to subsequent activities. By involving relevant departments from the development stage onward, we are able to design products based on the needs of patients and healthcare professionals while enabling rapid decision-making. We also share real-world usage data and insights from healthcare settings obtained after products are introduced to the market across departments and incorporate them into appropriate use and lifecycle management (LCM), helping us deliver greater value to patients.

Special Feature



United by the Patient Perspective to Create Value as One Team

One-Team Approach

At Nippon Shinyaku, our business activities are built around three core strengths. The cornerstone of these strengths is our one-team approach, which brings together people across departments to support every stage from R&D and market introduction to maximizing value thereafter.
How do our respective areas of expertise come together under a shared commitment to the patient perspective and translate into tangible results? In this roundtable discussion, four participants with different areas of expertise discuss Nippon Shinyaku's unique one-team approach and their outlook for realizing the Company's vision for 2035.



Yuki Sasaki
Portfolio Strategy Department
Portfolio Strategy Section



Yusaku Tomiyama
Medical Affairs Department
Section 3



Yiting Sun
Alliance Department
Alliance Section 1



Kazuya Kuramoto
R&D Planning and
Administration Department
Planning & Promotion Section 2

A shared commitment to the patient perspective transcends departmental boundaries

Sun: I believe that what underpins Nippon Shinyaku's one-team approach across departments is our shared commitment to thinking from the patient perspective. This is particularly true for intractable and rare diseases, a priority area for Nippon Shinyaku in which many patients still lack access to appropriate treatment. Each of our initiatives, from reducing development timelines and providing information tailored to medical needs to ensuring a stable supply of products, has a direct impact on patients' access to treatment and the range of options available to them.
Addressing these challenges requires the joint involvement of multiple departments.
By bringing together the expertise of each department around the patient perspective and cooperating openly and closely, we can translate our collective efforts into tangible results. I believe this natural cooperation across departments is what makes Nippon Shinyaku's one-team approach unique.
Tomiyama: In intractable and rare diseases in particular, patients differ in both their disease profiles and their understanding of their condition, and each follows a different path from seeking medical care and diagnosis to treatment and support. For this very reason, I feel it is becoming increasingly important to take these circumstances into account when considering how to best deliver value to patients.

For this reason, Nippon Shinyaku promotes cross-functional cooperation not only in providing products but also in disease awareness initiatives aimed at identifying potential patients who are struggling to obtain a diagnosis. Medical Affairs first provides insights into the disease landscape, Alliance adds knowledge from our partners, and Marketing translates these insights into strategies that facilitate access to appropriate medical care. Underlying all these efforts is our shared commitment to ensuring that patients receive the appropriate medical care.

Kuramoto: Patient populations are small in the field of intractable and rare diseases, which makes drug development particularly challenging. That is precisely why it is essential not only for each department to do its utmost, but also to pool our insights and experience under a shared commitment to overcome challenges as one team.

At Nippon Shinyaku, diverse departments collaborate closely on drug discovery from the early stages of development. Specifically, we gather input from departments such as Clinical Development, Medical, and Sales and Marketing on actual treatment practices and the needs of healthcare professionals, and use these insights to define and share the desired profile of the drug. I feel that these initiatives provide greater clarity on the direction of development while leading to better-informed decisions. I believe Nippon Shinyaku's sustainable competitive strength stems from cross-functional cooperation built around a shared commitment.

A culture of passing the baton
—— Cross-functional cooperation with an eye on what comes next

Tomiyama: The patient perspective I mentioned earlier is put into practice by our culture of passing the baton with the next department in mind. The previous runner passes the baton with the next stage in mind, and the next runner builds on that momentum. I believe this seamless continuity is a defining feature of Nippon Shinyaku's one-team approach.

For example, in preparing to introduce Elzonris I.V. injection for the treatment of blastic plasmacytoid dendritic cell neoplasm to the Japanese market, Medical Affairs received a clear baton early on from those





involved in the clinical trial stage and the product strategy team: the need for effective management of capillary leak syndrome (CLS) during drug administration.

CLS is a potentially serious adverse event specific to this drug, and the importance of a systematically managing its prevention, early detection, and severity was well recognized. As a result of this early information sharing and cooperation, we were able to assess the current situation in overseas healthcare settings, identify challenges, and consider appropriate measures before market introduction, giving us a clear direction for our activities at an early stage.

By also incorporating the insights we gained into internal training before the product was introduced to the Japanese market, we were better able to provide appropriate information in healthcare settings. This case clearly demonstrated how an early handoff between departments can accelerate market uptake.

Sasaki: At the time, I was in the Marketing Planning Department, and I particularly recall working with various departments during the final stages of negotiations to in-license the product. In in-licensing negotiations, it is vital to go beyond just the terms and actually demonstrate how the value of the product will be maximized after in-licensing.

The Licensing Department, which initiates the in-licensing process, organized and shared key information from an early stage of negotiations, including product characteristics, development background, and the partner's intentions, while anticipating what would be needed in the next phase of evaluation. Building on that information, the Corporate Planning Department developed quantitative support based on factors such as business viability and sales forecasts, while the Marketing Planning Department drew on its marketing perspective to flesh out a clear scenario for value creation after in-licensing and to clearly define the Company's strengths.

We integrated these elements into a cohesive narrative that showcased our Company's capabilities. I feel that this practice of passing the baton from one department to the next stems from a spirit of mutual consideration that is naturally ingrained in our corporate culture. I believe this culture enhances the quality of cooperation between departments, ultimately strengthening our ability to turn plans into action and act decisively.

Expertise × collaboration
—— Overcoming challenges and accelerating value creation

Kuramoto: We faced numerous challenges in developing Elzonris during the regulatory submission and launch preparation process, amid the constraints of the COVID-19 pandemic and as Nippon Shinyaku ventured into biopharmaceuticals for the first time. For example, when a change in the licensor's policy required us to switch the formulation for the Japanese market from a freeze-dried to a frozen solution, departments including CMC Formulation/Analytical, Regulatory Affairs, Supply Chain Management, and R&D Planning and Administration discussed the impact of the change and worked swiftly to address it. Here, cross-functional cooperation enabled us to resolve each challenge and keep the entire process on track, including preparations for the regulatory submission and responses during the review process. Ultimately, we obtained approval and launched the product more than a year ahead of the original schedule established at the time of in-licensing. I believe this achievement would not have been possible without cross-departmental collaboration.
Sasaki: During the pre-launch phase, the product strategy team brings together departments such as Research, Clinical Development, Medical, and Marketing to hold discussions. In developing a strategy for Elzonris, Medical Affairs complemented the concept established by Research with insights into treatment challenges in real-world clinical practice and physicians' feedback. This enabled us to develop a marketing plan that addressed practical concerns in healthcare settings in advance. I believe this all resulted in a highly effective product strategy.
Sun: Elzonris is a therapeutic agent for a rare disease, making it difficult to forecast demand. As we approached the product launch, demand fluctuated considerably from our initial forecast. However, departments including Supply Chain, Legal, and Alliance contributed their respective expertise to review the terms of the agreement, the supply framework, and coordination with our partner. This enabled us to maintain sufficient flexibility to meet demand while carefully adjusting supply to minimize disposal losses. Combining our respective areas of expertise translates directly into tangible results in areas such as cost and speedy action.

Toward our vision for 2035
—— Harnessing our one-team approach for greater competitive strength

Sun: Looking ahead to 2035, Nippon Shinyaku aims to become a global healthcare company from Kyoto creating various types of new ways of life for each person around the world. To realize this vision, we need to take our efforts to create products and added value that support these new ways of life to an even higher level.
To this end, it is important to embrace the concept of acting not only as a pain reliever that eases the suffering caused by disease, but also as a gain creator that expands patients' possibilities and enriches their lives. By combining the expertise of each department around a shared focus on patients and working together as one company to create value, we will further enhance our one-team approach that serves as the source of our competitiveness.
Sasaki: I believe it is important to build on our one-team approach across departments and develop it to enable rapid, sophisticated decision-making across the Company.



The Portfolio Strategy Department takes an integrated view of the entire value chain, from drug discovery and development to in- and out-licensing, manufacturing, and marketing. By bringing together insights and data from across departments, we aim to make more multifaceted investment decisions based on a consistent and repeatable approach. These initiatives will strengthen our ability to execute strategy across the Company, thereby fostering sustainable global competitiveness.
Kuramoto: In order to realize our vision for 2035, we need to take an integrated view of the entire process from R&D and market introduction to subsequent value maximization, and further strengthen our ability to create value across departments.
As the department responsible for project management, the R&D Planning and Administration Department aims to promote cooperation across departments toward a common goal while pooling their collective expertise to continuously improve the quality of our strategies and decision-making. By advancing these initiatives, we aim to increase both the probability of success and the speed of drug development, enabling us to deliver products that support more people in finding new ways of life around the world.
Tomiyama: I believe it is important to cooperate more strategically across departments and with external partners to enhance both the quality and speed of the value we deliver.
In Medical Affairs, we will draw on insights and best practices from our overseas partners at an early stage and apply them from R&D to post-launch activities in order to improve decision-making and implementation in clinical practice.
This will further accelerate the launch of in-licensed products while enhancing the speed and quality of our value delivery.

Material Issues

In April 2021, the Nippon Shinyaku Group identified 19 material issues that it considers important for addressing social challenges and creating value. In response to growing interest in sustainability and changes in the business environment surrounding the Company, we then reviewed our material issues in March 2023. In 2024, we further aligned these issues with the "Three Key Themes" and the initiative "Strengthening Five Management Foundations" set out in the 7th Medium-Term Management Plan we formulated that year. We also established KPIs and disclose our progress and results. By addressing material issues, we can contribute to helping people lead healthier, happier lives.

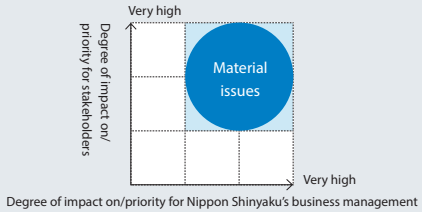
Material Issue Identification Process

1. Listing issues

We list issues based on the risks and opportunities identified by analyzing international guidelines and standards, social conditions, the market environment, and the Company's own circumstances.

2. Assessing the materiality of issues

The importance of listed issues is evaluated by mapping them on two axes: one representing the degree of impact on/priority for stakeholders and the other the degree of impact on/priority for Nippon Shinyaku's business management.



3. Formulating and executing promotion plans

For each of the issues, the relevant department takes the lead in setting quantitative and qualitative targets while formulating plans to achieve those targets. The Sustainability Committee regularly reviews progress in implementing the plans and makes improvements as necessary.

Recognition of external environment surrounding management

- R&D advancement
- Population demographics/ household trends
- Values/lifestyles
- Regional revitalization
- Respecting human rights
- Climate change/ biodiversity conservation
- Resource/energy issues
- Trends in globalization
- Political/ economic conditions
- Progress of digitalization

Realizing a healthy future by creating innovation	
Risks	• Lower value of existing therapies due to the emergence of new technology-based therapeutic agents/treatment approaches • Scaling down Japan-focused business due to the country'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 the focus shifts from treatment to maintaining health and preventing disease • Discovery of unmet needs based on a patient-centric perspective
Developing diverse human resources and realizing employee well-being	
Risks	• Outflow of human resources • Reduced motivation due to a lack of psychological safety
Opportunities	• Maintenance of employee health, diversification of human resources and work styles, and promotion of productivity and innovation by developing human resources • Realizing a desirable company where people enjoy working
Resolving social issues and coexisting with the community	
Risks	• Loss of business opportunities due to delays in addressing healthcare disparities • Loss of trust and adverse impact on business resulting from human rights issues
Opportunities	• Creation of new business opportunities by enhancing healthcare settings with patient support and support for medical and pharmaceutical research • Increased trust both inside and outside the Company resulting from respect for human rights and improvements to the working environment • Stakeholder trust generated by child-related support initiatives
Strengthening efforts to protect the global environment	
Risks	• Climate change-related extreme weather and natural disasters • Reputational risk and increased disposal costs associated with growing waste volumes and improper disposal • Erosion of trust and brand value due to activities that lack consideration for animal welfare
Opportunities	• Reduced CO_2 emissions and facility operating costs due to climate change countermeasures
Strengthening governance	
Risks	• Stricter international legal and regulatory requirements as well as corruption resulting from declining awareness of integrity and compliance • Erosion of trust and brand value due to cyberattacks, data leaks, or other information security issues • Loss of stakeholder trust due to inappropriate responses
Opportunities	• Greater trust in the Company by fostering a strong compliance mindset and high ethical standards • Gaining stakeholder trust by providing appropriate disclosures

Material Issues

Material Issue KPIs and Progress

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

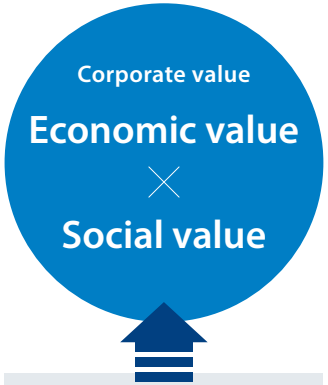
Material issues	Activities	Indicators/KPIs for the final year of the 7th Medium-Term Management Plan (FY2028)	FY2025 KPI results	Progress
Realizing a healthy future by creating innovation P.31	Creating unique products and services to become a global healthcare company from Kyoto, while advancing patient-centric support	● Drug launches: 2 or more products/year	● Introduced three products to market: Jaypirca (additional indication), Opsumit (additional indication), and Elzonris I.V. injection (seven products launched cumulatively since FY2024)	○
		● Drug in-licensing: 1 or more products/year	● Cumulative total since FY2024: 4 products	○
		● New product launches of sports and aging care supplements: 10 products/5 years	● Launched two products: WINZONE EAA and Kiwami Select Collagen (Cumulative total since FY2024: 5 products)	○
		● Planning of clinical trials based on patient centricity	● Number of consultations with patient organizations: 12 in total	○
		● Using safety information from PMS (post-manufacture and marketing surveys)	● Completed the post-marketing surveillance of Defitelio	○
		● Sales of key products (including products in development)	● Total sales in Japan: ¥43.0 billion	○
	Supplying and building a system for safe and high-quality products	● Exploring, researching, and building capabilities to address regulatory requirements, with a focus on Europe	● Progressing according to plan	○
		● Stable supply of nucleic acid drugs	● Start of marketing Viltepso in countries and regions other than Japan and the U.S.	○
	Improving medical access	● Stable supply of Viltepso, focusing on Japan and the U.S.	● Implementing an early access program in regions outside Japan and the U.S.	○
	Promoting our digital strategy to realize our digital vision	● Promoting data utilization: Tenfold increase compared with FY2023 ● Development of digital transformation promotion talent (percentage of all employees) Digital transformation talent: 10%, digital transformation promotion talent: 25%, talent with basic digital transformation knowledge: 100%	● Data utilization: 4.76 times more ● Percentage of digital transformation talent: 1.2%	○
Developing diverse human resources and realizing employee well-being P.40	Building a resilient organization where every employee can grow and thrive by putting the NS Mind into practice	● Annual training hours: 100 hours or more per person	● Average training hours per employee: 37.5	×
		● Female manager ratio: 17% or higher	● Percentage of women in management positions: 15.5%	○
	Achieving well-being and promoting DE&I	● PRIDE Index: Acquisition of Gold certification	● PRIDE Index: Acquisition of Gold certification	○
		● Positive response rate for 3 items in engagement survey: 75% or more for each	● Positive response rate for each question: (1) 73%, (2) 68%, (3) 72% (P. 40)	○
Resolving social issues and coexisting with the community P.45	Contributing to the healthcare field beyond the provision of medicines	● Writing and submitting papers after completion of Defitelio, Uptravi post-marketing surveillance	● Surveillance underway	—
		● Number of researchers receiving grants: 100 people/5 years	● Number of recipients: 20 (cumulative total since FY2024: 40)	○
	Respecting human rights	● Human rights policy understanding rate among all employees: 100%	● Human rights policy understanding rate among all employees: 82%	○
	Contributing to the future of children and local communities	● Number of books loaned by Sparkling Future Mobile Library: 25,000/5 years	● Number of books loaned by Sparkling Future Mobile Library: 5,768 (cumulative total since FY2024: 11,492)	○
		● Number of visitors to tours of Yamashina Botanical Research Institute	● Number of visitors to Yamashina Botanical Research Institute: 2,428	○
		● Implementation of social contribution activities rooted in Kyoto	● Number of Futaba-aoi plants dedicated: 460 ● Donation of rice to children's cafeterias: 378 kg	○
Strengthening efforts to protect the global environment P.47	Advancing climate change countermeasures	● Scope 1 + 2: 7,788 t-CO_2 or less (33.6% reduction compared with FY2020) ● Scope 3 Category 1: 146,912 t-CO_2 or less (20% reduction compared with FY2020)	● Scope 1 + 2 emissions: 9,045 t-CO_2 (22.9% reduction compared with FY2020) ● Scope 3 Category 1 emissions: 286,088 t-CO_2	△
	Promoting resource circulation	● Continuous reduction of water usage per 100 million yen in sales ● Recycling rate of waste plastics: Maintain at 65% of higher and improve further	● Water resource intensity: 108.6 m³ ● Recycling rate of waste plastics: 88.1%	○
	Contributing to food waste reduction	● New product launch of preservatives: 1 product/year	● Launched Vine Powder F (cumulative total since FY2024: 2 products)	○
Strengthening governance P.53	Strengthening corporate governance	● ROIC: 9% or higher	● ROIC: 13.1%	○
		● Corporate Governance Code compliance: 100%	● Compliance: 100%	○
	Promoting compliance	● Number of law or regulation violations with a major impact on business	● Number of law or regulation violations: 0	○
	Ensuring appropriate information disclosure and dialogue	● Increase in number of IR meetings with Board Directors	● Number of meetings: 80	○
		● Maintain and improve external evaluation agency scores	● CDP score for climate change: A ● CDP score for water: A-	○

Material Issues

To realize our long-term vision for 2035 of becoming a global healthcare company from Kyoto creating various types of new ways of life for each person around the world, we are advancing sustainability management while addressing our material issues in alignment with the 7th Medium-Term Management Plan. By addressing material issues, we aim to create diverse social and economic value and sustainably enhance our corporate value.

Material Issues and Their Relationship with Corporate Value

	Economic value		Social value	
Realizing a healthy future by creating innovation	• Steady revenue growth • Creating unique products and services • Accumulating R&D technologies and enhancing competitiveness • Strengthening management foundations	Patients Consumers Medical professionals	• Improving people's quality of life and health • Patients' participation in society • Stable supply • Contributing to the future of medicine	Patients Consumers Medical professionals
Developing diverse human resources and realizing employee well-being	• Improving productivity by acquiring and retaining human resources • Sustainable growth of the organization	Employees	• Growth of diverse human resources • Raising work engagement	Employees
Resolving social issues and coexisting with the community	• Creating businesses that solve social issues • Strengthening brand value by improving social trust	Local communities Business partners	• Strengthening connections with local communities • Contributing to the future of children • Contributing to medical welfare and healthcare fields	Local communities
Strengthening efforts to protect the global environment	• Reducing capital costs by improving ESG evaluations • Risk avoidance by addressing environmental issues • Reducing costs by raising energy efficiency	Environment	• Responding to climate change, resource circulation, and biodiversity • Building a sustainable society	Environment
Strengthening governance	• Risk avoidance by ensuring compliance • Long-term growth based on sustainability management activities • Building strong management foundations	Shareholders	• Greater transparency with information disclosure and dialogue • Building relationships with stakeholders	Shareholders



Creating "a new way of life" for every individual

- **Enabling lifestyles that support mental health and physical well-being**
- **Contributing to a sustainable society**
- **Generating trust from stakeholders**
- **Achieving business growth**
- **Strengthening management foundations**

Management Capital That Supports Value Creation

We aim to create sustainable value by leveraging human capital as the foundation that integrates our various capitals.
Our various forms of management capital are interconnected and collectively drive innovation, global expansion, and sustainable growth in alignment with our material issues.

	Innovation		Global		Sustainable growth	
	Human capital	**Intellectual capital**	**Social and relationship capital**	**Manufacturing capital**	**Financial capital**	**Environmental capital**
	We are strengthening our human capital to support innovation, driven by the growth of each employee and their pursuit of new challenges. In light of the expansion of our global operations and an increasingly competitive environment, we aim to further strengthen the foundation of our human resources.	Building on our proprietary technologies and R&D capabilities, we are pursuing value creation that addresses unmet medical needs. We are strengthening our R&D foundation and development capabilities to drive sustainable innovation.	Our trusted relationships with healthcare professionals, patients, and partner companies are a vital asset that fuels value creation. We work to build trust with our stakeholders by maintaining ongoing dialogue with them.	Our manufacturing capabilities, which ensure a stable supply of pharmaceuticals, are also essential to our value creation. As our global business expands, we are strengthening our supply framework to reliably provide high-quality pharmaceuticals.	Building on our solid financial foundation, we are working to enhance corporate value while balancing growth investments with shareholder returns. To achieve sustainable value creation, we will pursue management that strategically leverages capital.	We consider environmental responsibility a key management priority and are working to reduce the environmental impact of our business activities. We are strengthening our environmental initiatives as a foundation for sustainable value creation.
Results	● Number of employees (consolidated) **2,309** ● Percentage of overseas employees **8.1%** ● Average training hours per employee **37.5** ● Number of participants in NS Academy **6,211**	● R&D expenses **¥36.7 billion** ● Patents held **902** ● Number of development pipelines **24** ● Pharmaceutical technologies (nucleic acid and small molecule)	● Number of joint research and contract research projects **13** ● Number of partner companies In-licensing: **19** Out-licensing: **11** ● Number of countries where products are sold **76**	● Capital expenditures: **¥7.4 billion** ● Nucleic acid API purification plant at the Odawara Central Factory ● Clinical trial API manufacturing facility	● Total consolidated equity **¥291.8 billion** ● Total consolidated assets **¥346.3 billion** ● Equity ratio **84.2%**	● Energy consumption **45,177 MWh** ● CO_2 emissions **9,143t-CO_2** ● Total water withdrawal **186,000 m³**
Main issues	● Expansion of our global human resources base ● Developing talent in digital transformation and specialized fields ● Establishing an organizational culture that encourages employees to take on challenges	● Expanding the development pipeline ● Capabilities for global development and regulatory approval ● Further utilization of external expertise	● Recognition and trust in global markets ● Strengthening our partner network ● Ongoing dialogue with stakeholders	● Supply network enabling global expansion ● Flexibility to meet changing demand ● Transforming operations to balance quality and productivity	● Balancing growth investments with shareholder returns ● Diversifying our revenue base ● Improving capital efficiency	● Transitioning to decarbonization ● Environmental impact across the supply chain ● Effectiveness of information disclosure and management
Future actions	● Restructuring the human resources portfolio based on business strategy ● Optimizing training and deployment to maximize the potential of specialized human resources ● Building management and evaluation systems that encourage taking on challenges and acting autonomously	● Expanding development opportunities, including in-licensing and joint research ● Transitioning to a management structure oriented toward global development ● Enhancing drug discovery and development capabilities using external expertise and digital technologies	● Enhancing recognition and trust with better communication and dialogue ● Developing partnerships aligned with key themes ● Accelerating the adoption of new products with collaboration and co-creation	● Redesigning and optimizing our global supply network ● Transitioning to a production system that can adapt to changing demand ● Balancing quality assurance and productivity by using digital technologies	● Optimizing capital allocation in line with growth drivers ● Strengthening our revenue structure, starting with pipeline expansion ● Enhancing management practices based on the cost of capital	● Incorporating environmental considerations into business activities and advancing decarbonization ● Ensuring reduced environmental impact across the entire supply chain ● Strengthening disclosure and management systems to improve effectiveness

Value Creation Process

We create new value by bringing together our diverse expertise and strengths, with the patient perspective at the heart of our efforts.
We aim to open up new possibilities in pharmaceuticals by working across organizational boundaries and allocating capital in line with our key themes to enhance corporate value over the medium to long term.



Philosophy

Helping People Lead Healthier, Happier Lives

The external environment surrounding the pharmaceutical industry

Material issues

P.19

Input

P.21

- Human capital
- Social and relationship capital
- Financial capital
- Intellectual capital
- Manufacturing capital
- Natural capital

Business model

Pursuing originality on a global scale

Therapeutic Area Expertise

- Intractable and rare diseases
- Hematology
- Urology and gynecology

Patient-centric perspective

One-Team Approach

In-House Drug Discovery Infrastructure

- Small molecule drugs
- Nucleic acid drugs
- Gene therapy
- etc.

7th Five-Year Medium-Term Management Plan

Outputs (Pharmaceuticals Business)

- High-quality, unique products that offer hope to patients living with illness
- Treatment for pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension
  Uptravi
- Treatment for Duchenne muscular dystrophy
  Viltepso
- Treatment for high-risk acute myeloid leukemia
  Vyxeos
- Sherpa support program for patients with pulmonary hypertension
- Viltepso early access program in countries where it is not yet approved



Outcomes

Creating
"a new way of life"
for every individual

- Enabling lifestyles that support mental health and physical well-being
- Contributing to a sustainable society
- Generating trust from stakeholders
- Achieving business growth
- Strengthening management foundations

Strategies and Initiatives for Value Creation

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40 Developing Diverse Human Resources and Realizing Employee Well-being
45 Resolving Social Issues and Coexisting with the Community
47 Strengthening Efforts to Protect the Global Environment

Evolution of the Medium-Term Management Plan (MTMP)

Nippon Shinyaku constantly took on new challenges based on the 4th Five-Year Medium-Term Management Plan that was started in FY2009—guided by our philosophy: Helping People Lead Healthier, Happier Lives. Throughout the subsequent planning periods as well, we continuously launched new, innovative products into the market, achieving record highs in sales and all profit metrics in FY2023.

	4th Five-Year Medium-Term Management Plan (FY2009–2013) Innovation and Growth	5th Five-Year Medium-Term Management Plan (FY2014–2018) Aiming for New Growth –Pursuit of Uniqueness–	6th Five-Year Medium-Term Management Plan (FY2019–2023) Aiming for Sustainable Growth –Further Pursuit of Uniqueness–
Business metrics	**FY2013 results** Net sales **¥765 billion** Net income attributable to owners of the parent **¥57 billion** Operating income **¥80 billion**	**FY2018 results** Net sales **¥114.7 billion** Net income attributable to owners of the parent **¥16.3 billion** Operating income **¥20.6 billion** EPS **¥242** ROE **12.5%**	**FY2023 results** Revenue **¥148.2 billion** Operating profit **¥33.2 billion** –Pharmaceuticals **¥125.1 billion** Profit attributable to owners of the parent **¥25.8 billion** –Functional Food **¥23.1 billion** EPS **¥383** ROE **12.4%**
Key achievements	• Strengthening our proprietary pipeline • Targeted resource allocation in response to generic substitution policies, supporting steady growth of new products • Expansion of Functional Food Business • Met a five-year cumulative cost-reduction target of approximately ¥2.0 billion • Established CASA (CAreer Support Academy), a comprehensive learning and development framework • Promoted new social contribution initiatives	• Launch of seven products, including Uptravi for pulmonary arterial hypertension (PAH) • Pipeline enhancement through conclusion of in-licensing agreements for six products • Greater awareness of Nippon Shinyaku in PAH field • Major contribution to growth from the launch of Uptravi in multiple overseas markets • Significantly increased sales and higher operating income achieved in Functional Food Business • Flextime system introduced for MRs (industry first in Japan) • Outside specialist personnel recruited	• Launch of one new product or more on average per year, including Defitelio and Viltepso • Launch of our products (Viltepso (U.S.) and Gaslon N (China)) through overseas subsidiaries as regional bases • Improvement of reputation among evaluation organizations (selected as FTSE constituent stock, obtained SBTi approval) • Certified as a Health & Productivity Management Outstanding Organization (White 500) • Each department collaborated with the DX department to drive digital transformation (acquired DX certification) • Created an environment for data-driven drug discovery through promotion of IT and introduction of AI in the Research Department • Adopted International Financial Reporting Standards (IFRS)
Launched products (including in-licensed products)	**9 products**	**7 products**	**6 products**
Tasks for the next MTMP	• Build a differentiated business foundation to support sustainable growth amid external challenges, including healthcare cost-containment measures and demographic shifts • Achieve plan objectives through the alignment of qualitative and financial targets, supported by new product launches and improved profitability	• Anticipating advances in technological innovation, create new value by adding new modalities and technologies to the existing drug discovery base that has produced small molecule and nucleic acid drugs. • Re-invest profits generated by Uptravi in NS-065/NCNP-01 and successor nucleic acid drugs, NS-018, and other drugs, to support further accelerated global expansion.	• Improve the speed and success rate of clinical development and accelerate the entry of new modalities into early-phase clinical trials by accelerating and advancing the R&D process and strengthening the R&D infrastructure. • Strengthen cross-functional collaboration to support overseas sales expansion and the timely launch of new products.

7th Five-Year Medium-Term Management Plan

In the 7th Five-Year Medium-Term Management Plan "For Global Growth Beyond the Cliff," which started in FY2024, we are working on the "Three Key Themes" and the initiative "Strengthening Five Management Foundations" to overcome Uptravi's patent cliff and achieve sustainable growth. In FY2025, we launched Elzonris as a new product and gained regulatory approval for the additional indications of three products. As part of our open innovation initiatives, we strengthened our foundation for next-generation drug discovery through measures such as strategic partnerships with external partners. We are actively promoting global expansion through initiatives such as strengthening our U.S. commercial capabilities and exploring business opportunities in Europe. Through these initiatives, we aim to achieve revenue of ¥230.0 billion and operating profit 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 profit of ¥50.0 billion by FY2030.

Quantitative Targets in FY2028

Revenue	Operating profit	ROIC	EPS	ROE
¥230.0 billion	¥30.0 billion	9% or more	¥341	8% or more

Quantitative Targets for Pharmaceuticals Business Segment	
Revenue	¥203.0 billion
Operating profit	¥28.2 billion
ROIC	9% or more

Quantitative Targets for Functional Food Business Segment	
Revenue	¥27.0 billion
Operating profit	¥1.8 billion
ROIC	9% or more

Three Key Themes

	Progress	Issues
Fostering growth drivers to replace Uptravi	• Launched Vyxeos, Jaypirca, and Elzonris—drugs for the treatment of hematological malignancies—and Yuvanci, a drug for the treatment of pulmonary arterial hypertension • As PLCM, started sales of pediatric formulations of Uptravi and Opsumit. For Jaypirca, gained regulatory approval for the additional indication of chronic lymphocytic leukemia (CLL)	• Building an organization capable of operating quickly and efficiently • Accelerating market penetration leveraging the MR channel and digital channel • Establishing our position as the No. 1 manufacturer in the field
Expanding global development	• Promoted preparations by our U.S. subsidiary NS Pharma for the U.S. launch of CAP-1002 based on the positive Phase III trial results • Promoted formulation of strategies for expansion into Europe, considering diverse approaches such as in-house marketing, alliances, and M&A	• Expanding sales areas in Europe and other regions • Expanding a globally competitive product pipeline
Continuous pipeline expansion	• Entered into a strategic partnership with Boston Children's Hospital • Launched a co-creation project with FRONTEO, Inc. leveraging its AI-driven drug discovery support services • Entered into a collaborative research agreement with xFOREST Therapeutics Co., Ltd. on drug discovery research targeting RNA structures	• Acquiring in-licensed products • Strengthening in-house drug discovery through open innovation and leveraging AI-driven drug discovery

7th Five-Year Medium-Term Management Plan

Strengthening Five Management Foundations

	Progress	Issues
Promoting sustainability management for realizing a sustainable society P.45	● Strengthened company-wide risk management systems through a review of the risk management sheet and cooperation with subsidiaries ● Promoted initiatives such as greenhouse gas emission reduction and increasing the share of renewable energy, and achieved top-tier industry rankings in ESG evaluation indicators ● Promoted social contribution activities, such as operating the Nippon Shinyaku Sparkling Future Mobile Library and providing research grants through an open application program ● Launched a new preservative product that helps reduce food waste	● Strengthening our response to overseas risks and enhancing our organizational structure in line with our global expansion ● Strengthening cooperation with suppliers to reduce Scope 3 emissions ● Improving the quality of our disclosures and further enhancing our investor relations activities
Speeding up R&D P.31	● Advanced new research themes in the field of nucleic acid drugs and gene therapy ● Promoted open innovation through external cooperation with startups, academic institutions, and others ● Promoted the advancement of clinical trials by leveraging biomarkers and RWD (real-world data) ● Established a quality assurance system for Elzonris, a new modality, and acquired manufacturing and marketing approval	● Strengthening progress management and stabilizing development speed in global clinical trials ● Improving the pace of patient recruitment in clinical trials (Preventing dropouts and addressing enrollment delays) ● Accelerating and improving the accuracy of trial planning and decision-making through the advancement of AI and data utilization
Promoting human capital management that allows each employee to grow and diverse human resources to play an active role P.40	● Strengthened the foundation for global human resources development by expanding global training and talent exchange programs ● Completely revamped the "NS Academy" talent development program and established an environment that supports self-directed learning ● Promoted systematic talent development initiatives in the R&D and Sales/Marketing divisions ● Developed a talent management system to clarify roles and responsibilities	● Securing global and digital transformation talent ● Lack of opportunities for experiencing different cultures and a corporate culture that encourages taking on challenges ● Securing and nurturing highly specialized human resources to lead global development ● Advancing MR education, including a shift from class-room-training-centered approaches to practice-oriented skills
Business process reengineering and productivity improvement by promoting digitalization P.39	● Completed the construction of a drug discovery integrated database and an AI utilization platform, and transitioned to the operational phase ● Established an analytical platform that centralizes sales performance, market environment, and patient composition data ● Significantly improved physician interview coverage rate by strengthening digital activities and established an omni-channel platform ● Advanced the creation and implementation of DX initiatives and actively adopted digital technology in business operations ● Advanced the development of the data infrastructure through the introduction of a document manage-ment system and the renovation of logistics and inventory management systems	● Establishing governance rules for the utilization of compa-ny-wide data ● Further improving the quality of sales by strengthening cooperation between MR activities and digital utilization ● Making continuous operational improvements aimed at reducing reliance on Excel and eliminating reliance on individual expertise ● Cross-departmental data integration and optimization of business processes
Financial strategy for sustainable growth P.27	● Established a company-wide management framework to improve capital efficiency by creating a ROIC tree and optimizing business workflows ● Developed a strategic resource allocation process through portfolio analysis ● Promoted initiatives aimed at cost optimization, such as cost reduction and increasing in-house production ● Contributed to improving asset efficiency by facilitating the sale and utilization of idle real estate	● Continued promotion of measures to improve capital efficiency, such as optimization of inventory management and distribution costs ● Standardization and advancement of operations related to the allocation of resources, such as R&D expenses and human resources ● Promotion of appropriate product pricing and stable supply ● Stabilization of transactions in overseas operations

Financial and Capital Strategy

Nippon Shinyaku aims to transform its earnings structure through upfront investments aimed at growth.



Senior Board Director,
Business Management

Takanori Edamitsu

To overcome the patent cliff of Uptravi and achieve sustainable growth, we position the 7th Five-Year Medium-Term Management Plan as a phase of upfront investment. We will actively promote investment in R&D, the acquisition of in-licensed products, and other areas, with the aim of establishing a foundation for medium- to long-term growth.

Progress and results of the 7th Medium-Term Management Plan

Compared to the FY2025 anticipated performance figures announced in May 2025 of revenue of ¥173.0 billion and operating profit of ¥30.0 billion, actual results were revenue of ¥170.7 billion (98.7% achievement ratio) and operating profit of ¥35.4 billion (118.3% achievement ratio). Revenue was generally in line with projections, and operating profit exceeded expectations, demonstrating that our efforts to strengthen profitability are yielding results.

Under the 7th Five-Year Medium-Term Management Plan that started in FY2024, we have set 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. In FY2025, the second year of the plan, we made steady progress on the various initiatives aimed at realizing these themes.

In terms of "Fostering growth drivers to replace Uptravi," we launched Elzonris and started sales of Uptravi and Opsumit pediatric formulations. Furthermore, for Jaypirca, we obtained an expanded indication for chronic lymphocytic leukemia (CLL), and we are making steady progress in building the foundation for securing future revenue streams.

Under "Expanding global development," CAP-1002, for which we have entered into a commercialization agreement with Capricor Therapeutics, Inc., achieved favorable Phase III trial results. Based on these results, our U.S. subsidiary, NS Pharma, is preparing for the product launch. Viltepso, which we market on our own in the U.S., is now in its sixth year on the market. We are working to ensure sustained market penetration and revenue by further strengthening our cooperation with healthcare professionals, patient organizations, and insurers.

In terms of "Continuous pipeline expansion," we actively continued our investment in research and development, and R&D expenses for FY2025 amounted to ¥36.7 billion, representing an increase of 6.9% year on year. This is mainly due to an increase in contract research expenses and manufacturing costs for investigational new drugs associated with the progress of our pipeline, as we steadily execute upfront investments aimed at future value creation. Through partnerships with MiNA Therapeutics Limited, Boston Children's Hospital, FRONTEO, Inc. and xFOREST Therapeutics Co., Ltd., we are promoting open innovation and working to strengthen our foundation for next-generation drug discovery. We believe these initiatives are important investments that will not only provide new value to future patients but also lead to the development of pharmaceuticals that will drive the Company's growth.

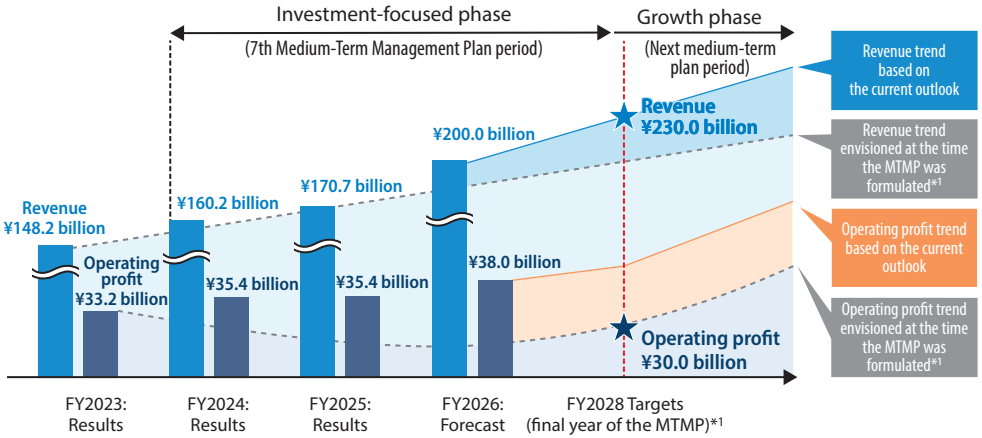
Financial and Capital Strategy

FY2026 forecast and growth scenarios

In FY2026, we anticipate revenue of ¥200.0 billion and operating profit of ¥38.0 billion. In the U.S., we are preparing to launch CAP-1002, and in Japan, we expect higher revenue driven by increased sales of our new product lineup, including Erleada, Fintepla, and Uptravi. However, although operating expenses are expected to rise due to sales costs of NS Pharma and an increase in contract research expenses associated with pipeline development, operating profit is expected to increase as a result of higher revenue.
When we formulated the Medium-Term Management Plan, we anticipated that FY2026 would mark the low point for operating profit due to increased upfront investments. However, we now expect to maintain profit growth, and we are seeing a shift in our earnings structure and a strengthening of our revenue base that is progressing at a faster pace than expected.
In the medium term, the likelihood of achieving our quantitative targets for FY2028, which are revenue of ¥230.0 billion and operating profit of ¥30.0 billion, is increasing. We have positioned FY2029 and beyond as a growth phase, with the aim of growing revenue to ¥300.0 billion and operating profit to about ¥50.0 billion by FY2030.
Our basic policy on capital allocation is to prioritize investments that lead to sustainable growth, centered on the three key themes of the 7th Medium-Term Management Plan, while ensuring financial soundness.

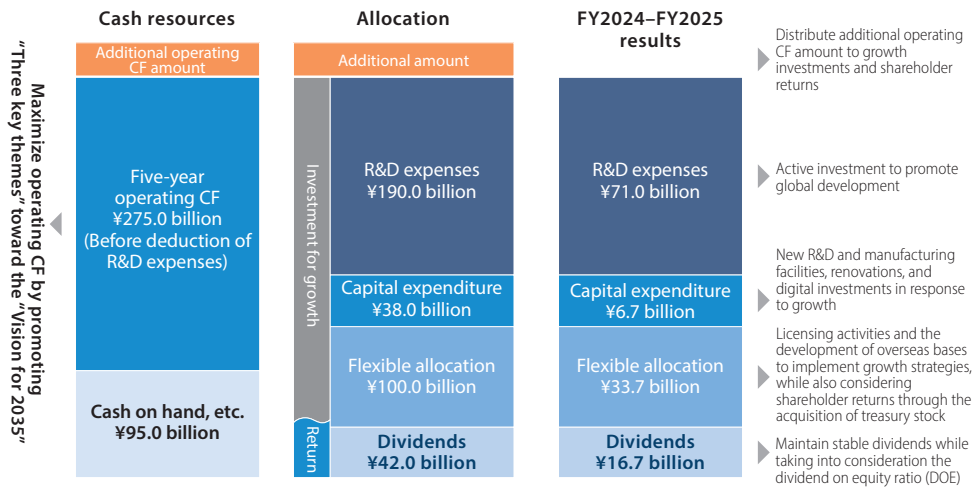
Over the two-year period from FY2024 to FY2025, we invested a cumulative total of ¥71.0 billion in R&D, which led to the introduction of new products and our pipeline development. We invested ¥6.7 billion in capital expenditure, which included digital investments in our Sales and Marketing Division and R&D Division, as well as into the development of R&D and manufacturing facilities. Through these investments, we will not only improve our drug discovery capabilities and development efficiency but also enhance quality assurance, stable supply, and production capacity, thereby improving our competitiveness and expanding our profits over the medium to long term.
In the R&D Division, we invested in building an AI-driven drug discovery platform, and candidate products in the research stage are emerging using this platform. Under our flexible allocation strategy, we invested ¥33.7 billion, primarily in new in-licensed, globally competitive products, to support sustainable future growth.
When we formulated the 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, due to these active investments, the launch of new products is progressing faster than anticipated, and as a result, operating cash flow is expected to increase. We plan to allocate the increased cash in a balanced manner between growth investments aimed at medium- to long-term growth and shareholder returns.

Illustrative earnings trend



*1 "7th Five-Year Medium-Term Management Plan (FY2024 to FY2028)—For Global Growth Beyond the Cliff" disclosed on May 27, 2024

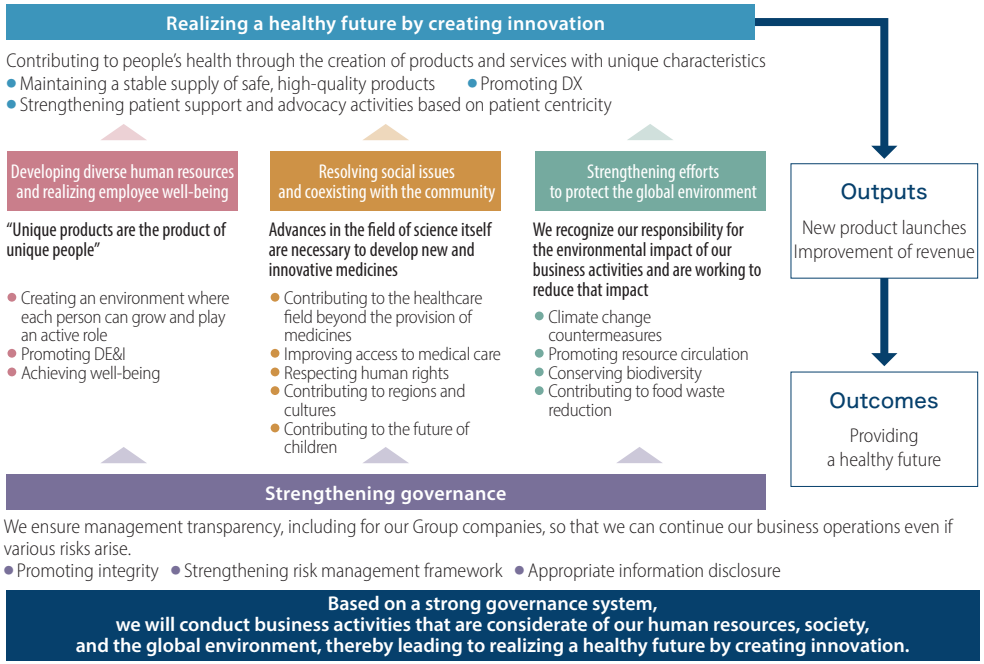
Capital allocation



Financial and Capital Strategy

Creating greater social value and economic value

For the Company to achieve sustainable growth, it is essential that we simultaneously create social and economic value through our business activities. To achieve this, Nippon Shinyaku has identified five material issues that are important to both society and the Company. Specifically, these are: "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." Under a strong governance system, we will advance human resource development and, through business activities that are considerate of society and the global environment, work toward realizing a healthy future by creating innovation.
In the Pharmaceuticals Business in particular, we will discover, develop, and launch new therapeutic agents that address unmet medical needs, with a focus on the intractable and rare diseases field, and make them available globally. Through this approach, we will achieve both the creation of social value, such as improving the quality of life of patients and their families, and the improvement of economic value through the provision of medicines that serve as drivers of growth.



Investment policy for transformation talent

As we undertake global expansion based on the Medium-Term Management Plan, we recognize that continuing with our conventional business processes will lead to increased workloads and costs, making it difficult to generate sustainable profits. To address this challenge, we believe that promoting DX, which fundamentally transforms the very nature of our operations through the utilization of digital technology, is a critical management issue.
We define talent in charge of this transformation as "transformation talent" and are systematically developing such talent through training in both digital skills and business literacy. As part of our investment in education, we are expanding opportunities to acquire management knowledge through programs such as basic education, selective training, support for obtaining public certifications, and a support system for obtaining an MBA, thereby building a talent base capable of driving transformation.
At the same time, management has taken the lead in setting DX themes and is steadily implementing digital investments. In FY2026, we established a new Business Process Transformation Department centered on transformation talent and began a fundamental review of our business processes from a company-wide optimization perspective. Through these efforts, we aim to improve labor productivity and optimize our cost structure, thereby strengthening our medium- to long-term profitability.

Improving shareholder value

As the importance of management that recognizes the cost of capital and the stock price continues to grow, we regard the stable supply of pharmaceutical products and functional food as the core of our business. Furthermore, our policy is to increase shareholder value by striking a balance between shareholder returns and investments in growth, while ensuring working capital and financial soundness. We have organized these concepts into a logic tree.
As a quantitative indicator for measuring improvement in shareholder value, the 7th Medium-Term Management Plan sets an ROE (return on equity) target of 8% or higher for FY2028. We aim to increase profits through the efficient use of shareholders' equity while also expanding equity.
Furthermore, to clarify the profitability of the Pharmaceuticals Business and Functional Food Business, we have set an ROIC (return on invested capital) target of 9% or higher for FY2028 for both businesses.
The 7th Medium-Term Management Plan specifies the capital allocation, and we are working to maintain and improve profitability by thoroughly allocating management resources and managing costs based on the priorities set forth in our business strategies. In particular, when making large investments such as the development of pharmaceuticals and in-licensing, we have set the weighted average cost of capital (WACC) as our hurdle rate to guide our investment decisions. Both ROE and ROIC are targeted to exceed the WACC, and management is conducted using tools such as the ROIC tree. The FY2025 results showed an ROE of 11.0%, with ROIC at 14.0% for the Pharmaceuticals Business and 5.4% for the Functional Food Business.

Financial and Capital Strategy

We recognize that shareholder value is composed of both growth of dividends and increases in the stock price, and it is evaluated in the long-term by total shareholder return (TSR). Given that future profit growth and the generation of free cash flow form the foundation of stock price determination, we will achieve profit growth through strategic investments, thereby leading to increased shareholder returns. We will continue to rigorously manage our business while considering the cost of capital, with the aim of sustainably enhancing shareholder value.

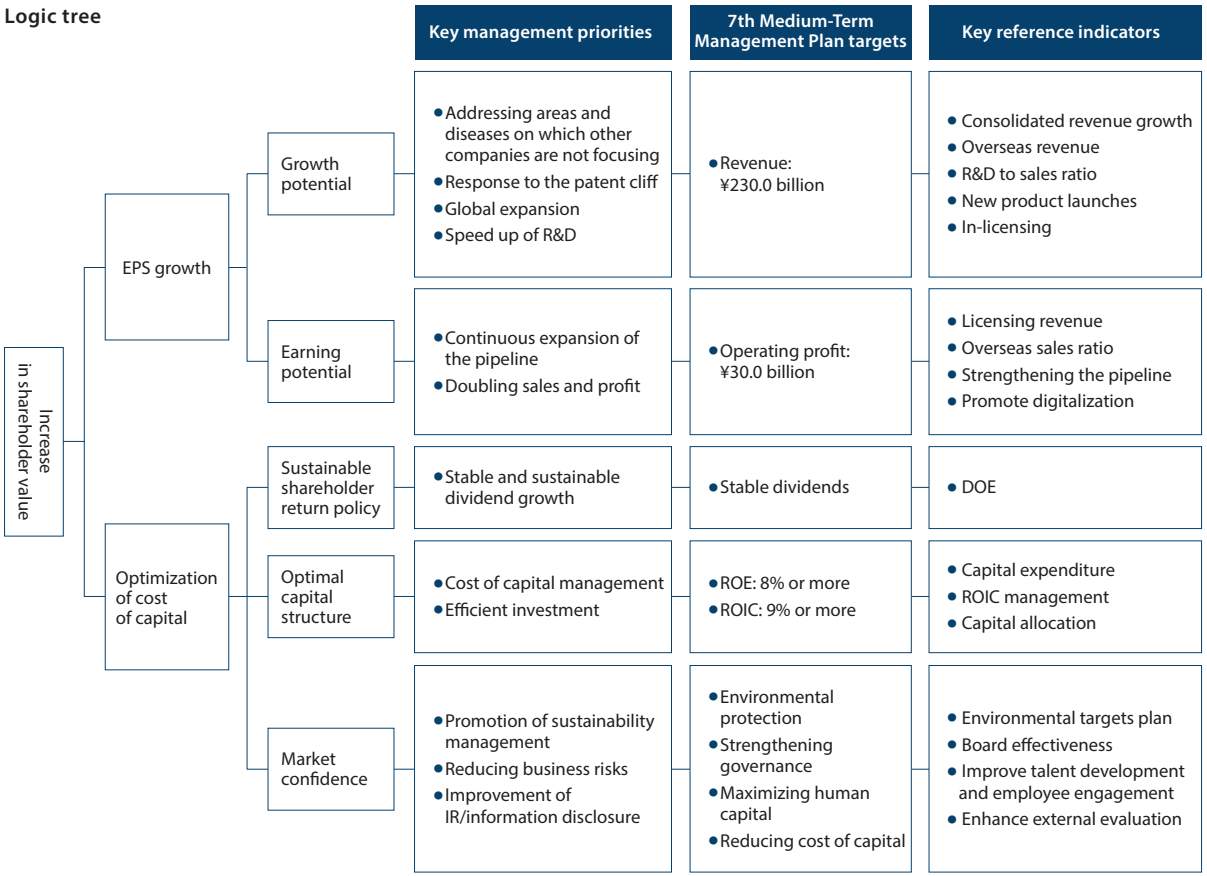
Shareholder return policy

We assume that total dividends for the period covered by the 7th Medium-Term Management Plan will amount to ¥42.0 billion over the five-year period, and our policy is to maintain stable dividends while taking DOE (Dividend on Equity) into consideration. Under this policy, we plan to pay out the same dividend as FY2025 of ¥62 per share for both the interim and year-end dividend for FY2026, for a total annual dividend of ¥124 per share.
Within the ¥100.0 billion allocated for the flexible allocation, we will actively pursue investments aimed at sustainable growth, such as acquiring licenses and arranging overseas bases. At the same time, we will also consider stock buybacks as an option for shareholder returns.

To our shareholders and investors

While we recognize the challenges posed by current stock price levels, we are making steady progress on various initiatives aimed at future growth under our 7th Medium-Term Management Plan. We are working to strengthen our revenue base through new product launches, pipeline development, and further global expansion.
To further enhance our dialogue with all stakeholders, including shareholders and investors, we will continue to work on strengthening our information disclosure efforts through measures such as briefings and video broadcasts.
Throughout the period of this Medium-Term Management Plan, we aim to overcome Uptravi's patent cliff and build a foundation for sustainable growth, while further strengthening the base for the global expansion of our high-quality, unique products and services. We hope that you will continue to look forward to the future growth of Nippon Shinyaku in our quest to become a global healthcare company.

Logic tree



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 (Tokyo Stock Price Index)	-1.5%	47.2%	13.8%	113.4%	16.4%	117.4%	8.1%

- Total shareholder return (TSR) represents the combined return from share price appreciation and dividends.
- TSR for Nippon Shinyaku is calculated based on cumulative dividends and share price performance, while TSR for TOPIX is based on the TOPIX Total Return Index. Calculated by Nippon Shinyaku using data from Japan Exchange Group.
- The graph shows TSR performance indexed to 100 at the closing share price on March 31, 2016, through March 31, 2026.
- Returns are presented as the percent change in the initial investment.

Realizing a Healthy Future by Creating Innovation

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

Pharmaceuticals Business



We will drive forward R&D by giving our all in thinking about patients.

Board Director, Research & Development

Keiichi Kuwano

Building on the R&D foundation we have built to date, Nippon Shinyaku has identified "intractable and rare diseases," "hematology," and "urology and gynecology" as our focus areas.
Among these, we position "intractable and rare diseases" as our core area, selecting the most appropriate modality from among small molecules, nucleic acids, and gene therapy, and engaging in highly differentiated R&D based on the combination of disease, mechanism of action, and modality.
We place great importance on listening sincerely to the concerns and aspirations of our patients and their families, and on consistently incorporating their voices throughout the entire process, from the early stages of drug discovery to lifecycle management.
For diseases where treatment options are limited, we aim to realize medical care that leads to a better future for each individual by working together with patients, their families, and patient organizations to identify the value that is truly needed.
Furthermore, to deliver new treatment options to patients as quickly as possible, we are working to speed up development by further refining our project management and shortening development timelines.
Moving forward, we will continue to actively pursue external cooperation and in-licensing of new research leads to further strengthen our R&D foundation, with the aim of achieving continuous pipeline expansion and enhanced competitiveness.
Through these efforts, we will create innovative pharmaceuticals that address unmet medical needs and contribute to realizing our Vision for 2035: "A global healthcare company from Kyoto creating various types of new ways of life for each person around the world."

Nippon Shinyaku's areas of focus

- **Intractable and rare diseases**
- **Hematology**
- **Urology and gynecology**

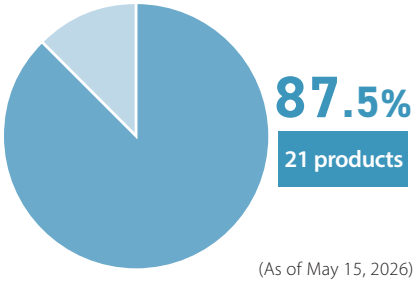
Focusing on Intractable and Rare Diseases

Many intractable and rare diseases still lack fully established effective treatments, and the challenges faced daily by patients and their families are extremely pressing. We consider it our mission to provide new treatment options to such patients, and we are committed to further strengthening our focus in this area.
We have leveraged our accumulated R&D experience and foundation to pioneer new treatment possibilities in this field. As a result, therapeutic agents for intractable and rare diseases now account for approximately 87.5% of our development pipeline. This indicates a significantly higher level of focus compared to other pharmaceutical companies both in Japan and overseas.
From the perspective of drug discovery strategy, it is also important to focus on this area. Rare diseases are reported to have a relatively higher probability of successful development compared to other disease areas, and, depending on the requirements, expedited approval may be available, and institutional support can be obtained for delivering new treatments earlier.

In the R&D of intractable and rare diseases, it is important to appropriately understand the unique pathologies and patient backgrounds of each disease and to implement R&D strategies accordingly. By leveraging both internal and external expertise, Nippon Shinyaku formulates tailored strategies for each disease and is committed to achieving success in R&D.

Percentage of intractable and rare diseases in the pipeline

Domestic/Global



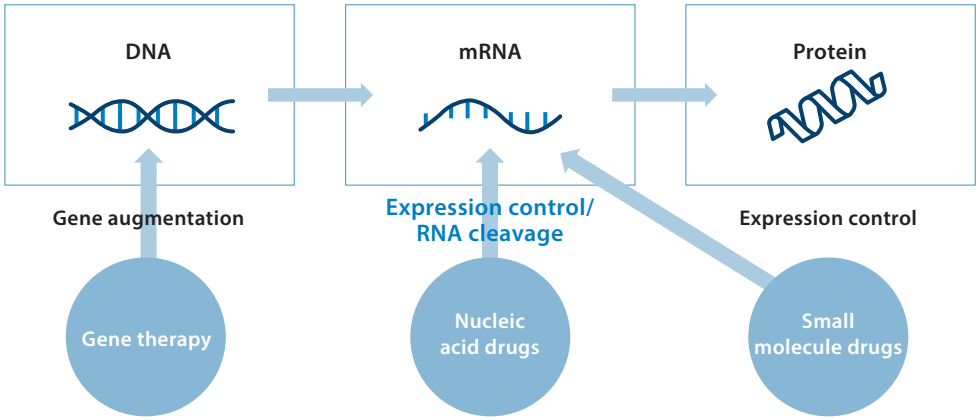
(As of May 15, 2026)

Realizing a Healthy Future by Creating Innovation

Modality technologies

In the area of intractable and rare diseases, given that a high proportion of these conditions are hereditary, we view the three modalities of "small molecules," "nucleic acids," and "gene therapy," which can act on disease-causing genes or the pathways regulating their expression, as our key areas of focus.
By selecting the optimal modality based on disease characteristics and mechanisms of action, we are advancing differentiated drug discovery and striving to establish a competitive advantage.

Mechanism of modality



Small molecules

Even as modalities continue to diversify, small molecule drugs still account for the largest share of products under development.
Even for targets that were traditionally considered difficult for drug discovery, advances in AI technology and protein structure analysis have made it possible to address them with small molecule drugs.
Our small molecule drug discovery leverages our expertise in compound optimization technology. In addition to developing "Uptravi," a therapeutic agent for pulmonary arterial hypertension, we have advanced several proprietary drug candidates to the stage of clinical trials.
We will continue to build on these strengths while also leveraging new technologies, such as RNA-targeted small molecules and cyclic peptides, to broaden the scope of drug discovery and aim to continuously develop new drugs.

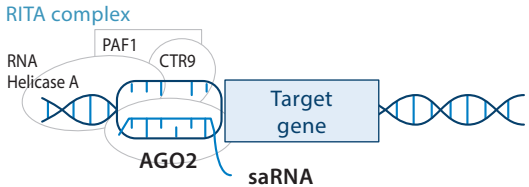
Nucleic acids

Nucleic acid drugs are superior in that they can act directly on target genes. However, given the intensifying competition for patents, intellectual property strategy is of critical importance for this modality. Furthermore, because they face challenges in tissue penetration compared to small molecule drugs, leveraging drug delivery system (DDS) technologies tailored to disease characteristics and target tissues is essential.
Nippon Shinyaku focuses on developing proprietary technologies backed by strong patent positions, such as nucleic acid drugs that enhance gene expression, and is engaged in the ongoing development of pharmaceuticals for diseases caused by the loss of gene function. In the central nervous system area in particular, in addition to locally administered formulations, the Company is also focusing on the development of minimally invasive intravenous formulations leveraging DDS technologies, with the aim of reducing the treatment burden on patients.

saRNA (small activating RNA)

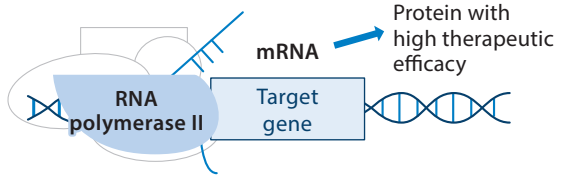
| Step 01 |

Formation of
a gene-activating
complex by RNA



| Step 02 |

Transcription enhancement
and protein production
by RNA polymerase II



Gene therapy

Gene therapy is a modality that promises higher therapeutic efficacy because it performs gene augmentation to replenish the gene responsible for a disease when that gene is deficient. Since many intractable and rare diseases are hereditary, treatment using this modality is particularly well-suited. However, current gene therapy faces various challenges, such as limitations on the number of administrations and constraints on the genes that can be delivered. Nippon Shinyaku is undertaking initiatives to develop new technologies that overcome these challenges and realize the next generation of gene therapy.

Realizing a Healthy Future by Creating Innovation

Nippon Shinyaku is expanding its pipeline, focusing primarily on intractable and rare diseases, by leveraging three modalities.

Development Pipeline

(As of May 15, 2026)

Global development pipeline ★Orphan drug designation (Japan or U.S.) ●Rare pediatric disease designation (U.S.)

* Launched in Japan and U.S. in 2020

	Phase1	Phase2	Phase3	Application filed
Intractable and rare diseases	●NS-050/NCNP-03 Duchenne muscular dystrophy		★NS-065/NCNP-01* Duchenne muscular dystrophy	★●CAP-1002 Cardiomyopathy associated with Duchenne muscular dystrophy
	★●ATSN-101 Leber congenital amaurosis associated with GUCY2D mutations		★●CAP-1002 Duchenne muscular dystrophy	★●RGX-121 Mucopolysaccharidosis type II
	★●RGX-111 Mucopolysaccharidosis type I		★ZX008 CDKL5 deficiency disorder ★GA101 • Lupus nephritis • Systemic lupus erythematosus without nephropathy	GA101 Idiopathic nephrotic syndrome
	★●NS-089/NCNP-02 Duchenne muscular dystrophy			
	★NS-229 Eosinophilic granulomatosis with polyangiitis			
	★NS-035 Preparing for Phase 2 Fukuyama congenital muscular dystrophy			
Hematological malignancies	NS-917 Relapsed/refractory acute myeloid leukemia		★LY3527727 • Mantle cell lymphoma • Chronic lymphocytic leukemia	
Urology and gynecology	NS-025 Urological diseases	NS-580 • Chronic prostatitis / Chronic pelvic pain syndrome • Endometriosis		
Circulatory and metabolic system diseases / Other	NS-245 Inflammatory diseases	NS-863 Preparing for Phase 2 Pulmonary arterial hypertension Pulmonary hypertension associated with interstitial lung disease	NS-304 Arteriosclerosis obliterans	

Initiatives to expand the pipeline



Nippon Shinyaku is continuously expanding its pipeline in its focus areas, particularly in the field of intractable and rare diseases. In the area of small molecule drugs, we are leveraging our proprietary compound optimization technology, a core strength of the Company, to develop molecularly targeted drugs based on disease mechanisms. "NS-229," a treatment for eosinophilic granulomatosis with polyangiitis (EGPA), is currently undergoing global Phase II clinical trials. In addition, preparations are underway for Phase II clinical trials of "NS-863," a treatment for pulmonary arterial hypertension and pulmonary hypertension associated with interstitial lung disease.
In the field of nucleic acid drugs, we are expanding our R&D efforts to target rare diseases, such as Duchenne muscular dystrophy (DMD), for which effective treatments are limited, by leveraging the ability of these therapies to directly target abnormalities at the genetic level. Preparation for a Phase II clinical trial is also underway for "NS-035," which is expected to become the first treatment for Fukuyama congenital muscular dystrophy, a hereditary disease that is particularly common among Japanese people. In the field of gene therapy, we have in-licensed "ATSN-101" for Leber congenital amaurosis, a hereditary retinal disease, with the aim of establishing a new treatment option. By strategically leveraging these three modalities while combining external cooperation with the enhancement of our fundamental technologies, we are building a diversified pipeline.

Realizing a Healthy Future by Creating Innovation

An R&D system that enables faster development

Under the 7th Medium-Term Management Plan, we are strengthening a system that oversees and advances the entire process from drug discovery through application filing and approval to speed up R&D. We have established a new organization within the Strategic Planning and Research Department, which is responsible for optimizing the drug discovery process and managing progress, to oversee AI utilization and digital transformation initiatives. In clinical development, the R&D Global Project Planning and Administration Department is advancing the formulation of development plans and rigorous progress management through integrated efforts between our Japanese and U.S. offices. Furthermore, the integration of our Japanese and U.S. clinical development divisions will enable the unification of development strategies and the efficient execution of operations. To deliver our medicines to patients as quickly as possible, we will continue to accelerate our efforts moving forward.

Strategic Planning and Research Department

In drug discovery research, we are working to shorten the time from the drafting of research themes to the start of clinical trials while building a research system capable of launching at least one internally discovered product each year. The Strategic Planning and Research Department, established in 2023, comprehensively manages drug discovery research and promotes transformation. In 2026, we established a new organization within its structure to oversee the AI utilization and digital transformation initiatives in drug discovery research. We aim to speed up drug discovery research and increase the success rate by optimizing the drug discovery process, conducting thorough progress management based on standard schedules, and leveraging AI and DX.

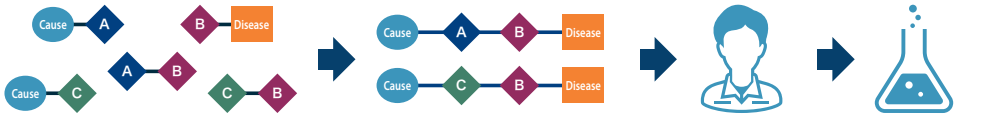
R&D Global Project Planning and Administration Department

While the importance of global development centered on the U.S. has been increasing, there have been challenges such as delays in the start of clinical trials compared with the original plan due to the time required for coordination with regulatory authorities in various countries and preparations for facility setup. To address these challenges and deliver pharmaceuticals quickly to patients around the world, we established the R&D Global Project Planning and Administration Department in 2025 as a management division specializing in global development. With this new department, we are able to formulate development plans and rigorously manage progress in a unified manner across our Japanese and U.S. offices, which allows us to steadily accelerate our overall global development.

Efficient R&D by leveraging AI

We are building an AI agent to support the proposal of research themes, with the aim of streamlining drug discovery theme proposals and improving their quality. We are also advancing the utilization of AI tailored to each challenge, including the identification of hit and lead compounds and safety evaluations. For example, while we previously relied solely on experiments involving the synthesis and screening of compounds to obtain target compounds, the utilization of AI has enabled us to narrow down the number of compounds to be synthesized and reduce evaluation time. Furthermore, to further promote the utilization of AI in drug discovery research, we are working to raise awareness of proper data management while creating an environment that enables researchers to use AI more easily.

(Conceptual diagram)



Huge amounts of information about diseases, symptoms, genes, etc. in academic papers and databases

Collection of information and preparation of inferences using AI

Confirmation and validation of inferences by researchers

Earlier start of R&D activities

VOICE



Pharmacology Research Department
Pharmacology Research Section 1

Itaru Yamamoto

Every researcher takes on the challenge of generating new ideas

Drug discovery research is not so simple that it can succeed based solely on the strong determination of the researchers. In recent years, the selection of disease areas and modalities has become more diverse, making it necessary to draft concrete strategies with a view toward global development right from the planning stage. Our "All researchers draft a proposal" initiative has been institutionalized and firmly established, balancing researchers' enthusiasm with the quality required for drug discovery while systematically leading to the creation of research themes. Ideas proposed by researchers undergo thorough identification of issues through feedback from higher-level management, and promising ideas that complete this process are quickly advanced to the drafting of a research theme.
I find great fulfillment in seeing the researchers' aspirations take shape as highly strategic research themes through the "All researchers draft a proposal" initiative and in conducting research aimed at creating pharmaceuticals that can benefit patients.

Realizing a Healthy Future by Creating Innovation

Open Innovation

Nippon Shinyaku views open innovation as a strategic means of enhancing our competitiveness in drug discovery. By keeping a keen eye on external technologies in line with our drug discovery strategy and integrating them with our in-house knowledge and drug discovery expertise in each disease area, we aim to generate highly distinctive research themes and expand our development pipeline.

Open innovation in progress

Axis	Content	Collaborator/partner
Drug discovery	Development of innovative therapeutic agents for neurological disorders	Boston Children's Hospital
Target	Creation of novel drugs targeting RNA structures	xFOREST Therapeutics Co., Ltd.
Modality	Development of nucleic acid drugs (central nervous system diseases)	MiNA Therapeutics Limited
Fundamental technologies	AI-driven R&D	FRONTEO, Inc.

PICK UP

Strategic partnership with Boston Children's Hospital

In 2025, Nippon Shinyaku entered into a strategic partnership with Boston Children's Hospital (BCH) to engage in global value creation in the field of intractable and rare diseases. Under this partnership, we solicited research proposals from BCH researchers based on the research challenges we had defined, and selected joint research themes through an internal screening process. We then worked with the principal researchers to refine the research plans, and began the joint research in June 2026. Our researchers are also participating in the research on-site, and we are promoting research activities centered on patient needs while deepening mutual understanding through personnel exchanges.
By advancing these initiatives, we aim to expand our portfolio of medicines for intractable and rare diseases and to continuously enhance corporate value.

Intellectual Property

To realize our philosophy, the Nippon Shinyaku Group views pursuing new drug discovery modalities and the global expansion of its business as critical management priorities.
In this context, we recognize that intellectual property plays a vital role in ensuring that the value generated through R&D is effectively translated into business competitiveness.
Through the effective protection and strategic utilization of our intellectual property, Nippon Shinyaku strengthens the competitive advantage of its business, maximizes the value of its research outcomes, and works to continuously enhance corporate value.
In addition, we practice thorough IP-related risk management, including third-party rights searches and clearance checks, to mitigate legal risks both in Japan and overseas and ensure stable business operations.

R&D activities and intellectual property

The Intellectual Property Department works closely with the R&D Division from the early stages of research. Together, they incorporate intellectual property considerations throughout the upstream process, including the selection of research themes.
We strive to secure broad and layered intellectual property protection for pharmaceuticals and functional foods discovered in-house through multiple patents and other forms of intellectual property protection. Through this approach, we aim to secure and maintain a competitive advantage throughout the entire product lifecycle.
In addition, we continuously review the process of building, maintaining and leveraging a patent portfolio that aligns with our global R&D and business strategies in an internal committee.

Understanding and analyzing intellectual property

We systematically conduct patent trend analysis and IP analysis of key players, focusing on technology fields that are expected to become important over the medium to long term.
This enables us to identify and mitigate potential intellectual property risks early in the R&D stage, and we utilize these insights to formulate R&D strategies and business strategies, including differentiating research themes and determining development priorities.

Building our reputation and brand through trademarks

We ensure that the product names of the pharmaceuticals and functional foods produced in-house are appropriately protected by trademark rights both in Japan and overseas.
Through such measures, we enhance the distinctiveness of our products while working to foster long-term trust among medical professionals and consumers and to enhance our brand value.
Through trademark management, we aim to prevent imitation and confusion, contributing to the establishment of a stable business foundation.

Realizing a Healthy Future by Creating Innovation

Medical Affairs

The mission of Medical Affairs is to deliver optimal medical care to all patients, and we work to identify unmet medical needs through dialogue with external medical and scientific experts. Based on these needs, we provide information that promotes appropriate use and generate evidence, thereby contributing to the maximization of product value.
In areas such as hematological malignancies, pulmonary hypertension, Duchenne muscular dystrophy (DMD), and intractable epilepsy, we are engaged in initiatives that include preclinical and clinical research, as well as database research and registry research, striving to deepen our understanding of treatment practices and diseases. We disseminate the insights gained through conference presentations and academic papers, and provide them to medical professionals in a timely and appropriate manner.
Furthermore, as an activity to listen to the voices of patients, we are also participating in the in-house project "NSmiles" to deepen our understanding of what patients are experiencing and what they are seeking. Through these initiatives, we are fostering a corporate culture that values the patient's perspective in our daily operations. We then incorporate the lessons learned from these efforts into our Medical Affairs activities, contributing to the improvement of healthcare quality and patient benefits from a patient-centric perspective.

Sales

In 2025, we launched a pediatric formulation of Uptravi, a treatment for pulmonary arterial hypertension, and a new indication was added to Jaypirca, an antineoplastic agent. Furthermore, in 2026, we launched Elzonris I.V. injection for the treatment of blastic plasmacytoid dendritic cell neoplasm, thereby steadily achieving the launch of new products and new indications in our focus areas.
When providing information on each product, we are working to strengthen our systems to deliver information that meets medical needs at the appropriate time, taking into account disease characteristics and the treatment environment. Particularly in the field of intractable and rare diseases, we are working to provide high-quality information tailored to medical needs through ongoing dialogue with healthcare professionals, enabling us to support cases where treatment experience is limited.
We are also focusing on enhancing information provision by integrating digital and face-to-face approaches. On the digital front, by improving the accessibility of our website, we are creating an environment that makes it easier for medical professionals to access information that supports their treatment decisions. In addition, by promoting the development of an internal information search and utilization platform leveraging AI, as well as talent development programs designed to promote AI adoption, we are achieving greater information transparency and the improvement of the quality of decision-making. However, the final decision-making and the building of trust with medical professionals need to be handled by humans. MRs and product marketers are working together to strengthen our system for providing high-value-added information tailored to the needs of healthcare professionals.

Supply Chain

The pharmaceutical supply chain is subject to a wide range of risks, including changes in demand, raw material procurement, regulatory requirements, geopolitical risks, quality issues, and logistics challenges. A comprehensive approach to management is therefore essential. Based on risk assessments that take into account product characteristics and market conditions, Nippon Shinyaku is promoting the establishment of safety stock standards, improvement of demand forecast precision, and advancement of data-driven production planning to strengthen our stable supply system.
In recent years, in line with the diversification of product modalities, the requirements placed on the supply chain have become increasingly complex. To accommodate new modalities such as cell therapy products and gene therapy drugs, we are working to establish more advanced quality control and supply systems.
Elzonris, launched in 2026, is our first frozen solution. To ensure its stable supply, we have established a cold-chain distribution network and built a robust quality and inventory management system. We will continue to further optimize our distribution and management systems with an eye toward global expansion.
On the manufacturing front, we are leveraging the nucleic acid API purification plant of the Odawara Central Factory to establish a commercial production system for nucleic acid drugs. With an eye toward the expansion of Viltepso and subsequent products, we have begun preparations for submitting applications for additional manufacturing sites in Japan and the U.S., as well as pilot production, and are taking steps to accommodate future production expansion.
We will continue to enhance our ability to adapt to new modalities and, through the use of digital technology, aim to build a supply chain with further advanced resilience and competitiveness.

Reliability Assurance

In line with our global expansion, we have enhanced our organizational structure to establish a reliability assurance system that complies with regulations in the U.S. and China. With an eye toward further overseas expansion, we will continue to expand our global reliability assurance system and strengthen our ability to accommodate the diversification of product modalities.
As we expand this system, in addition to strengthening our organizational structure with an eye toward expansion into Europe, we will introduce a database for the centralized management of adverse reaction information to ensure the prompt and appropriate provision of safety information in each country where our products are marketed.
To address the diversification of product modalities, we are developing talent capable of supporting new modalities and building a system for the centralized management of regulatory information for products marketed globally. Through these initiatives, we will ensure a stable supply of safe and highly reliable pharmaceuticals to patients around the world.

Realizing a Healthy Future by Creating Innovation

Functional Food Business

Material issues and related SDGs

Realizing a Healthy Future by Creating Innovation

Strengthening efforts to protect the global environment

Business Overview

The Functional Food Company leverages the research infrastructure it has developed through prescription pharmaceuticals to develop and design functional foods based on scientific evidence. We promote our business through two main fronts: the B2B business, which provides functional food ingredients mainly to processed food manufacturers, and the B2C business, which provides supplements that contribute to improving the health and quality of life of consumers. Through these initiatives, we aim to promote health and extend healthy life expectancy.
In recent years, against the backdrop of growing health awareness and increasing demand for self-care, achieving both functionality and safety, together with reliable information disclosure, has become increasingly important. Nippon Shinyaku is working to create new value through close collaboration among its divisions, the advancement of existing businesses, and the commercialization of research results. At the same time, we are strengthening the business foundation that supports sustainable growth by providing products that prioritize safety and trust.

B2B business

Health food ingredients	Products that contribute to improved health and quality of life in the healthcare field
Preservatives (shelf-life enhancement solutions)	Products that contribute to food safety and security and food waste reduction in the field of processed foods
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

B2C business

Sports supplements	Highly unique supplements that help improve performance during exercise, for everyone from top athletes to sports enthusiasts
Healthy aging supplements	Highly unique supplements that support health and beauty while contributing to improving people's quality of life

Main initiatives

E-commerce marketing strategies to boost sales of our mainstay products

At WINZONE, we are developing advertising strategies centered around social media to broaden brand awareness and enhance brand value.
In particular, through campaigns and video content created in collaboration with our sponsored athletes, we showcase not only the functionality and applications of our products but also the brand's identity and trustworthiness.
From top athletes to people interested in improving their everyday health, we are expanding our touchpoints with a wide range of target audiences, enhancing brand recognition while strengthening our marketing foundation.



WINZONE-sponsored athlete: Boxer Junto Nakatani

Enhancing customer experience through digital transformation

Processed food manufacturers face various challenges at every stage of development and evaluation as they strive to balance great taste and long shelf life. To help address these challenges, Nippon Shinyaku has developed three digital tools that support the analysis of root causes, the rapid verification of countermeasures, and the optimization of sensory evaluation. By leveraging these tools, we help customers improve development efficiency and enhance problem-solving capabilities, thereby improving the overall value of the customer experience.



Realizing a Healthy Future by Creating Innovation

Functional Food Business

Providing Health Value through Supplements Leveraging Our Research Infrastructure

The supplements business operates as a B2C business, offering sports supplements and aging care supplements. In sports supplements, we are expanding our product lineup centered on our flagship protein supplements to meet a wide range of needs, including different body types, lifestyles, and stages of growth. Specifically, we offer a range of products, including grass-fed whey protein, easy-to-digest protein products designed for people with lactose intolerance, and protein products for children. We are also developing highly unique sports supplements for use before, during, and after exercise, conditioning, and other situations as needed.
Meanwhile, in our aging care supplements, we are developing supplements that support daily life in response to an aging population and growing interest in extending healthy life expectancy. We are advancing the development of products that consumers can choose with confidence, leveraging our strengths in R&D grounded in scientific evidence, product design that pursues ease of continued use, and a rigorous quality control system. We will continue to strive to balance contributing to health promotion with business growth by providing products and value that meet diversifying health needs.

Contributing to Food Waste Reduction through Technologies for a Long Shelf Life

Through our preservative business, Nippon Shinyaku strives to achieve a balance between great taste and a long shelf life, and is working to address the social issue of reducing food waste. In addition to supporting the safe and reliable distribution of food, reducing food waste by extending the shelf life is one of the key ways we contribute to building a sustainable society. Traditionally, methods such as increasing salt content or acidity have been used to extend the shelf life of food products. However, these methods can also compromise their natural great taste. Nippon Shinyaku has leveraged the advanced technologies cultivated through its pharmaceutical business to develop formulations that extend shelf life without compromising the food's great taste.
Since commencing our preservative business back in 1965, we have led the industry for more than 60 years. In recent years, we have been working to improve both our social value and our business competitiveness by advancing data-driven development by leveraging our proprietary digital tools.

VOICE



Life Science Business Department
Planning and Promotion Section

Rioko Ochi

Activities that support children's futures through food

I work in the Planning and Promotion Section of the Life Science Business Department, where I am responsible for planning and implementing initiatives for the Functional Food Business based on market conditions and customer needs.
Currently, as a member of the dietary education project team, I am also working to resolve food-related issues faced by children in the community. The food environment surrounding children is becoming increasingly diverse, and various challenges, such as nutritional balance, eating habits, and reducing food waste, are becoming apparent. Against this backdrop, we are conducting on-site classes in cooperation with Kyoto City to help children develop an interest in food and make proactive choices for a healthy lifestyle. At elementary schools throughout Kyoto City, we conduct classes incorporating experiments and group discussions on topics such as reducing food waste and the importance of protein. The children's reactions and feedback at these events have been a significant learning experience for me personally. It has also been an opportunity to deepen my understanding of social issues and to reaffirm the value we should provide through our business. We intend to continue contributing to people's health through food and supporting the healthy growth of the next generation, both through our business activities and our social contribution initiatives.



On-site class at an elementary school

Realizing a Healthy Future by Creating Innovation

Digital Transformation (DX)

Material issues and related SDGs

Realizing a Healthy Future by Creating Innovation



Basic Policy

The Nippon Shinyaku Group views advances in digital technology and changes in the business environment as opportunities for growth and views the utilization of digital technology and data as a key foundation of our management. Guided by our Digital Vision and Digital Strategy, we are working company-wide to fundamentally transform our operations and create new value.
We believe that digital transformation (DX) is not an initiative limited to specific dedicated divisions, but rather one in which every employee takes the lead in driving change. Based on this philosophy, in 2025 we rolled out the "DX Action Book" across the Company as a guide for DX initiatives, with the aim of embedding and accelerating business transformation with the frontline as the starting point.

DX Initiatives in the 7th Five-Year Medium-Term Management Plan

In the 7th Five-Year Medium-Term Management Plan, we are working to "reform operations and improve productivity by promoting digitalization" as one of the measures for strengthening five management foundations. By leveraging digital technology and data to review, streamline, and enhance business processes across various operational areas, including R&D, manufacturing, and sales, we are working to strengthen the management foundation that supports our business activities.
As a system for comprehensively identifying company-wide business challenges and promoting reform, we established the Business Process Transformation Department in FY2026, which reports directly to the president, and is promoting the visualization and redesign of key business processes.
At the same time, we are strengthening the organizational structures of the Information Systems Department and the Digital Transformation Promotion Department while advancing the use of digital technologies, including generative AI, and enhancing our IT and data infrastructure. By supporting the use of digital technologies based on operational challenges identified on the front lines, we are enhancing the effectiveness of business reforms and promoting company-wide initiatives that lead to improved productivity. Furthermore, we remain committed to developing human resources by improving the DX literacy of all employees and systematically cultivating talent capable of driving transformation.
Through these initiatives, we are not only improving our day-to-day operations but also advancing the building of a solid management foundation to support our future growth.

DX Initiatives in Each Division

Research & Development Division

The R&D Division is working to establish an environment that leverages medical big data and real-world data, with the aim of streamlining and advancing the entire drug discovery process.
In addition to the utilization of AI for small-molecule compound design and the analysis of safety and pharmacokinetics (ADME) prediction models, the division is introducing various screening robots to generate new drug discovery themes and accelerate the evaluation process.
By leveraging data from both within and outside the company in a cross-functional manner, the division is promoting further improvements in the speed of drug discovery.
Furthermore, we are streamlining the preparation of clinical trial documentation through the use of generative AI, creating an environment in which researchers can focus on the value-creating work that should be their primary focus in clinical development.

Supply Chain and Production Division

In the Supply Chain and Production Division, we reduced the value of inventory assets by approximately 8% through the automation of demand forecasting and production planning using AI and statistical models. By advancing data-driven planning, we are working to streamline the entire process, from material procurement to production.
We are also working to enhance quality inspections in the drug product manufacturing process. At the Odawara Central Factory, we are conducting validation tests aimed at automating visual inspections through the utilization of AI, with the goal of stabilizing quality and reducing the workload. In the Production & Assurance Division, we are conducting a fundamental review of business processes in conjunction with the introduction of a globally-compatible integrated system for pharmacovigilance operations. Through these DX measures, we are strengthening our systems for stable supply and quality assurance.

Developing Diverse Human Resources and Realizing Employee Well-being

Material issues and related SDGs

Developing diverse human resources and realizing employee well-being



We will continue to build an organization that elicits the strengths of our human resources and supports employees in taking on challenges.

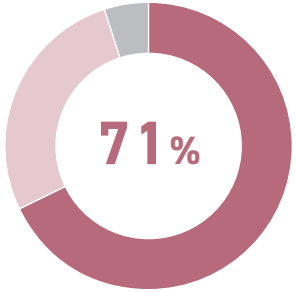
Board Director
Personnel, General Affairs, Risk Management, Compliance, Sustainability & Digital Transformation

Mitsuharu Koizumi

Building an Organization that Supports Employees to Take the Initiative to Tackle Challenges

As the pace of change in the business environment continues to intensify, it is crucial for companies not only to keep up with these changes but also to be organizations that can take a comprehensive view of the situation and think and act independently to continuously create value. We believe that, in times of heightened uncertainty in particular, the ability for people to proactively think things through forms the foundation of our competitiveness.
The driving force behind Nippon Shinyaku's sustainable growth and the creation of social value is none other than our "human resources." What matters is not simply securing these resources, but rather eliciting the strengths of employees with diverse expertise and abilities and channeling them into organizational strength. To achieve this, we must establish systems and foster a corporate culture that encourages employees to take on challenges and supports their growth.
Based on this philosophy, the 7th Medium-Term Management Plan positions "promoting human capital management that allows each employee to grow and a diverse range of human resources to play an active role" as one of the pillars for strengthening our management foundation. Specifically, we are focusing on the following four key themes: 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. We believe that the essence of human capital management lies not in managing people, but in reassessing systems and structures to help them perform at their best.
To realize this, we have been reassessing the assumptions we previously accepted as a given, such as work styles, how tasks are carried out, and the structure of our organization. This includes refining job descriptions, developing global talent and digital transformation talent, and introducing flexible work styles. We will continue to foster an empowering environment for employees to take the initiative in tackling new challenges by revising our promotion examination system and expanding our re-employment support programs. These systems are not meant to restrict people, but rather to support their growth and willingness to take on challenges. Based on this philosophy, we will continue to build an organization that is resilient to change.
To understand the results and challenges of these initiatives, Nippon Shinyaku places great importance on engagement surveys. Engagement is an important indicator that demonstrates the extent to which employees can perform at their best and are willing to tackle challenges within the organization. The engagement score for FY2025 was 71%, falling short of our target of 75% or higher. We take this result seriously and will work to address these challenges through placing of the right employee in the right position by visualizing employee skills and by promoting diversity.
Human capital management is an initiative that goes beyond just establishing systems, but involves changing employee behavior and organizational culture. Nippon Shinyaku will continue to build an organization that elicits the strengths of a diverse range of human resources and supports employees in taking on challenges.

Engagement score



- Response rate: 92%
- Engagement score: 71%
  10% ▲ above the average for Japanese companies in FY2024
  2% ▼ below the global average in FY2024

*This figure is calculated based on the percentage of positive responses ("Strongly Agree" and "Agree") to the three engagement-related items.

Three engagement-related items	Positive response rate
I get a sense of personal achievement through work	73%
I would recommend this company to other people as a great workplace	68%
I want to contribute to this company in ways that go beyond just doing my work	72%

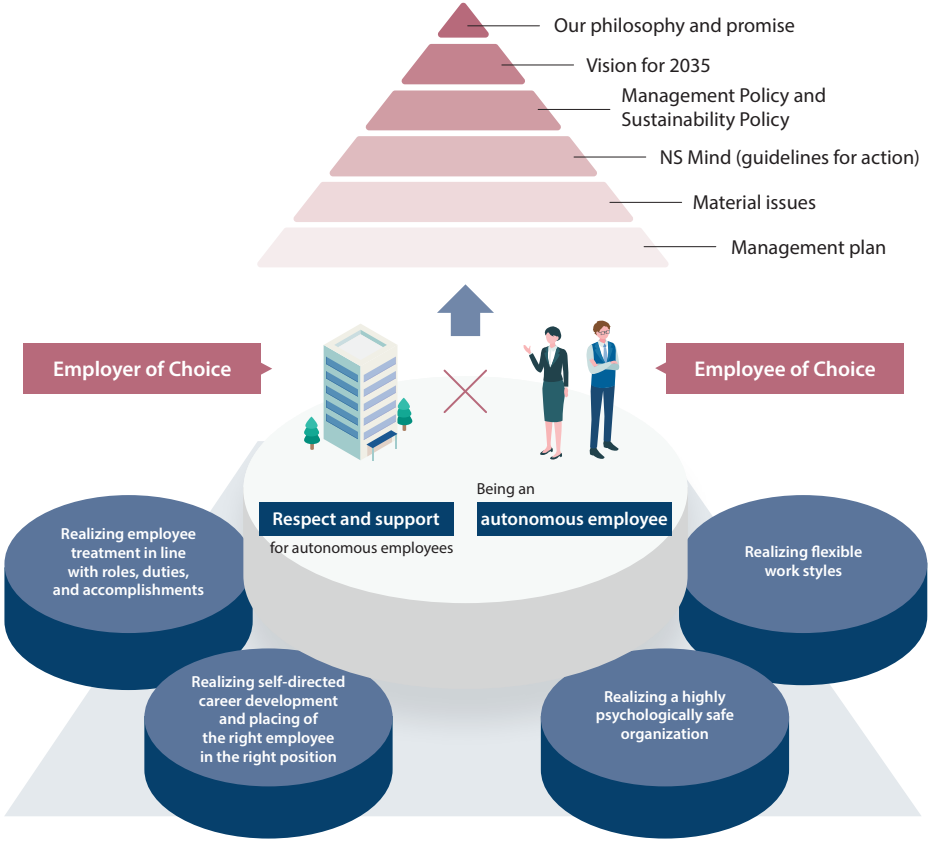
Developing Diverse Human Resources and Realizing Employee Well-being

Overview of Talent Strategy

Nippon Shinyaku views human capital management as the foundation of our human resource strategy, serving as the management foundation that supports the creation of sustainable value. Through various measures based on the four key themes, we are working to foster an environment that ensures we remain an "employer of choice" and "employee of choice" with the aim of realizing our business philosophy.
On the other hand, investing in people has the challenge that its results are difficult to assess in the short term. That is why Nippon Shinyaku conducts engagement surveys to continuously monitor employees' attitudes and behaviors, as well as the state of the organization.
Based on the challenges identified in the survey results, we formulate and implement action plans at the workplace level to drive improvements tailored to the specific needs of each workplace. Furthermore, after implementing these measures, we conduct a follow-up survey to verify their effectiveness and incorporate the findings into our next set of measures.
This cycle of visualization and improvement is the driving force that steadily advances human capital management. We believe that the essence of human capital management lies in enhancing effectiveness through repeatedly implementing measures, verifying their effectiveness, and reviewing them, all of which lead to the growth of both individuals and the organization.

Value creation through an "employee of choice" and "employer of choice"

Nippon Shinyaku has established "NS Mind" as a guideline for incorporating our philosophy into our daily actions. It outlines the behaviors, attitudes, and mindset we expect from our employees. We define an "employee of choice" as an employee who embodies NS Mind, proactively pursues self-development, and continuously takes on new challenges. Through our growth support cycle, each individual's commitment to continuous self-development serves as the base for becoming an "employee of choice."
At the same time, for "employees of choice" to continue to perform at their best, it is essential that we be an "employer of choice," one where employees can feel secure at work. Based on this thinking, we have been advancing institutional reforms centered on four pillars: 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.
We are creating an environment where diverse talent can perform at their best through measures such as revising promotion examinations, introducing a compensation system that better reflects individual roles, a work location preference system and an internal open recruitment system, and establishing programs that support the active participation of senior employees. We will continue to provide appropriate roles and growth opportunities to all employees, regardless of gender, nationality, or age, creating a virtuous cycle between "employees of choice" and an "employer of choice," leading to sustainable growth and enhancement of corporate value.



Human Capital Report 2026

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



Developing Diverse Human Resources and Realizing Employee Well-being

Realizing Employee Treatment in Line with Roles, Duties, and Accomplishments

Innovation is essential to realizing our philosophy. To achieve this, we believe it is important to have a framework that identifies and develops talented people who embrace challenges, appropriately evaluates the process and results of those challenges, and uses that evaluation to drive further growth.
Nippon Shinyaku is working to develop personnel systems that empower each and every employee to take initiative and tackle challenges.

Personnel system and evaluation and role systems

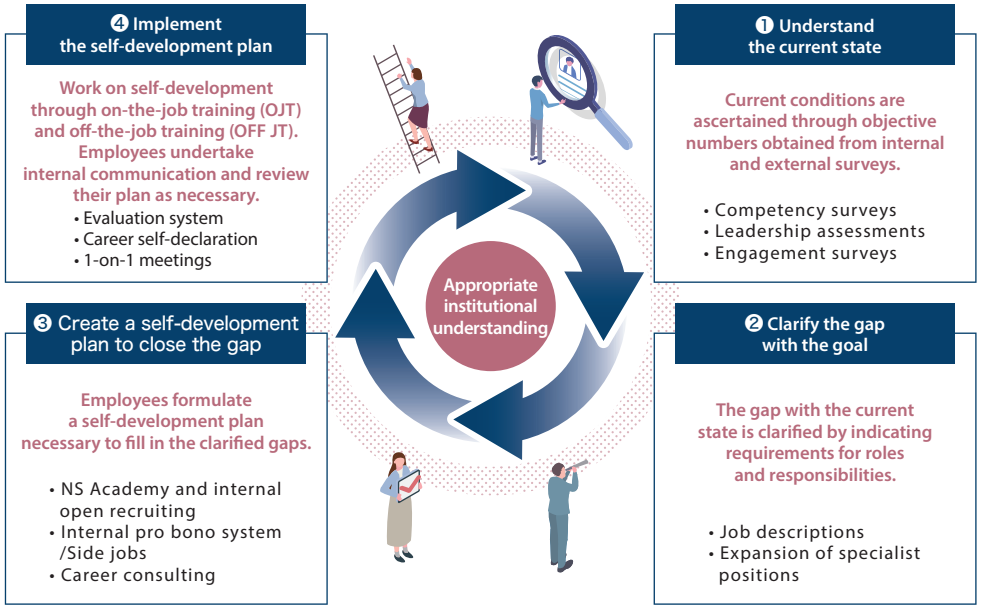
We have revised our compensation system to reflect external standards and align it with a structure that rewards employees based on their value, roles, and contributions to performance. By explicitly setting "challenge targets" during the target-setting process, we evaluate not only results but also the process of taking on challenges, thereby encouraging self-directed behavior. Furthermore, with a few exceptions, we have eliminated written exams from our promotion system.
From now on, we will not judge solely based on written exam results. Instead, we will carefully observe the growth process through daily challenges, sustained effort, and collaboration with others, and use this to appropriately evaluate and promote our employees.

Recruiting, promoting, and supporting diverse talent

In line with the idea that "unique products are the product of unique people," we are working to foster an organizational climate where employees with diverse values can thrive. As part of this effort, we have promoted the appointment of women to management, and the percentage of female managers reached 15.5% in FY2025. However, we recognize that there is still work to be done, as this remains low compared with the 32.4% share of women among all employees.
In light of this situation, we held a workshop for female employees in FY2025, which was attended by 19 female employees in leadership roles.
To create innovation and, ultimately, realize our philosophy, it is essential to have an organizational climate in which employees with diverse values can thrive and be appropriately recognized. The promotion of women's active engagement is a key indicator of whether such an organizational climate has been achieved, and it also serves as the foundation for "full participation by all." We will continue to foster an environment where diverse talent can perform at their best, based on fair and equitable treatment.

Realizing Self-directed Career Development and Placing of the Right Employee in the Right Position (Growth Support Cycle)

Employee's growth support cycle



Nippon Shinyaku is developing systems to support the growth of each employee so that they can grow proactively and make the most of their strengths. The "Employee's growth support cycle" shown in the figure above systematically maps this approach. It continuously cycles through the process in which employees ❶ understand the current state based on data and objective facts; ❷ clarify the gap with the goal; ❸ create a self-development plan to close the gap; and ❹ implement that plan. By enhancing their own value through this cycle, employees become "employees of choice" within the company.
At the same time, the company creates an environment where employees can feel secure at work while taking on challenges and achieving growth, ensuring that this cycle functions effectively by providing training measures and growth opportunities. Through these initiatives, we aim to be an "employer of choice."

Developing Diverse Human Resources and Realizing Employee Well-being

Realizing Self-directed Career Development and Placing of the Right Employee in the Right Position

We are engaged in career development support centered on our "NS Academy" talent development program, aiming to realize self-directed career development and placing of the right employee in the right position. We have mapped the ideal talent profile that supports sustainable growth based on three perspectives—"Change," "Global," and "Professional"—and have established development frameworks tailored to each. We have also introduced an open badge system to promote employees' self-directed learning and provide a mechanism for visualizing their achievements. Furthermore, we are advancing the development of human resources from a medium- to long-term perspective through certification programs for global and digital transformation talent, as well as the HONKI Juku, which aims to develop the next generation of business leaders.

Program examples

Transformation	● HONKI Juku (leadership/management/executive), ● In-house certification MBA program "SIMBA," ITS training (Innovative Thinking Skills program), etc.
Global	● Foreign language support program, global mindset training, the Global Leadership Program, etc. ● PROGOS English speaking test
Professional (IT/DX)	● Sukimani Digital (a short video-based digital transformation learning program; beginner to intermediate) ● Program to support acquisition of official IT qualifications ● Data utilization (beginner/practical), etc.

FY2025 NS Academy enrollees (Cumulative number of enrollees)	6,211
Number of open badges issued	5,097

Realizing the placing of the right employee in the right position

In addition to providing career development support, we are also working to create an environment where each individual can maximize their strengths by ensuring the placing of the right employee in the right position. We are promoting the visualization and internal sharing of data related to our organization and human resources, and as part of this effort, we have clarified the job descriptions, required roles and responsibilities, and qualification requirements for all executive positions. This enables us to appoint employees who are well suited to these requirements.
We will also continue to focus on mapping employee skills and utilizing them for smoother and more effective organizational management.

Global and digital transformation talent certification program

Through our talent certification program, Nippon Shinyaku identifies and certifies employees who possess expertise and practical skills in global operations and digital transformation.
This system is positioned as a foundation for supporting sustainable value creation by promoting individual skill development, highlighting employees' strengths, and expanding opportunities for their future growth and success.

VOICE



Sales and Marketing Planning Division
Digital Solutions Department

Kohei Kono

Global Talent Certification ★4

In Sales and Marketing, we have deployed numerous digital measures to support the activities of our MRs (medical representatives). By combining the strengths of people and digital technology, we aim to deliver Nippon Shinyaku's unique products to as many people as possible, as quickly as possible.
I began my career as an MR and have faced many challenges, such as being seconded to NS Pharma despite my limited English proficiency. Through these experiences, I have come to realize the importance of an environment that encourages taking on challenges.



Discovery Research Laboratories
Pharmacology Research Department

Michiko Oka

Global Talent Certification ★4

Last fiscal year, at Boston Children's Hospital in the U.S., I presented our drug discovery research and proposals for collaborative research to an audience of approximately 100 researchers.
This has opened up more opportunities for me to participate in global projects, and I can truly feel that Nippon Shinyaku is making steady progress as a Kyoto-born global healthcare company.
I will actively be involved in promoting globalization and developing the next generation of global human resources to contribute to Nippon Shinyaku's sustainable growth.

Developing Diverse Human Resources and Realizing Employee Well-being

Realizing a Highly Psychologically Safe Organization

At Nippon Shinyaku, we are working to realize a workplace that supports well-being and ensures psychological safety through dialogue across organizational levels and functions. Well-being refers to a state of physical, mental, and social well-being, and we aim to be an organization where employees can experience happiness through their work.
As part of this effort, we continuously monitor the state of our organization and workplaces through various initiatives, including engagement surveys, and use this information to drive improvements. For example, in our leadership assessment, we compile subordinates' responses regarding their managers' words and actions and provide feedback to the managers themselves, thereby fostering self-awareness and growth while improving the workplace environment.
In addition, to deepen our understanding of our own and our members' behavioral characteristics, we have introduced the LIFO program, and as of FY2025, 97.3% of all employees have taken the examination. We place great importance on providing appropriate feedback on these results so that each workplace and every individual employee can recognize their current situation, which will then lead to subsequent actions and improvements.
We will continue to conduct surveys and engage in dialogue, adapting to changes while advancing the transformation into a strong organization that consistently delivers results.

Realizing Flexible Work Styles

Nippon Shinyaku is committed to promoting flexible work styles in order to improve productivity and achieve a healthy work-life balance. In order for our employees to work in a state of physical and mental well-being, we believe it is important to provide an environment where they can flexibly choose how to spend their time, including working hours, family life, self-improvement, and side jobs, in accordance with their individual sense of values and life stages.
From FY2024, we designated the third Friday of each month as an Annual Leave Promotion Day and reflected this in each employee's Outlook calendar to create a workplace environment that makes it easier to take annual leave. In addition, we encourage management to take at least 10 days of annual leave each year and urge them to take the initiative in changing the way they work. In FY2025, 89.2% of all managers met this target, and the average number of days taken was 12.7. On the other hand, given the gap between this figure and the company-wide average of 15.1 days, we will continue to encourage management to lead by example.
Moreover, in FY2024, we introduced a work location preference system for MRs, establishing a framework that allows them to continue working while keeping their place of residence. However, there are currently some regions that are not covered by this system, so it is not always possible to live in the location of one's choice. To support work styles that take individual circumstances into account, we will continue to review these systems and take the initiative to build an environment that supports diverse ways of working. By recognizing and respecting each other's differences and helping one another, we aim to foster a workplace culture where everyone can feel secure at work.

TOPICS

Selected under the 2026 KENKO Investment for Health Stock Selection

Under our Well-being Declaration, we are promoting a workplace environment where every employee can maximize their potential and work with vitality. We were selected under the 2026 KENKO Investment for Health Stock Selection in recognition of our measures that promote health, improve health literacy, and encourage employees to review their lifestyle habits.
We will continue to strive to realize a workplace environment that goes beyond mere ease of work to pursue a truly rewarding work experience.



KENKO Investment for Health Award 2026

Well-being dialogue sessions

We held dialogue sessions at each of our business offices where each employee openly exchanged views on the themes of their own happiness and the happiness of others, transcending their positions and job titles. A total of 14 sessions were held, with a cumulative total of 586 participants.
By developing a mutual understanding of the values and thoughts that are often difficult to share in the workplace, we are promoting respect for diversity and mutual understanding, helping foster trust and enhance psychological safety in the workplace. We will continue to prioritize opportunities for dialogue and work toward creating an even better workplace.


Dialogue session at the Odawara Central Factory

Resolving Social Issues and Coexisting with the Community

Material issues and related SDGs

Resolving social issues and coexisting with the community

Respecting Human Rights

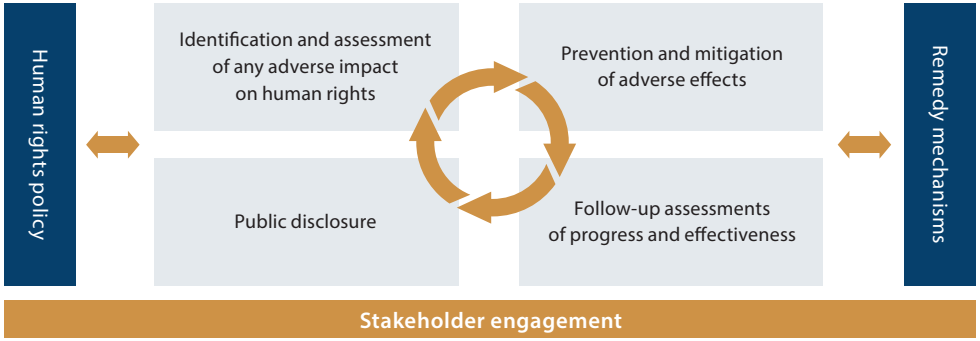
Basic approach to human rights and systems

As a signatory to the United Nations Global Compact, Nippon Shinyaku supports its ten principles across four areas. 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 dignity of individuals in accordance with the Guiding Principles on Business and Human Rights.
The Sustainability Committee, chaired by the President, meets twice a year to discuss and receive reports on initiatives related to respect for human rights. Important matters are reported to the Board of Directors. The Board Director in charge of Business Management & Sustainability is responsible for respect for human rights, and the Corporate Sustainability Department takes the lead in promoting initiatives to resolve issues.

Human rights due diligence

As a company, the Group adheres to a human rights policy to fulfill our 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 advance full-scale human rights due diligence, we have established a Human Rights Subcommittee under the Sustainability Committee, with relevant department heads as members. The Corporate Sustainability Department serves as its secretariat, and the Subcommittee holds discussions aimed at advancing these initiatives, including ascertaining human rights issues both within and outside the Company and identifying the issues to be addressed.

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
- Improvement of the workplace environment
- Prohibiting discrimination and promoting diversity
- Child labor
- Forced labor
- Supply stability
- Impact on the community
- Bribery and corruption

Training and educational activities

In addition to annual training on harassment, the Nippon Shinyaku Group has provided training on human rights due diligence through departmental compliance trainings and e-learning since 2022.
In FY2025, we held a human rights workshop for the relevant department heads. We also inform our business partners about our human rights policy, seeking their understanding and promoting their efforts.

	FY2022	FY2023	FY2024	FY2025
Human rights-related training	Once	Once	Once	Twice

Resolving Social Issues and Coexisting with the Community

Contributing to Local Communities and Cultural Heritage

Preservation and maintenance of Kyoto culture

For more than half a century, we have produced an annual calendar featuring dyed paintings created with Kataezome, a traditional Kyoto stencil-dyeing technique, showcasing the changing scenery and seasonal sights of Kyoto together with its time-honored annual events. The Company also publishes a quarterly PR magazine titled Kyo, which features these dyed paintings on its cover and explores the profound 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 specialties. 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 cultivated and dedicated 460 plants of Futaba Aoi for the Aoi Matsuri, one of the three major festivals in Kyoto, through the Aoi Project 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 initiatives, the Yamashina Botanical Research Institute was awarded the Special Award (KES Promotion Award) at the 23rd Kyoto Environmental Awards for FY2025.

TOPICS

Awarded the Kyoto Environmental Awards Special Award

The Yamashina Botanical Research Institute was awarded the Special Award (KES Promotion Award) at the 23rd Kyoto Environmental Awards for FY2025. This is in recognition of the following activities that we have been engaged in for many years, which have significantly contributed to the conservation of biodiversity in Kyoto.

- Educational activities on useful plants and culturally significant plants of Kyoto
- Propagation and cultivation of Futaba Aoi and contribution to the Aoi Matsuri
- Survey of plant diversity in the temple and shrine forests of Kyoto



Receiving a certificate of commendation from Mayor Matsui of Kyoto City (left)

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 based on the best entries in both categories.
The picture books produced are donated through pediatric clinics and other medical institutions nationwide, as well as public facilities and are also published on the award's website.



Picture books produced for the Nippon Shinyaku Children's Literary Awards winners

TOPICS

An Exciting Reading Experience for Children

Launched in 2019 as part of the Company's centenary celebrations, the Nippon Shinyaku Sparkling Future Mobile Library delivers exciting reading experiences to children.
Accompanied by employee volunteers, the library visits elementary schools, children's centers and community events; in 2025, we made 40 visits and lent out a total of 5,768 picture books.
It provides children with a special and exciting experience of enjoying these books under the blue sky.

Donating Rice to Local Children's Cafeterias

As part of our initiative to support the future of children alongside our local community, Nippon Shinyaku donates rice to children's cafeterias.
In FY2025, using funds raised through employee donations, we donated a total of 378 kg of rice to five children's cafeterias in Kyoto City and received expressions of gratitude from each facility.
We will continue to work hand in hand with the local community and actively promote initiatives that support the healthy growth of the children who will shape the future.

Strengthening Efforts to Protect the Global Environment

Material issues and related SDGs

Strengthening efforts to protect the global environment



Disclosure Based on the TCFD Recommendations

Governance

The Nippon Shinyaku Group positions climate change countermeasures as one of its material issues and conducts deliberations, decision-making, and progress monitoring on key issues through our Sustainability Committee, which is chaired by the President. Furthermore, the Environment Committee, led by the Director in charge of Personnel, General Affairs, Risk Management, Compliance, Sustainability & Digital Transformation, promotes the establishment of specific measures and targets, including CO_2 emissions reduction, as well as the management of progress toward these goals. The results are regularly reported to the Board of Directors, ensuring an appropriate oversight system by management.

Website ► Disclosure based on the TCFD Recommendations
https://www.nippon-shinyaku.co.jp/english/sustainability/esg/environment/tcfd.php

Strategy and scenario analysis

We are analyzing the risks and opportunities in line with climate change utilizing a 1.5°C warming scenario and a 4°C warming scenario. Under the 1.5°C warming scenario, we are promoting our decarbonization initiative in anticipation of rising costs in line with stricter regulatory requirements such as carbon taxes and increases in raw material prices. Under the 4°C warming scenario, we are strengthening our efforts to diversify our supply sources and enhance business continuity planning (BCP) measures in anticipation of weather-related disasters. Meanwhile, we view the reduction in manufacturing costs achieved through energy conservation efforts and the growing demand for our proprietary preservatives as opportunities.

Indicators and targets

The Nippon Shinyaku Group has obtained SBT certification. For FY2030, we have set targets for greenhouse gas emission reduction: Scope 1 and 2 emissions are to be reduced by 42% compared to FY2020 levels, and Scope 3 (Category 1) emissions are to be reduced by 25%. To achieve these targets, we are promoting the switch to renewable energy and the adoption of hybrid vehicles for our fleet, while also strengthening our engagement with business partners to reduce CO_2 emissions throughout our supply chain.

Category		Impact on Nippon Shinyaku	Details of measures of potential risks and opportunities	Indicator	Financial impact	Period
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 • Intra-Group awareness-raising and momentum-fostering initiatives • Implementation of monitoring environmental regulation trends by the Environment Committee	Increase in expenses	Small	Mid-term
	Markets	• Increase in market prices of procured goods due to increased demand for raw materials (pharmaceuticals) • Risk of decreasing demand due to price hikes of products resulting from higher market prices of procured goods (functional foods)	• Proactive support for suppliers' carbon neutral activities to deal with the risk of increased procurement costs	Decrease in sales	Small	Mid-term
Physical risks	Acute risks	Increase in 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	Mid-term
		• 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	Short-term
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	Long-term
	Resource efficiency/ 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	Short-term

[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%

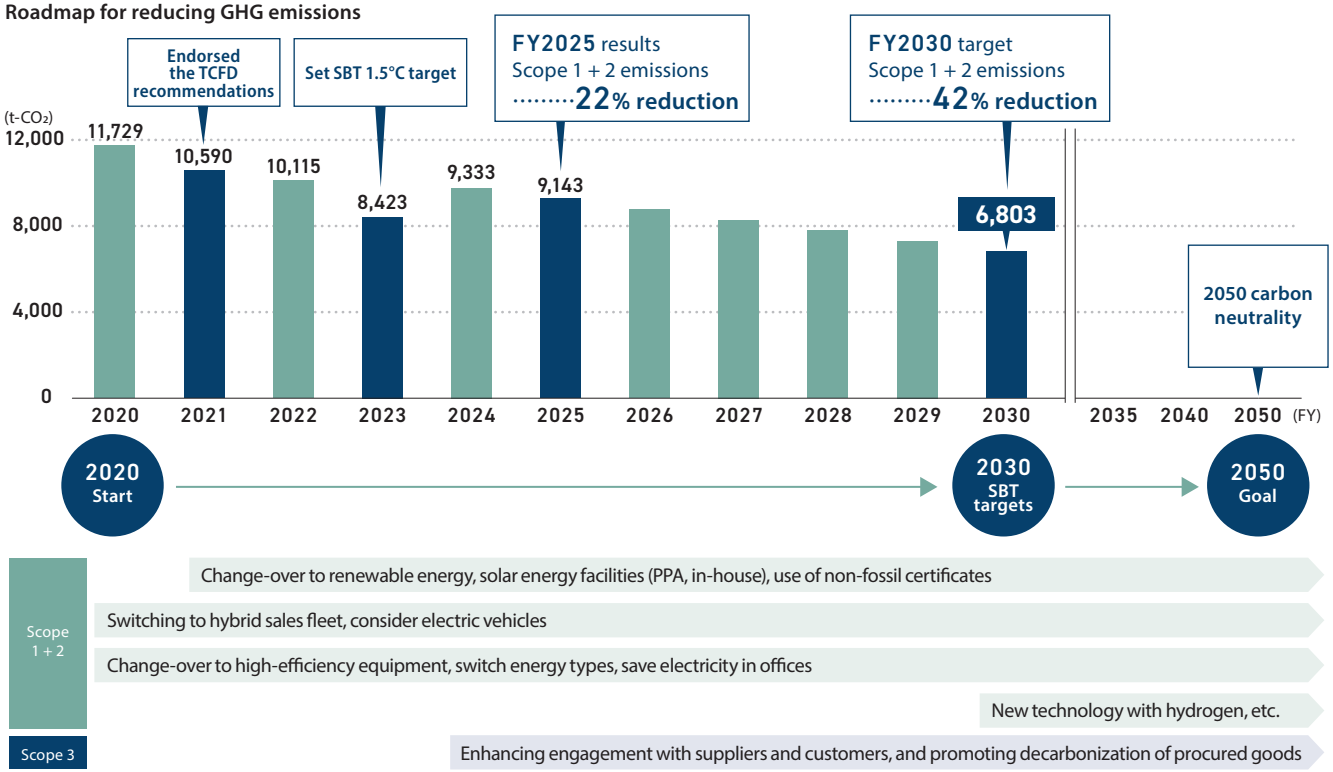
Strengthening Efforts to Protect the Global Environment

Responding to Climate Changes

Initiatives to reduce CO_2 emissions

The Nippon Shinyaku Group has identified the "strengthening efforts to protect the global environment" as one of its material issues and is proactively addressing climate change. The Group has set a long-term target of achieving net-zero CO_2 emissions by FY2050, and a mid-term goal of achieving greenhouse gas emission reduction (Scope 1 and 2) of 42% by FY2030 compared to FY2020 levels. This target (6,803 t-CO_2) represents a reduction of more than 50% compared to FY2013 levels, which is even more ambitious than the government's target. To achieve the target, we are promoting thorough energy conservation through measures such as converting our sales fleet to hybrid vehicles and introducing high-efficiency equipment, while also advancing the transition to renewable energy through initiatives such as the installation of solar power generation equipment. As a result, our Scope 1 and 2 emissions for FY2025 totaled 9,143 t-CO_2, representing a 22% reduction compared to the base year of FY2020. We have also begun exploring the introduction of an internal carbon price (ICP) with the aim of promoting decarbonization investments. Looking ahead to applying this to capital investment decision-making, we will continue to contribute to environmental conservation through multifaceted initiatives.

Roadmap for reducing GHG emissions

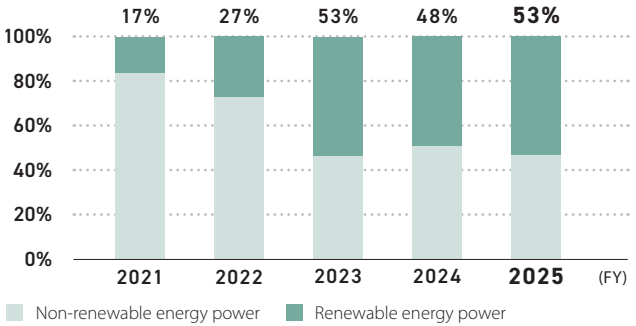


Switching to renewable energy

The Group is actively promoting the switch to renewable energy in order to reduce CO_2 emissions. As a result of the full-scale implementation that began in FY2021, the Group-wide utilization rate of electricity derived from renewable energy sources reached 53% in FY2025.

As part of our in-house power generation efforts, we have installed solar power generation equipment at the Discovery Research Laboratories in Tsukuba, the Head Office area, the Odawara Central Factory, and Tajima Shokuhin Kogyo Co., Ltd., a Group company. We are also working to expand the effective use of renewable, including through the use of FIT non-fossil energy certificates with tracking. We will continue to accelerate the shift toward renewable energy, while also exploring options such as the shift from fossil fuels to electricity, and contribute to the realization of a decarbonized society.

Rate of change-over to electricity derived from renewable energy sources



Strengthening Efforts to Protect the Global Environment

Emissions in the supply chain

To promote decarbonization across our entire business activities, the Nippon Shinyaku Group is working to strengthen cooperation aimed at reducing emissions throughout the entire supply chain, in addition to taking active measures to reduce our own greenhouse gas emissions. In FY2025, we conducted an environmental survey targeting our major suppliers to assess the status of their decarbonization initiatives. Through this survey, we are sharing our environmental targets and decarbonization initiatives with our suppliers to enhance mutual understanding and cooperation.
Furthermore, recognizing the importance of decarbonization across the entire pharmaceutical supply chain, the 13 member companies of the Environmental Issues Committee of the Japan Pharmaceutical Manufacturers Association (JPMA), with support from the Ministry of the Environment, formulated the "Practical Guidelines for Scope 3 Calculation and Collaboration with Business Partners in the Pharmaceutical Industry" and published them in March 2026.

CDP evaluation

In the FY2025 assessment by the CDP, an international environmental nonprofit organization, the Nippon Shinyaku Group received an "A," the highest rating, in the "Climate Change" category and an "A-" in the "Water Security" category.
Both ratings represent a leadership level, and we believe this recognition reflects our commitment to appropriately disclosing information regarding environmental risks and opportunities, as well as our efforts to enhance sustainability throughout our entire value chain.

Promoting Resource Circulation

Basic attitude

Recognizing that resources from natural capital are finite, the Nippon Shinyaku Group is committed to reducing resource consumption and promoting resource circulation. We are working to reduce resource consumption by promoting reuse and shared use, while also striving to recycle waste materials. Progress is monitored using two key indicators: reductions in the final landfill volume and increases in the recycling rate. By balancing the effective use of resources with the reduction of environmental impact, we will contribute to the realization of a circular economy.

Current status and performance of waste management

The final amount of landfilled waste in FY2025 was 2.3 tons (final landfill waste ratio: 0.3%). Under our 8th Environmental Targets Plan, which will take effect in FY2026, we have set three new waste management targets: "maintaining and improving the plastic waste recycling rate (FY2024: 89.7%)," "maintaining the final landfill waste ratio at 1% or less," and "promoting the reduction of environmental impact through product packaging." In order to make effective use of limited resources, we are actively committed to the 3Rs (Reduce, Reuse, Recycle) of waste.

Appropriate treatment and utilization of waste materials

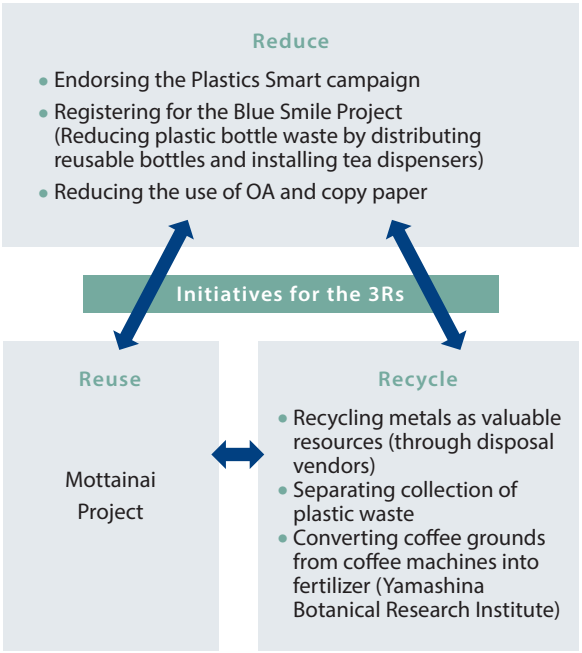
The Nippon Shinyaku Group is committed to helping realize a sustainable society through the proper management and effective utilization of waste generated by our business activities. By practicing thorough sorting of waste and strengthening recycling efforts, we are working to continuously reduce the final amount of landfilled waste and improve our recycling rate. We are also introducing environmentally friendly materials and reducing plastic usage in the packaging of pharmaceuticals and functional foods, with the aim of reducing our environmental impact across the entire value chain.

	FY2024	FY2025
Final amount of landfilled waste (compared to FY2005)	**1.7t**(**88%** reduction)	**2.3t**(**84%** reduction)
Waste plastic recycling rate	**89.7%**	**86.5%**
Recycling rate	**85.8%**	**87.9%**

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) for waste generated within the Company.

3Rs initiatives



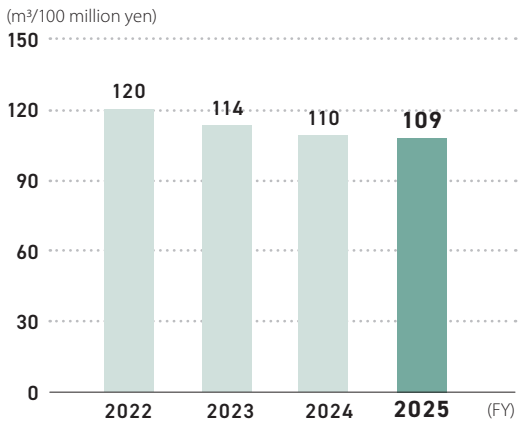
Strengthening Efforts to Protect the Global Environment

Water consumption and risk assessment

The Nippon Shinyaku Group views the conservation of water resources, which are essential for R&D and manufacturing of pharmaceuticals and functional foods, as a key priority and is working to strengthen our water usage and risk management practices.
Under our 8th Environmental Targets Plan, which will take effect in FY2026, the Group has set two new targets: "an 18% reduction in water consumption intensity by FY2028 (compared to FY2022)" and "accurate tracking of pollutant discharges into water bodies." To achieve these goals, the Group is promoting water conservation and the efficient use of water at each of our sites, while also practicing thorough water quality management and strict compliance with wastewater discharge standards.

Water consumption intensity

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



Conserving Biodiversity

The Group aims to contribute to the maintenance and conservation of biodiversity and to the realization of a sustainable society through the creation of a society that coexists with nature. The Yamashina Botanical Research Institute cultivates approximately 3,000 plant species from around the world and is engaged in ex situ conservation of 340 rare plant species. These include 190 medicinal plant species listed in the Japanese Pharmacopoeia, as well as 0.4% of eligible species protected by the Washington Convention, 8% of species listed on the Ministry of the Environment's Red List, and 6% of species listed in the Kyoto Prefecture Red Data Book. The institute hosts a wide range of educational programs for audiences ranging from experts to elementary school students, which include observation and training sessions, seminars for professionals, hands-on plant dyeing activities, and workshops, and it welcomed over 2,400 visitors in FY2025. In addition to preservation activities for plants associated with Kyoto's culture (p. 46), 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.


Scenes from the observation and training sessions

Appropriate Management of Chemical Substances

Basic attitude

As a pharmaceutical company that handles a diverse range of chemical substances, the Nippon Shinyaku Group views their appropriate management as a social responsibility. In accordance with the Basic Regulations for the Management of Chemical Substances, we have established a Chemical Substances Management Committee and have put in place a company-wide management system. We utilize an IT system that comprehensively and exhaustively manages chemical-related regulations, ensuring that all chemical substances handled are properly managed in accordance with the latest applicable legal requirements. Furthermore, from the perspective of occupational health and safety, we conduct workplace risk assessments and strive to ensure the highest level of workplace safety.

Management of highly active substances at Odawara Central Factory

The highly active solid formulation building at the Odawara Central Factory is built with a multi-layered containment system to prevent the external leakage of highly active substances. Highly active substances are contained first by equipment, second by atmospheric current and chamber pressure, and third by the building. Through the latest equipment and proper operation, we practice a thorough commitment to safety, quality, and environmental considerations, and strive to maintain and improve equipment performance.


Odawara Central Factory

Management Foundation for Value Creation

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Message from the Chairman



Representative Director, Chairman

SHIGENOBU MAEKAWA

We will enhance corporate value over the medium to long term through disciplined decision-making and highly effective oversight.

Nippon Shinyaku is currently strengthening our research and development capabilities and accelerating global expansion based on our 7th Five-Year Medium-Term Management Plan. To create future growth, it is essential not only to build up short-term results, but also to establish medium- to long-term competitive advantages while being conscious of capital efficiency. Consequently, the Board of Directors places great importance on making more accurate decisions by basing them on a comprehensive view of strategies and risks while taking ROIC and the cost of capital into account.

The Board of Directors is expected to fulfill an oversight function that evaluates the progress of strategy execution while also supporting appropriate course corrections to adapt to the changing environment. With regard to R&D investments and growth areas such as our pipeline, this oversight is reflected in the prioritization of investments and decision-making on whether to continue or revise them, based on business value evaluations. In terms of critical risks such as quality, compliance and information security, we are working to enhance our oversight function through continuous verifications and modifications, with an emphasis on prevention and early response. These activities form the foundation for creating sustainable social value, while also providing a strong base for the Company's sustainability management.

Each of our Outside Board Directors provides us with constructive feedback rooted in their expertise and independence, forming a decision-making foundation supported by diverse viewpoints. Furthermore, the restricted stock compensation plan for Inside Board Directors that we introduced in FY2024 has further strengthened value sharing with shareholders, promoting management decisions and oversight based on a long-term perspective.

My responsibility as Chairman of the Board of Directors is to ensure that the Board continues to be a forum that truly contributes to enhancing corporate value. To fulfill this responsibility, I encourage in-depth discussions on material issues and dialogue based on diverse viewpoints, which will lead to rational and disciplined decision-making. Going forward, we will continue to deliver highly effective corporate governance to enhance corporate value over the medium to long term and establish the trust of all our stakeholders.

Strengthening Governance

Material issues and related SDGs

Strengthening governance

Basic Approach

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 to resolving our material issues, one of which is "Strengthening governance." Based on our 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 basic approach and basic policy governing corporate governance as the Corporate Governance Basic Policy, which it has reviewed regularly. In June 2026, 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.

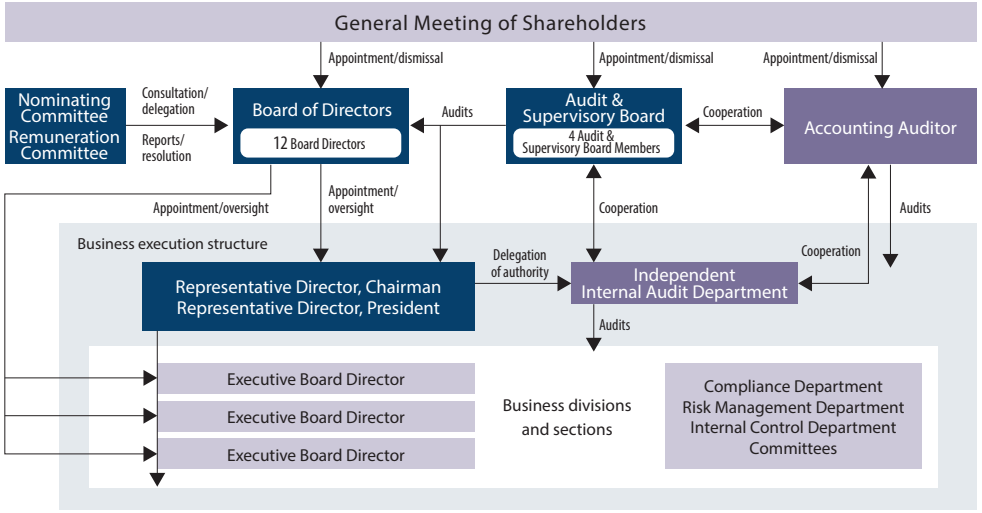
Website ▶ Corporate Governance Basic Policy / Corporate Governance Report
https://www.nippon-shinyaku.co.jp/english/ir/esg_management/governance.php

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 Board Directors, four of whom are Outside Board Directors, and the Audit & Supervisory Board is composed of four Audit & Supervisory Board Members, two of whom are Outside Audit & Supervisory Board 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 Board Directors is one year. The four Outside Board Directors oversee the Directors' execution of duties, thereby 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 Board Directors and Outside Audit & Supervisory Board Members. For important agenda items, advance briefings are provided to facilitate informed discussions and decision-making. This approach helps streamline in-meeting explanations and ensures sufficient discussion time for enhancing Board effectiveness.

Organization for corporate governance (as of June 26, 2026)

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



	Board of Directors	Audit & Supervisory Board	Nominating Committee and Remuneration Committee
Attendees	All Board Directors and Audit & Supervisory Board Members	All Audit & Supervisory Board Members	Yoshinao Wada (Outside Board Director) Yukari Kobayashi (Outside Board 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 Board 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 Board Directors and Audit & Supervisory Board Members and basic policies governing remuneration for Board Directors, and reporting to the Board of Directors •Deliberating and making decisions on the details of remuneration for individual Board Directors based on the responsibility delegated by the Board of Directors
Meetings held in FY2025	14 (13 regular meetings, 1 extraordinary meeting)	18	6 (Nominating Committee: 2; Remuneration Committee: 4)

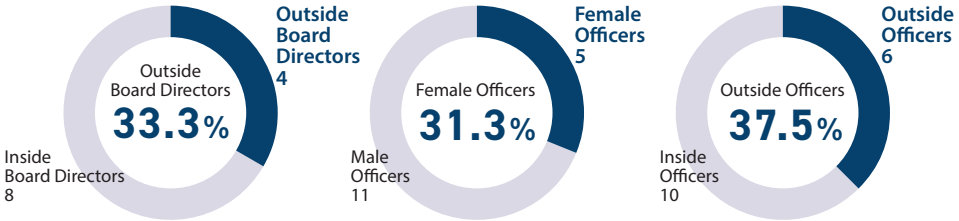
Strengthening Governance

Board of Directors

Through the participation of four Outside Board Directors, the Company strengthens oversight of the execution of duties and strives to enhance the transparency and objectivity of management. Furthermore, the Audit & Supervisory Board Members attend all Board of Board Directors' meetings and other important meetings on business to enhance the effectiveness of 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 Board Directors and Outside Audit & Supervisory Board Members. For important resolution items, we also provide time for prior explanation, which helps streamline in-meeting explanations to ensure sufficient discussion time and enhance Board effectiveness.



Composition of Board of Directors *Officers include Audit & Supervisory Board Members



FY2025 main activities

Meetings held in FY2025
14 (13 regular meetings, 1 extraordinary meeting)

In FY2025, the Board of Directors held lively discussions focused on important business, financial results, and organization and personnel. In particular, the overall understanding of the Board of Directors was deepened through deliberations on whether to advance development candidates to the next clinical phase and capital investments for products in development, and discussions about quarterly financial results. Furthermore, the Board reviewed the direction of strategies and approach to oversight with a view toward value creation over the medium to long term.

Main topics of deliberation	Number of discussions
Matters relating to the General Meeting of Shareholders	2
Matters relating to the Board Directors	9
Matters relating to the Nominating Committee	1
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	7
Matters relating to in-licensing and partnerships	3
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 analyzed the causes behind delays in the progress of products under development, including in-house discovered products, and discussed management refinements and response measures to achieve the plans.
Business value evaluation and portfolio strategy	The Board reviewed business value evaluations periodically, and based on the results, discussed the optimization of the business portfolio and approach to management resource allocation.
Overseas business	The Board checked progress every month, and based on information such as the business environment, market trends, overseas regulations and geopolitical risks, discussed overseas business strategies and the approach to oversight.
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.

Strengthening Governance

Audit & Supervisory Board

The Audit & Supervisory Board audits the status of compliance with legal obligations and internal rules by Board Directors, Corporate Officers and employees at Nippon Shinyaku and Group companies, while also overseeing and verifying the execution of duties of executive departments in line with the 2035 long-term vision and the 7th Five-Year Medium-Term Management Plan.
The Audit & Supervisory Board reports the status and results of audits to the Board of Directors and provides executive departments with counsel or recommendations as necessary. Furthermore, the Audit & Supervisory Board evaluates its own effectiveness and all members discuss and check whether audits are being conducted appropriately. The Audit & Supervisory Board reports the results of these evaluations to the Board of Directors.

System supporting the Audit & Supervisory Board

The Audit & Supervisory Board is establishing and strengthening an audit system that is focused on monitoring to increase its independence from business execution and ensure the effectiveness of auditing across the entire Group. The Audit & Supervisory Board has ensured independence by establishing a system consisting of two Outside Audit & Supervisory Board Members and two Standing Audit & Supervisory Board Members, with one of the Standing Audit & Supervisory Board Members appointed Chairperson.
In addition to each Audit & Supervisory Board Member attending meetings of the Board of Directors and Management Policy Review Group, the Standing Audit & Supervisory Board Members also participate in meetings of the Sustainability Committee and Risk & Compliance Committee. Information obtained through regular exchanges of opinions with the President and each Board Director, interviews with executive departments, and audits of overseas Group companies is also shared with the Outside Audit & Supervisory Board Members.

FY2025 main activities

The Audit & Supervisory Board holds a meeting once a month in principle, and it held 18 meetings in FY2025. Separately from Audit & Supervisory Board meetings, individual members exchange opinions with each other as necessary.

Resolutions/ discussed matters	● Audit policies of Audit & Supervisory Board, audit plans, Audit & Supervisory Board audit reports ● Approval for Audit & Supervisory Board Member appointment proposals, Audit & Supervisory Board Member remuneration ● Results of the examination of the proposals and documents to be submitted to the General Meeting of Shareholders ● Reappointment of the Accounting Auditor, approval of audit remuneration amount for the Accounting Auditor, and pre-approval of non-assurance services ● Appointment of the Audit & Supervisory Board Chairperson, etc.
Reported/ shared matters	● Contents of Audit & Supervisory Board Member meetings ● Status and contents of news releases related to the Company ● Status of audits at subsidiaries in Japan by subsidiary Audit & Supervisory Board Members ● Internal audit plans by the Audit Department and audit results ● Results of quarterly reviews by the Accounting Auditor, etc.

Cooperation with Accounting Auditor

The Audit & Supervisory Board confirms that the Accounting Auditor holds an independent position and audits are conducted appropriately. In addition, it receives reports about the status and results of the execution of duties from the Accounting Auditor as necessary. Meetings with the Accounting Auditor are held periodically and on an ad hoc basis to exchange information and opinions, resulting in efficient auditing.
Furthermore, a quality evaluation (service quality assessment) concerning the Accounting Auditor is held once a year to review the questions asked of the Accounting Auditor and the contents of the information provided with the aim of enhancing the quality of cooperation.

Cooperation with Internal Audit Department, etc.

In addition to the Internal Audit Department, the Audit & Supervisory Board cooperates with departments related to risk management and compliance, such as the Internal Control Department, Legal Department, and Corporate Sustainability Department. The Audit & Supervisory Board shares information with the Internal Audit Department periodically and on an ad hoc basis, including the exchange of opinions about internal audit plans, and it holds an Audit Liaison Committee meeting once a month to share information about the progress of audits and related matters. It also exchanges information periodically and on an ad hoc basis with the Internal Control Department and other departments related to risk management and compliance, and provides counsel to executive departments as necessary.
With the Internal Control Department, it has established a framework for the early sharing of risk information, including whistleblowing reports.
A Group Company Audit Liaison Committee consisting of Audit & Supervisory Board Members from related companies also meets twice a year to share information and check the effectiveness of the Board of Directors at the subsidiaries in which the Audit & Supervisory Board Members are involved. Based on this information, meetings are also held with the President of each Group company.

Tripartite Audit Liaison Committee

A liaison committee meeting is held involving three parties: the Accounting Auditor, the Internal Audit Department, and the Audit & Supervisory Board. In addition, each of these entities strives to further enhance its role and functioning as an independent body that plays an important role in corporate governance.
The opinions shared at the liaison committee are also reported to the Representative Directors in a timely manner to enhance the effectiveness of audits. This results in a framework that can rapidly share information about important risks, including with management departments.

Strengthening Governance

Skills Matrix of Board Directors and Audit & Supervisory Board Members

Nippon Shinyaku requires the Board 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," which supports these themes. Nippon Shinyaku has identified the skills deemed necessary to achieve these objectives and has designated them as disclosure items in its skills matrix.

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

	Three key themes / Strengthening five management foundations	Related skills
Three key themes	Fostering growth drivers to replace Uptravi	Research & Development, Sales/Marketing, Global business
	Expanding global development	Global business, Corporate management, Legal affairs/Risk management, Research & Development, Sales/Marketing, Talent development
	Continuous pipeline expansion	Research & Development
Strengthening five management foundations	Promoting sustainability management for realizing a sustainable society	Corporate governance/Sustainability, Legal affairs/Risk management
	Speeding up R&D	Research & Development
	Promoting human capital management that enables each employee to grow and diverse talent to thrive.	Talent development
	Business process reengineering and productivity improvement by promoting digitalization	Digital transformation / IT
	Financial strategy for sustainable growth	Corporate management, Finance/Accounting

Skills matrix of Board Directors and Audit & Supervisory Board Members (The list below does not represent all the expertise and experience of the Directors and Audit & Supervisory Board Members)

Category	Name	Attendance at meetings of Board of Directors /Audit & Supervisory Board		Skills and experience								
				Corporate management	Global business	Finance /Accounting	Legal affairs /Risk management	Research & Development	Sales /Marketing	Talent development	Corporate governance /Sustainability	Digital transformation /IT
Inside Board Directors	Shigenobu Maekawa	14/14		●	●	●	●				●	●
	Toru Nakai	14/14		●	●	●			●			
	Takanori Edamitsu	14/14		●		●	●				●	
	Hitoshi Ishizawa	14/14							●			
	Hitomi Kimura	14/14			●			●				
	Kazuyuki Iwata	10/10						●	●			
	Keiichi Kuwano	10/10						●				
	Mitsuharu Koizumi	—							●			
Outside Board Directors	Yoshinao Wada	14/14						●		●		
	Yukari Kobayashi	14/14		●	●	●			●	●		●
	Mayumi Nishi	14/14						●				
	Yohtaro Hongo	10/10			●	●						
Standing Audit & Supervisory Board Members	Hirotsugu Ito	14/14	18/18				●		●			
	Eriko Doi	14/14	18/18				●	●				
Outside Audit & Supervisory Board Members	Hiroharu Hara	14/14	18/18			●						
	Mariko Chaki	14/14	18/18				●					

Strengthening Governance

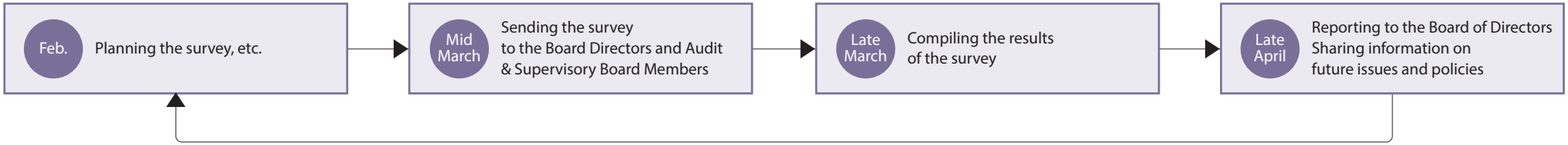
Evaluation of Effectiveness of the Board of Directors

Once each year, Nippon Shinyaku evaluates the effectiveness of the Board of Directors with the aim of enhancing its functionality. The evaluation is based on a survey of all Board Directors and Audit & Supervisory Board Members and assesses various aspects of the Board's effectiveness, including the appropriateness of its operations and the quality of its discussions. The evaluation results are reported at the Board of Directors, and by identifying issues and studying improvement measures, effectiveness is continuously enhanced.

Evaluation results for FY2025

The evaluation confirmed that each Executive Board Director and Outside Board Director actively participated in discussions, that open and constructive discussions were conducted from diverse and wide-ranging perspectives, and that appropriate decisions were being made by the management, and therefore it was determined that effectiveness was generally maintained. Based on the results of this analysis and evaluation, efforts will be made to enhance discussions even more going forward to further raise effectiveness.

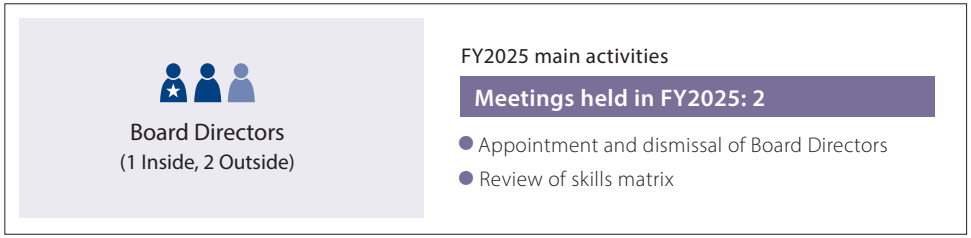
Analytical and evaluation process



Issues identified in FY2024	Initiatives in FY2025	Future direction	Issues identified in FY2025
● Review of the items submitted to the Board of Directors ● Further streamlining of explanations on agenda items ● Encouraging more proactive remarks by Board Directors from a management perspective	● The scope and decision criteria for Board of Directors agenda items were revised from the perspective of advancing the transfer of authority to Executive Board Directors. ● To ensure sufficient deliberation time for important topics, the time allocated to explanations on the day of the Board of Directors meetings was shortened and certain explanations were omitted, particularly for reporting items. ● For important resolution items, prior explanations were provided to Directors and Audit & Supervisory Board Members to further enhance the quality of discussions.	A number of opinions were received about the necessity of measures to accomplish more substantive discussions about overall Company management and to deepen discussions based on a more managerial perspective. Based on these opinions, the Board of Directors will enact continuous improvements to maintain and enhance effectiveness going forward, while functioning as a forum that contributes to enhancing corporate value over the long term.	While the effectiveness of the Board of Directors is generally ensured, to continue ensuring and further advancing its effectiveness, the Company will address the following issues in FY2026. ● Review of the number of members and composition of the Board of Directors ● Deepening discussions from a more managerial perspective ● Encouraging more proactive remarks by Board Directors from a management perspective

Strengthening Governance

Nominating Committee



Inside Board Directors　Outside Board Directors　★ Chairperson

The Nominating Committee consists of two Outside Board Directors and one Inside Board Director and is chaired by an Outside Board Director. Candidates for Board 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 members. In light of these considerations, the Board of Directors makes the final decision upon a recommendation from the Nominating Committee. The Nominating Committee met twice in FY2025 to deliberate the appointment and dismissal of Board Directors and review the skills matrix.

Development of leadership candidates

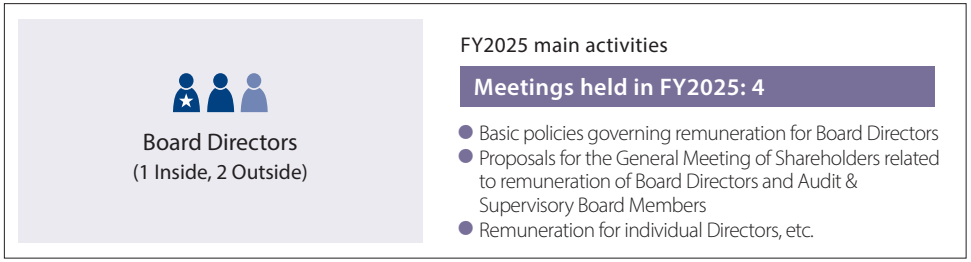
Nippon Shinyaku recognizes that it is important to train successors from various perspectives based on the future vision of the Company. We run HONKI Juku selective training programs which are classified into Leader, Management, and Executive according to the position and number of years at the Company 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 FY2025, 21 people participated in the three levels of the HONKI Juku (the third class). The target is for 115 employees to participate in the program over 5 years.
Through these initiatives, we strive to attract and develop highly motivated and talented individuals, while cultivating future leaders who will drive the Company's management and growth.

Succession plan

A candidate for President shall be nominated in accordance with the Corporate Governance Basic Policy, which states that in addition to an excellent personality, insight, management capability, and experience, the candidate shall maintain good mental and physical health with high ethical standards. The Board of Directors makes the decision upon a recommendation from the Nominating Committee, which consists of two Outside Board Directors and one Inside Board Director and is chaired by an Outside Board Director.



Remuneration Committee



Inside Board Directors　Outside Board Directors　★ Chairperson

The Remuneration Committee consists of two Outside Board Directors and one Inside Board Director and is chaired by an Outside Board Director. Remuneration of Board Directors is set within the total remuneration amount approved by the General Meeting of Shareholders. It shall effectively serve as an incentive for Directors that contributes to 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 basic 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. The Remuneration Committee held four meetings in FY2025. The members deliberated topics including basic policies governing remuneration for Board Directors, proposals for the General Meeting of Shareholders related to remuneration of Board Directors and Audit & Supervisory Board Members, and remuneration for individual Board Directors.

Strengthening Governance

Officers' remuneration system

The remuneration of Company Board Directors consists of basic remuneration (fixed remuneration), performance-linked remuneration (bonuses), and non-monetary remuneration (stock-based remuneration), which serve as incentives that contribute to the sustainable enhancement of corporate value. In FY2024, a restricted stock compensation plan was introduced to strengthen value sharing with shareholders. Remuneration levels are determined based on factors such as responsibilities, performance evaluations, and external remuneration levels. Individual remuneration amounts are determined based on deliberations by the Remuneration Committee, within the limit approved by resolution of the General Meeting of Shareholders. Outside Board Directors and Audit & Supervisory Board Members receive only fixed remuneration.

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 recipients
		Fixed remuneration	Performance-linked remuneration		
			Bonuses	Restricted stock	
Board Directors (excluding Outside Board Directors)	443	211	161	70	10
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	34	34	—	—	2
Outside Officers	60	60	—	—	7

Structure of Board Director remuneration, excluding Outside Board Directors

Basic remuneration (fixed remuneration)

Determined by evaluating the performance of each Board 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)

Performance-linked monetary remuneration aimed at enhancing awareness of and commitment to improving annual business performance Bonus amounts are determined by considering the performance evaluation for each Board Director and calculating the amount based on the consolidated operating profit for each business year.

Non-monetary remuneration (stock-based remuneration)

The number of shares granted is determined from an amount calculated in accordance with consolidated operating profit in each business year, taking also into account each Board Director's performance evaluation, etc.

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 training and debriefing sessions. In addition, when new Board 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.

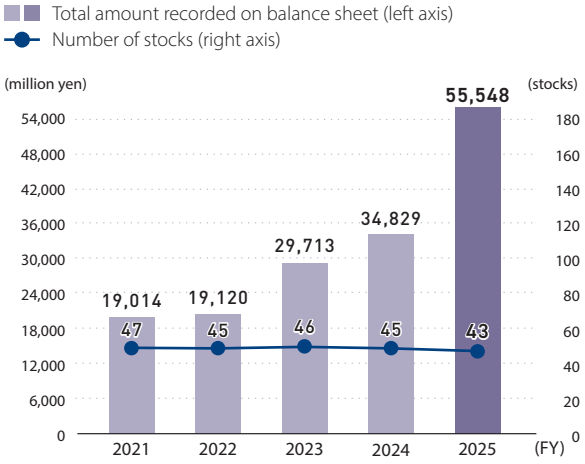
Internal Control System

Pursuant to the Japanese Companies Act, the Board of Directors has resolved a basic policy on the establishment of an internal control system to ensure the proper execution of business, ensure regulatory compliance and raise business effectiveness and efficiency. Moreover, we comply with the internal control reporting requirements under the Financial Instruments and Exchange Act, and operate under a framework we have developed for ensuring proper financial reporting. The effectiveness 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 examines and confirms the strategic rationale and economic rationale for holding each individual cross-shareholding. Based on these results, we will gradually reduce holdings of stocks deemed to have limited significance.
In FY2025, the Company sold all shares of two stocks and part of the shares of three other stocks, for total proceeds of ¥4,938 million. The balance sheet carrying amount of the stock holdings increased due to the increase in the stock prices.

Status of cross-shareholdings



Special Feature

This roundtable discussion was held in May 2026.



Yoshinao Wada

Yukari Kobayashi

Yohtaro Hongo

Mayumi Nishi

DIALOGUE

Governance That Supports Taking on Challenges, and the Effectiveness of the Board of Directors

As Nippon Shinyaku focuses on the field of intractable and rare diseases and advances its global expansion, the Board of Directors is expected to ensure disciplined decision-making with regard to research and development investments while also conducting dialogue that supports employees in taking on challenges. In this roundtable discussion, four Outside Directors discuss the changes and concrete examples surrounding efforts to enhance the effectiveness of the Board of Directors, as well as issues and expectations for the Company going forward.

Roles expected of Outside Directors —— "Frontline experience" and "outside perspective"

Wada: Something that made a strong impression on me when I first joined Nippon Shinyaku's Board of Directors was being told, "Please say whatever is on your mind." I shouldn't be afraid of making a mistake, and if I didn't understand something, then I should ask. Keeping these words in mind, even now I make sure to communicate my thoughts candidly. The strength of the Board of Directors at Nippon Shinyaku is the expertise of each of its Outside Board Directors, which provides a strong base for open-minded discussions. My role is to bring my frontline perspective to the Board, including insights into what patients think and how physicians evaluate medicines.

To properly fulfill my oversight function, it's also essential to thoroughly understand the details of executive actions, and it's important to understand the quality of research and development, the design of clinical trials, and the enthusiasm levels of people on the ground.



Kobayashi: Like Director Wada, when first appointed I was told they were looking for Directors who could state their opinions plainly without being swayed by others. To meet this expectation, I make sure to put any uneasiness I feel into words and communicate my thoughts. In fact, lively discussions are held at the Board of Directors meetings and I feel that an environment has been created that allows the frank exchange of opinions with management.
I'm also conscious of the vital importance of an "outside perspective." Discussions at a pharmaceutical company tend to be centered around the paradigm of Western medicine, but actual patients and consumers think about their health from a more diverse range of options. As such, I always try to bring the perspective of questioning whether products, including functional foods, really benefit patients.
Nishi: In terms of research and development investments, I place particular emphasis on making evaluations on a more disciplined basis and linking them to decision-making. Each research and development topic should have its business value verified periodically according to progress made and changes in the external environment, and appropriate decisions on whether to continue, stop, or accelerate work on each topic should be made on a timely basis.
On the other hand, intangible strengths such as the willingness to take on challenges, innovation, and researcher enthusiasm are also indispensable for the growth of a pharmaceutical company. Making evaluations too formalized and basing decisions only on short-term numbers risk killing off the seeds of research and development that will lead to future growth. As such, it is important to both make decision-making more disciplined and also encourage employees in taking on challenges.
Hongo: I believe that the most important topics tackled by the Board of Directors are pipeline investments and business development investments. The Company has declared a strategy of focusing on intractable and rare diseases, and we as Outside Directors always check whether each individual project is truly in alignment with this strategy or is just a holdover from past practices.
In particular, the themes of research and development investments, business development investments, and business portfolio construction do not have a single correct answer. This is why discussions conducted from a wide variety of perspectives will raise corporate value. Although business value evaluations are important, even cases that are evaluated negatively will sometimes require investment from a strategic perspective. However, this is based on the assumption that the full understanding and approval of the executive team will be obtained before decisions are made.

Signs of improved Board effectiveness —— "Visualization" and "discussions that question assumptions"

Hongo: From the perspective of enhancing the effectiveness of the Board of Directors, clear progress has been made in discussions about business value evaluations. Individual projects are discussed not just on their own merits, but from a wider perspective that includes consistency with the strategy of focusing on intractable and rare diseases, the overall optimization of resource allocation, and capital efficiency. This is a specific example of how the effectiveness of governance has been enhanced.
Wada: I'm acutely aware of how delays in clinical development impact business value. Delays in the progress of clinical development greatly impair business value. Visualization of issues has improved in recent years and the Company has developed a system to share progress more frequently when issues arise. Furthermore, progress at subsidiaries is also now reported every month. The requested information is now organized and presented in an appropriate format and open-minded opinions are exchanged at Board of Directors meetings based on this information. This shows real change from previous practices and is evidence that the governance system has evolved.
Nishi: One project that was carried over for further deliberation made a particular impression on me. After I requested a reexamination of the initial assumptions, the related departments conducted a multifaceted reanalysis from a wider variety of perspectives. As a result, the decision could be made after gaining greater clarity on the project outlook. I believe that this series of processes shows that governance is functioning effectively.
Kobayashi: One of the strengths of governance at Nippon Shinyaku is the deeply rooted culture of the Board of Directors that allows everyone, including Outside Board Directors, to discuss issues candidly. The forward strides in disclosure and visualization of the necessary information have made discussions even more comprehensive than before. Information about business value and the development status is organized appropriately, enabling substantive discussions that exceed a superficial understanding. From a human resources perspective as well, understanding of the frontline is steadily improving. Initiatives such as the next-generation development program have deepened understanding of the perspectives of our future leaders and the conditions on the ground, raising the quality of discussions.

Future issues —— Speed of risk sharing, strategic discussions, and decision-making

Kobayashi: I strongly believe that some of the key issues we will face in the future will be how to share risks at the earliest opportunity while also speeding up strategic discussions and decision-making. Among us Outside Board Directors, we have frequently exchanged opinions on whether the strategy should be clarified further and whether the time has come to reconsider the composition of the Board of Directors. A precondition for such discussions is the early identification and sharing of risks. As globalization progresses, risks are becoming ever more diverse and complex. Rather than responding after the event, it's important to identify risks at an early stage and share the information.
Hongo: I feel the same way. I think there's still room to further refine the Company's strategy of focusing on intractable and rare diseases. The Board of Directors needs to hold more discussions to further clarify the definitions and priorities of the strategy. Given the scale of the Company's business, it's difficult to respond to every single issue. But this is what makes it so important to narrow down and clarify the strategy.
Nishi: I also think that discussions about strategy are very important. Instead of just accumulating decisions on individual projects, we need to engage in further discussions about higher concepts, such as identifying the fields in which we should focus and the strengths of the Company.
Kobayashi: I agree. I also think that enhancing quality and increasing speed are both vital issues that need addressing. The global business environment changes rapidly and if we stick to previous practices, we will miss opportunities.



In a world of limited resources, we need to work out how to efficiently incorporate valuable assets, and revise our operations, including business models, based on this perspective. Another key theme for management at R&D-led companies is to make investment decisions and develop human resources in a way that will enhance research quality and speed up operations while anticipating future trends. It's important to develop a framework that evaluates and encourages these initiatives appropriately.

Hongo: Careful preparations are made before meetings of the Company's Board of Directors, which fosters an atmosphere where everyone can freely express their views. To improve the quality of discussions even more going forward, I think it would be a good idea to set aside dedicated time separate from regular Board meetings to provide more opportunities to exchange opinions that question assumptions.
Specifically, before starting to consider individual projects, it's important to discuss in detail issues such as revisions to the pipeline, and the optimal balance between in-house drug discovery and external in-licensing.

Wada: The early sharing of risk information, as described earlier by Director Kobayashi, is also an important point to consider. The executive team should present issues to the Board of Directors at an early stage instead of holding back because issues are still uncertain. Management needs to properly understand risks in advance in order to determine the appropriate level of risk to allow.

Kobayashi: Information security in particular is an extremely serious risk we need to address. Companies of any scale and in any region can become targets, and even a single incident can have a fatal impact on business management. As such, it's essential to share risk information at the earliest opportunity and then take appropriate countermeasures.

Perspective on growth drivers
—— How should in-licensing and global expansion be overseen?

Kobayashi: As we think about the growth of the Company, globalization is a key management theme that must be addressed. Assumptions overseas often differ greatly from those in Japan, which can give rise to various risks from differences in culture and business practices, in addition to regulatory risks. Instead of responding after the fact, it's important to identify and share potential risks as early as possible.

Nishi: The Company faces many issues as it expands globally, not only in gaining approval for products but also in their subsequent commercialization. An extremely wide range of practical issues needs to be tackled, including price setting, distribution, patient access, and the division of roles with partners. Responding appropriately to these issues requires strengthening cooperation between the Head Office and overseas subsidiaries. For in-licensed products, we must also carefully determine when and where to allocate management resources, and to what extent.
Even after in-licensing, close monitoring is required to ensure that risks and business viability are continuously checked as the external environment changes.



Wada: The key issue in the field of intractable and rare diseases is to deliver our medicines to each patient who needs them. Obtaining approval is just the starting point—it's only after ensuring subsequent patient access and acceptance in healthcare settings that we can truly say that we have provided value.

Hongo: The globalization of the Company remains a work in progress. Director Nishi earlier mentioned the need to strengthen cooperation, and to do this step by step, it's essential to bring in external experience and knowledge; in other words, to invest in talent. Although initiatives are already in progress, there is still room for further consideration of whether the required levels have been met.



Kobayashi: To achieve global growth in the field of intractable and rare diseases, it is important to build an organizational foundation where diverse talent can thrive, including through the expansion of experienced-hire recruitment. It's also important to develop leaders with an international outlook through the further advancement of human capital management and succession planning.

Giving our all to each person who faces an intractable or rare disease

Wada: To close, I'd like to reemphasize that the core of the Company is revealed in its attitude toward each individual patient. During the launch of Viltepso, I witnessed firsthand the initiatives that were required specifically for intractable and rare diseases. These included the proper identification of the patients eligible for administration and the efforts to make sure the pharmaceuticals reached them. The determination of the Company to deliver new value to patients made a deep impression on me. The presence of each patient is felt much more closely in the field of intractable and rare diseases. "NS Mind," the employee Guidelines for Action, reflects this patient-centric stance. The ability to put into practice actions aligned with these guidelines across the entire organization is a strength of the Company.

Hongo: I think so too. Ultimately, as a company that seeks to tackle intractable and rare diseases, it's important to have a clear mission of gaining a deep understanding of each patient and delivering pharmaceuticals to them.
It is this belief that will form the foundation of Nippon Shinyaku's corporate value.

Kobayashi: The core values of the Company are summed up well by its philosophy and its vision of "Creating various types of new ways of life for each person around the world." These values are easy for employees to empathize with, and they also accurately convey to other stakeholders the stance of the Company. Supported by these values and philosophies, employees can maintain a steady direction when taking on challenges, without being blown off course.

Nishi: This is why we need to enhance the effectiveness of the Board of Directors even further. As a forum rooted in these values, the Board will support employees in taking on challenges and increase corporate value sustainably.

Management Team (Current as of June 26, 2026)

Inside Board Directors



Representative Director, Chairman

Shigenobu Maekawa

Number of shares of the Company held
65,093

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

<Significant concurrent positions>
Outside Director, KYOCERA Corporation



Representative Director, President

Toru Nakai

Number of shares of the Company held
24,237

Apr. 1995 Joined the Company
Apr. 2016 Executive Director, 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 Board Director
Jun. 2019 General Manager, Global Business; Head of Global Business Division
Jun. 2021 Representative Director, President (current position)



Senior Board Director, Business Management

Takanori Edamitsu

Number of shares of the Company held
11,344

Apr. 1989 Joined the Company
Aug. 2011 Executive Director, Corporate Planning Department
Apr. 2013 Vice President, Corporate Officer; Executive Director, Corporate Planning Department
Jun. 2018 Board Director
Jun. 2018 General Manager, Business Management
Apr. 2022 General Manager, Business Management & Sustainability
Jun. 2026 Senior Board Director (current position)
Jun. 2026 General Manager, Business Management (current position)



Board Director, Functional Food

Hitoshi Ishizawa

Number of shares of the Company held
11,577

Apr. 1985 Joined the Company
Apr. 2013 Head of Kitakanto Business Office, North Japan Sales Division, Sales and Marketing
Apr. 2014 Head of Chugoku Business Office, West Japan Sales Division, Sales and Marketing
Apr. 2015 Head of Tokyo Business Office, East Japan Sales Division, Sales and Marketing
Apr. 2017 Head of Osaka Business Office, Sales and Marketing
Apr. 2018 Vice President, Corporate Officer; Head of Osaka Business Office, Sales and Marketing
Apr. 2021 Vice President, Corporate Officer; Head of Kansai Business Office, Sales and Marketing
Jun. 2021 Board Director (current position)
Jun. 2021 General Manager, Functional Food; Head of Functional Food Division (current position)



Board Director, Resource Procurement, Production & Assurance

Hitomi Kimura

Number of shares of the Company held
7,277

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



Board Director, Sales and Marketing

Kazuyuki Iwata

Number of shares of the Company held
3,100

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



Board Director, Research & Development

Keiichi Kuwano

Number of shares of the Company held
900

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



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

Mitsuharu Koizumi

Number of shares of the Company held
3,400

Apr. 1990 Joined the Company
Apr. 2014 Executive Director, Product Marketing Department, Sales and Marketing Planning Division, Sales and Marketing
Apr. 2015 Executive Director, Marketing & Development of Urology Department, Sales and Marketing Planning Division, Sales and Marketing
Apr. 2017 Head of Yokohama Business Office, Sales and Marketing
Apr. 2019 Head of Nagoya Business Office, Sales and Marketing
Apr. 2020 Vice President, Corporate Officer; Head of Nagoya Business Office, Sales and Marketing
Apr. 2021 Vice President, Corporate Officer; Head of Sales and Marketing Planning Division, Sales and Marketing
Apr. 2026 Vice President, Corporate Officer; Attached to General Manager, Personnel, General Affairs, Risk Management, Compliance & Digital Transformation; General Manager, Personnel & Digital Transformation
Jun. 2026 Board Director (current position)
Jun. 2026 General Manager, Personnel, General Affairs, Risk Management, Compliance, Sustainability & Digital Transformation (current position)

Website ▶

For the reasons for the appointment of Board Directors and Audit & Supervisory Board Members, please visit the following website:
https://www.nippon-shinyaku.co.jp/english/company_profile/profile/executive_officer/

Management Team

Outside Board Directors



Outside Board Director

Yoshinao Wada

Number of shares of the Company held
600

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 Board Director, the Company (current position)

<Significant concurrent positions>
Part-time physician, Department of Maternal Medicine,
Osaka Women's and Children's Hospital



Outside Board Director

Yukari Kobayashi

Number of shares of the Company held
700

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 Vice President, 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 Board Director, the Company (current position)
Apr. 2022 Outside Director, Panasonic Connect Co., Ltd.
Mar. 2023 Outside Director, Bridgestone Corporation (current position)
Jun. 2023 CEO, JC1 LLC (current position)

<Significant concurrent positions>
Representative Partner, Amanda Life Consulting LLC.
Outside Director, Bridgestone Corporation CEO, JC1 LLC



Outside Board Director

Mayumi Nishi

Number of shares of the Company held
700

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 Board Director, the Company (current position)



Outside Board Director

Yohtaro Hongo

Number of shares of the Company held

1,600

Apr. 1990 Joined The Sanwa Bank, Ltd.
May 1995 Earned an MBA at the Wharton School of the 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 Board Director, the Company (current position)

Audit & Supervisory Board Members



Standing Audit &
Supervisory Board Member

Hirotsugu Ito

Number of shares of the Company held
3,300

Apr. 1986 Joined the Company
Apr. 2015 Head of Keiji-Hokuriku Business Office, West Japan Sales Division, Sales and Marketing
Apr. 2017 Head of Kyushu Business Office, Sales and Marketing
Apr. 2019 Head of Chushikoku Business Office, Sales and Marketing
Apr. 2021 Head of Nagoya Business Office, Sales and Marketing
Apr. 2022 Executive Director, Information Service Supervisory Department
Jun. 2023 Standing Audit & Supervisory Board Member (current position)



Standing Audit &
Supervisory Board Member

Eriko Doi

Number of shares of the Company held
600

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



Outside Audit &
Supervisory Board Member

Hiroharu Hara

Number of shares of the Company held
700

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
Aug. 2021 President, Hiroharu Hara Tax Accountant Office (current position)
Jun. 2023 Audit & Supervisory Board Member, the Company (current position)

<Significant concurrent positions>
President, Hiroharu Hara Tax Accountant Office



Outside Audit &
Supervisory Board Member

Mariko Chaki

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 Audit & Supervisory Board Member, the Company (current position)
Jun. 2026 Outside Director, Japan University Health Association (current position)

<Significant concurrent positions>
Partner, Oike Law Office
Outside Director, Japan University Health Association

Corporate Officers

Head of
Kansai Business Office
Hayato Wada

Head of
Tokyo Business Office
Katsumi Noda

Executive Director,
Human Resources Department
Yoko Nakanishi

Head of Licensing
& Alliance Division
Masaya Toda

Head of
Odawara Central Factory
Toru Yamaguchi

Head of R&D Planning
and Administration Division
Manabu Beppu

Executive Director,
Business Process Transformation Department
Kazuyuki Yamate

President, NS Pharma, Inc.
Yukiteru Sugiyama

Head of Discovery Research Labs.
Kazutomi Kusano

Head of Regulatory Affairs,
Pharmacovigilance and Quality Assurance Division
Yoshizumi Tanaka

Executive Director,
Corporate Planning Department
Hideyasu Takechi

Head of Clinical Development Division
Masaya Higashioka

Compliance and Risk Management

Material issues and related SDGs

Strengthening governance

Basic Approach to Compliance and Compliance Framework

Guided by its 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 uphold compliance and integrity while embracing 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.

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

Compliance framework chart



Compliance Implementation and Awareness Initiatives

To promote compliance awareness throughout the Group, the Compliance Management Department develops and implements compliance initiatives based on guidance from the Compliance Council, which comprises the heads of relevant 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 Board Directors as members, which conducts management based on appropriate governance.
Specifically, awareness-raising initiatives include Code of Conduct training for new employees, year-round departmental compliance training for all employees, firmly embedding understanding through e-learning, and publication of the Risk & Compliance Bulletin on the Company's intranet. These efforts ensure that the entire Group fully implements compliance.
In addition, the Group conducts an annual Risk & Compliance Awareness Survey for all employees. Survey results are shared across the Group, and follow-up is provided for departments where risks are identified in an effort to prevent compliance risks from materializing.

Internal Reporting System

To identify legal violations and other misconduct at an early stage and to minimize risks arising from such violations, the Nippon Shinyaku Group has established the "Hotline," an internal reporting system that provides reporting channels both inside and outside the Company. The Hotline 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, including strict confidentiality requirements, 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 FY2025, there were 13 reports and consultations, and all cases were handled appropriately.

FY2025 Reports and Consultations
13 cases

Compliance and Risk Management

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, rated as high, medium, or low risk in terms of importance using a 2-axis (impact and probability) risk matrix, and the information is organized in a risk item chart. Then, 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 supervises related efforts by receiving reports on this and confirming the implementation and effectiveness of RM. In FY2025, the Risk Management Supervisory Department and departments responsible for specific risks cooperated to start monitoring that enables issues to be identified quickly and flexibly even during the fiscal period.
Also, with the aim of promoting enterprise risk management (ERM) at subsidiaries as well, a risk item chart was created at each subsidiary to strengthen the system across the entire Group.
In addition, RM training was conducted for all employees to further raise risk awareness, and incident/accident reporting drills for managers were implemented throughout the year to confirm initial response procedures in the event of an incident or accident.

Risk management framework chart



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 IT Infrastructure Security Section, creating a framework to respond promptly and appropriately to a wide range of security threats.
A key security enhancement measure is the adoption of a network architecture based on the concept of zero-trust security to accommodate hybrid work environments, including telework. Another key measure is implementing global 24/7/365 security monitoring operations in collaboration with an external SOC*2. In addition, a rapid-response framework is continuously developed through an in-house CSIRT*3 to enable a fast response when a security incident occurs.
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 the threat grows from sources such as targeted email attacks and phishing emails, activities such as email drills are conducted to improve the ability of employees to respond to suspicious emails.

*1 ISMS: Information Security Management System

*2 SOC: Security Operation Center

*3 CSIRT: Computer Security Incident Response Team

Stakeholder Engagement

Material issues and related SDGs

Strengthening governance



Communication with Stakeholders

Therefore, the Company believes it is important to listen to and engage in dialogue with stakeholders, including shareholders, employees, society (local communities, business partners, etc.), customers (patients, consumers, medical professionals), and the environment. By reflecting the requests and opinions obtained through such dialogue in its business activities, Nippon Shinyaku will grow as a company and create and deliver new value to society.

Strengthening relationships with all stakeholders

	Shareholders	Employees	Society	Customers	Environment
Stakeholder relations	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 impartial disclosure of corporate information and proactive dialogue.	We believe that the realization of our philosophy requires each employee to grow and work together by leveraging their unique qualities and strengths. To this end, we have established the "NS Mind" as the mindset and values to which all employees aspire and have developed a career development framework that emphasizes autonomy.	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 pursue mutual growth with them.	In the Pharmaceuticals Business, Nippon Shinyaku places the highest priority on patients who suffer from illnesses and makes efforts to provide healthcare professionals with the information they need to ensure the appropriate use of its products. In the Functional Food Business, the Company seeks to leverage its advanced technical expertise as a pharmaceutical company to supply high-value-added products that meet customer needs.	In addition to conducting environmentally friendly business activities, Nippon Shinyaku works to protect, maintain, and improve the environment and aims to achieve growth in harmony with the environment.
Stakeholders' expectations	• 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	• A rewarding company that makes flexible work styles possible • Development of a comfortable workplace environment • Fair and impartial employee evaluation system • Active participation of diverse human resources • Opportunities for self-growth	• Coexistence with local communities • Contributions to local community development • Contributions to the future of children • Response to human rights • Strengthened supplier relationships	• Stable provision of products and services that boast high quality and safety • Initiatives related to unmet medical needs (development of new pharmaceuticals) • Timely and appropriate provision of pharmaceutical information • Provision of information on disease	• Environmental preservation • Sustainable business activities • Reduction of environmental impact • Biodiversity protection and conservation
Dialogue and means, frequency	• Number of dialogues with institutional investors and analysts: approx. 150 • Participation in events sponsored by securities corporations: 7 • Financial results briefings (May, November, February) • Financial results conference calls (August) • General Meeting of Shareholders (June) • R&D briefing (February) • IR meeting (February) • Overseas IR events (June, July) • Individual investor briefings (September, February)	• Employee training and opportunities for dialogue with Board Directors • Implementation of stress checks • Engagement score of 71% (response rate of 92%) • Internal Compliance Reporting System (whistleblower hotlines)	• On-site classes on dietary education: 7 schools • Yamashina Botanical Research Institute: 196 tours, 2,428 visitors • Nippon Shinyaku Sparkling Future Mobile Library: participated in 42 events; lent out 5,768 picture books • Conducted surveys of suppliers (CSR, stable supply, sustainability procurement policy) • Distributed 16,000 copies of the Nippon Shinyaku Children's Literary Awards winners picture book	• Number of inquiries about pharmaceuticals: Total 8,121 (6,875 from medical professionals, 566 from wholesalers, 614 from general consumers, 66 from others) • Disease awareness via the Company's website • Online seminars available to the public (congenital heart disease (including pulmonary hypertension)) • Patient exchange events • Booths at marathons in Japan, etc.	• Steady reduction of greenhouse gas emissions based on SBTi targets • Promotion of activities for improving CDP evaluation (FY2025 Climate Change: A grade, Water Resources: A- grade) • Initiatives to reduce environmental impact (energy conservation, renewable energy utilization, waste reduction, and recycling) • Participation in industry guideline development through JPMA (Japan Pharmaceutical Manufacturers Association) • Promotion of conservation activities for plants associated with Kyoto's culture

Corporate Data

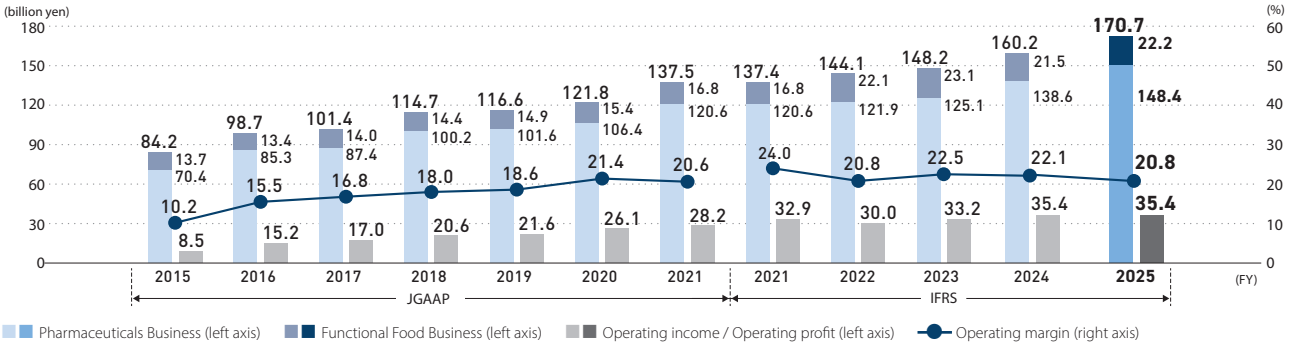
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Financial Highlights

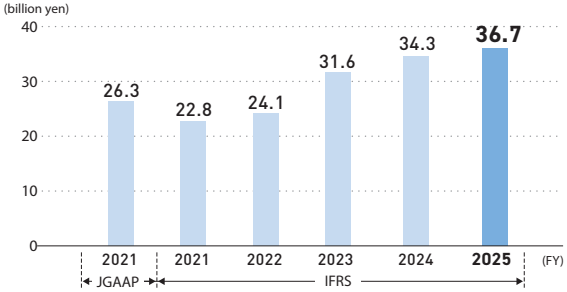
Net sales & Revenue / Operating income & Operating profit / Operating margin

Nippon Shinyaku adopted the International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2022 (FY2021).
Financial figures up to the fiscal year ended March 31, 2022 (FY2021) are also presented in accordance with the previously applied Japanese GAAP (JGAAP).



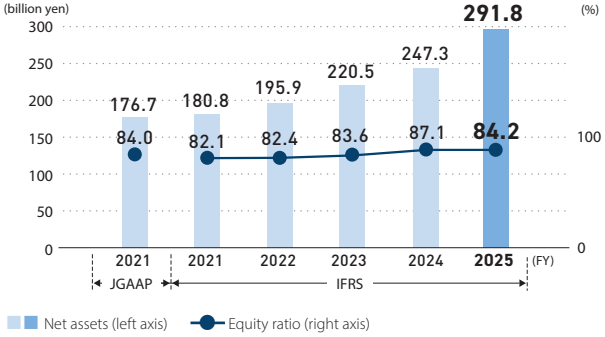
In FY2025, revenue stood at ¥170,771 million (up 6.6% year-on-year). Operating profit was ¥35,496 million (up 0.1% year-on-year) due to higher revenue, foreign exchange gains, and other factors. The operating margin was 20.8%. In the Pharmaceuticals Business, sales of leading products, such as Uptravi, Erleada, and Fintepla, and royalty revenues from overseas sales of Uptravi grew, with revenue increasing by 7.1% year-on-year to ¥148,484 million. In the Functional Food Business, sales of products such as supplements and protein preparations increased, resulting in revenue increasing by 3.3% year-on-year to ¥22,287 million.

R&D expenses



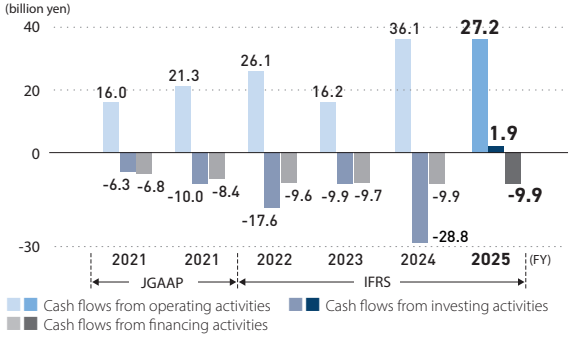
In FY2025, investment expenses rose due to an increase in contract research expenses and manufacturing costs for investigational new drugs. In line with its global development, Nippon Shinyaku intends to expand the development pipeline in its focus disease areas based on the R&D approaches of in-house 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.

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



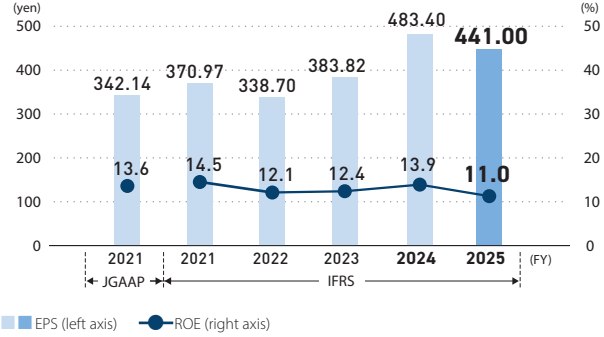
Total equity amounted to ¥291,871 million, an increase of ¥44,530 million year-on-year. Total assets stood at ¥346,359 million, and the ratio of equity attributable to owners of parent was 84.2%.

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



Net cash provided by operating activities stood at ¥27,221 million. The main components included profit before tax of ¥36,462 million in cash inflows and income taxes paid of ¥10,242 million in cash outflows. Net cash provided by investing activities stood at ¥1,982 million, mainly due to the sale of cross-shareholdings. Net cash used in financing activities stood at ¥9,926 million, mainly due to dividends paid. As a result, cash and cash equivalents at the end of the period totaled ¥76,592 million.

EPS / ROE

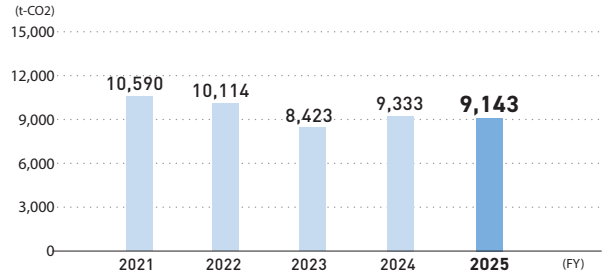


Profit attributable to owners of parent amounted to ¥29,721 million, down 8.7% year on year, with EPS at ¥441. ROE stood at 11.0%. ROE of 8% or more was set as a quantitative target for FY2028 in the 7th Five-Year Medium-Term Management Plan, and the FY2025 results exceeded this target.

Non-Financial Highlights

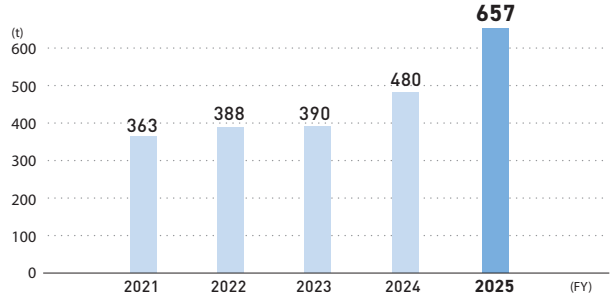
CO_2 emissions

Entities covered:
Nippon Shinyaku, Sioe Pharmaceutical, and Tajima Shokuhin Kogyo



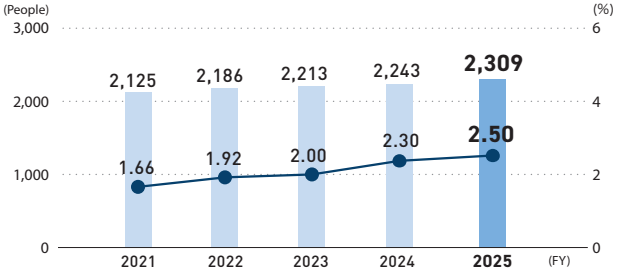
CO_2 emissions of 9,143 t-CO_2 were generated by the Nippon Shinyaku Group in FY2025, a decrease of 190 t-CO_2 year on year. In FY2026, we will continue to promote change-over to electricity derived from renewable energy sources at each of our sites, as well as other initiatives to reduce CO_2 emissions.

Waste substances generated



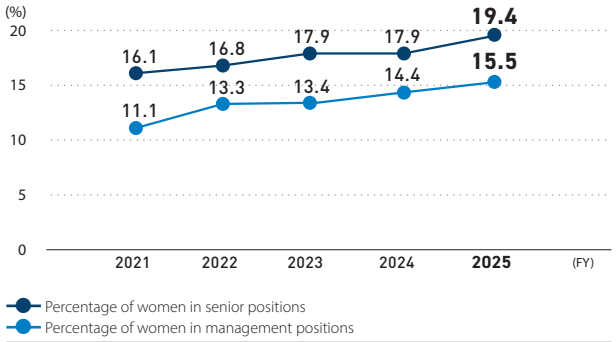
Waste substances of 657 tons were generated in FY2025, an increase of 177 tons year on year. This was mainly caused by an expansion of business activities, including the full-scale operation of the nucleic acid API purification plant at the Odawara Central Factory. Nippon Shinyaku will continue to make sure that it disposes of waste properly, while also reviewing its generation processes to reduce the amount of waste substances generated.

Number of employees (consolidated) / Employee turnover rate



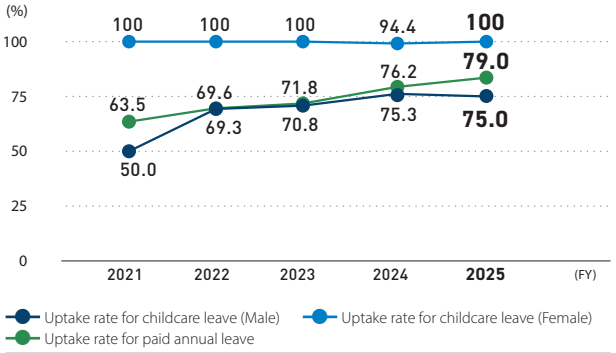
Nippon Shinyaku has kept employee turnover due to personal reasons and early retirement low in the 1 to 2% range by ensuring that employees have a deep understanding of its philosophy and the attitude that all employees should aim for that was established in FY2023, as well as by promoting the establishment 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 women in senior positions / management positions



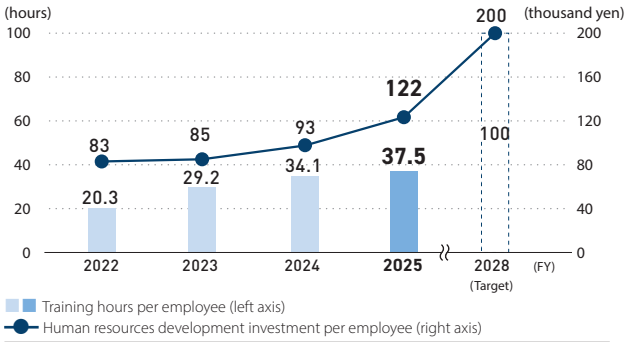
Nippon Shinyaku believes that developing a workplace environment where employees can leverage their diverse strengths and individualities is essential to achieving sustainable growth and enhancing its presence in society. In FY2025, DE&I Week was held in November, with a seminar conducted on child and elderly care. We will further strengthen our efforts to achieve sustainable growth by promoting the active participation of a diverse workforce, including women, and drawing on diverse perspectives.

Uptake rate for childcare leave / paid annual leave



The uptake rate for childcare leave reached 75.0% for males and 100% for females in FY2025, as a result of measures 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 our efforts to increase the uptake rate and the number of days taken. We have developed a flexible leave system that enables employees to select a leave period that best suits their individual circumstances, from maternity leave only to leave extending until the end of the fiscal year in which their child reaches the age of two. The Company is also encouraging employees to use their days of annual paid leave, including urging managers to take off at least 10 days per year.

Hours of training per employee / Human resources development investment per employee



Nippon Shinyaku believes that unique products are the product of unique people and we place value on employees taking the initiative in their own self-growth. We respect diversity and are working to develop an environment where individuals can take on challenges and grow in a positive manner. Going forward, we will continue to invest in and provide opportunities for human resources development, with the aim of promoting human capital management that allows each employee to grow and diverse human resources to play an active role.

Eleven-Year Financial Data

Nippon Shinyaku Co., Ltd. and Consolidated Subsidiaries

JGAAP

(million yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
For the year							
Net sales	84,209	98,781	101,448	114,716	116,637	121,885	137,547
Pharmaceuticals	70,489	85,315	87,416	100,223	101,643	106,478	120,650
Functional Food	13,720	13,466	14,031	14,492	14,994	15,406	16,897
Cost of sales	44,016	44,835	46,929	50,952	53,155	49,954	50,657
Gross profit	40,192	53,946	54,519	63,764	63,481	71,931	86,890
Total selling, general and administrative expenses	31,643	38,666	37,439	43,119	41,813	45,796	58,591
Selling, general and administrative expenses	21,904	23,762	24,217	26,418	27,819	29,692	32,204
R&D expenses	9,739	14,903	13,221	16,701	13,994	16,104	26,386
Operating income	8,549	15,280	17,079	20,644	21,668	26,134	28,299
Net income attributable to owners of the parent	6,340	11,749	12,953	16,302	16,866	20,702	23,044
Depreciation and amortization	2,452	2,648	2,773	3,418	3,468	3,550	2,933
Capital investment	3,554	3,949	2,811	1,242	2,500	2,583	4,264
Cash flows from operating activities	8,915	18,916	6,719	15,310	12,737	21,388	16,018
Cash flows from investing activities	(3,978)	(5,750)	(11,342)	511	(2,339)	(1,564)	(6,359)
Cash flows from financing activities	(1,907)	(2,193)	(3,787)	(3,708)	(5,660)	(6,199)	(6,801)
End of the year							
Total assets	135,370	150,905	155,887	168,763	175,017	197,028	210,052
Interest-bearing debt	—	—	—	—	—	—	—
Net assets	102,762	114,316	125,689	135,190	145,760	162,543	176,767

IFRS

(million yen)

	FY2021	FY2022	FY2023	FY2024	FY2025
For the year					
Revenue	137,484	144,175	148,255	160,232	170,771
Pharmaceuticals	120,650	121,988	125,105	138,654	148,484
Functional Food	16,834	22,187	23,150	21,577	22,287
Cost of sales	50,191	55,980	50,234	51,116	57,460
Gross profit	87,293	88,195	98,021	109,115	113,311
Selling, general and administrative expenses	32,173	34,812	34,959	38,011	43,565
R&D expenses	22,863	24,135	31,676	34,341	36,713
Operating profit	32,948	30,049	33,295	35,450	35,496
Profit attributable to owners of parent	24,986	22,812	25,851	32,558	29,721
Depreciation and amortization	4,588	5,041	5,023	6,015	6,629
Capital expenditures (Including investment in intangible assets)	10,744	13,034	16,430	31,027	7,467
Cash flows from operating activities	21,316	26,170	16,289	36,126	27,221
Cash flows from investing activities	(10,037)	(17,631)	(9,921)	(28,877)	1,982
Cash flows from financing activities	(8,407)	(9,605)	(9,719)	(9,902)	(9,926)
End of the year					
Total assets	219,943	237,451	263,404	283,637	346,359
Interest-bearing liabilities (Including lease liabilities)	2,713	2,665	2,872	2,804	2,622
Total equity	180,886	195,933	220,534	247,340	291,871

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

Eleven-Year Financial Data Nippon Shinyaku Co., Ltd. and Consolidated Subsidiaries

JGAAP

Financial information per share (yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Earnings per share (EPS)	94.10	174.42	192.31	242.04	250.42	307.37	342.14
Net assets	1,522.33	1,693.81	1,862.54	2,003.39	2,160.11	2,409.01	2,620.02
Dividend per share	28	48	52	70	86	99	110

Major financial indicators regarding profitability and valuation

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Operating income to net sales (%)	10.2	15.5	16.8	18.0	18.6	21.4	20.6
R&D expenses to net sales (%)	11.6	15.1	13.0	14.6	12.0	13.2	19.2
Equity ratio (%)	75.8	75.6	80.5	80.0	83.1	82.4	84.0
Return on assets (ROA) (%)	6.5	10.8	11.2	12.7	12.6	14.0	13.9
Return on equity (ROE) (%)	6.2	10.8	10.8	12.5	12.0	13.5	13.6
Price book value ratio (PBR) (times)	2.9	3.3	3.8	4.0	3.9	3.4	3.2
Price earnings ratio (PER) (times)	46.8	32.5	37.0	33.3	33.9	26.8	24.4
Payout ratio (%)	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
Market capitalization (millions of yen)	309,107	398,326	500,191	566,227	595,733	578,170	585,195

IFRS

(million yen)

	FY2021	FY2022	FY2023	FY2024	FY2025
Financial information per share (yen)					
Basic earnings per share (EPS)	370.97	338.70	383.82	483.40	441.00
Equity attributable to owners of parent per share	2681.18	2,904.49	3,269.72	3,666.27	4,325.63
Dividends	110	114	124	124	124
Major financial indicators regarding profitability and valuation					
Operating profit to revenue (%)	24.0	20.8	22.5	22.1	20.8
R&D expenses to revenue (%)	16.6	16.7	21.4	21.4	21.5
Ratio of equity attributable to owners of parent to total assets (%)	82.1	82.4	83.6	87.1	84.2
Profit before tax to total assets (ROA) (%)	15.7	13.3	13.4	13.2	11.6
Return on equity attributable to owners of parent (ROE) (%)	14.5	12.1	12.4	13.9	11.0
Price book value ratio (PBR) (times)	3.1	2.0	1.4	1.0	1.2
Price earnings ratio (PER) (times)	22.5	17.2	11.6	7.9	11.6
Payout ratio (%)	29.7	33.7	32.3	25.6	28.1
Number of outstanding shares (shares)	70,251,484	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	359,195

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

Non-Financial Data

Environment

Note: Totals may not equal the sum of individual figures due to rounding. ☑The environmental performance indicators with checkmarks have received third-party assurance.

Material flow data

Classification		FY2021	FY2022	FY2023	FY2024	FY2025
Inputs						
Materials	Raw materials (t)	244	288	318	321	233
	Packaging materials (t)	302	245	475	571	442
Energy	Electricity (MWh)	15,350	15,881	17,884	19,215	19,753
	Heavy oil (kL)	0	0	0	0	0
	Kerosene (kL)	1	0	0	0	0
	City gas (1,000 m³)	1,523	1,562	1,471	1,693	1,701
	LPG (1,000 m³)	9	6	0	0	0
	Gasoline (kL)	428	398	404	342	289
	Diesel (kL)	3	3	2	3	7
Water withdrawal*1*2	Tap water (1,000 m³)	58	54	58	66	76
	Well water (1,000 m³)	107	101	95	82	74
Outputs						
Products	Shipped products (t)	483	479	574	785	702
	Transported products (10,000 t-km)	10	13	12	9	8
Discharge into atmosphere	CO_2 emissions (Scope 1, 2) (t-CO_2)	9,685	9,182	7,283	8,228	8,067
	NOx emissions*5 (t)	—	—	—	2.1	2.6
Discharge into water bodies	Wastewater discharge*1*2 (1,000 m³)	165	164	153	147	144
	BOD discharge*1 (t)	—	—	—	0.7	0.6
Waste substances*1	Amount generated (t)	363	388	390	480	657
	Final amount of landfilled waste (t)	4.7	2.3	2.0	1.7	2.3
	Final landfill waste ratio (%)	1.3	0.6	0.5	0.4	0.3
	Waste plastic recycling rate (%)	87.9	88.5	88.5	89.7	86.5
	Recycling rate (%)	83.3	84.5	84.9	85.8	87.9
Container and package recycling*3	Waste containers and packages (Amount contracted out as post-consumer recovered waste) (t)	170	172	206	197	46
Hazardous waste substances (Class I Designated Chemical Substances handled)*1*4	Dichloromethane (kg)	2,483	1,349	968	939	445
	n-Hexane (kg)	2,729	2,575	2,286	3,154	2,777
	Toluene (kg)	1,346	203	12	97	131
	Total hazardous waste substances (kg)	6,558	4,127	3,266	4,190	3,353
VOC (Volatile organic compounds handled)*1	Toluene (kg)	1,346	203	12	97	131
	Ethyl acetate (kg)	4,739	4,264	3,468	3,990	3,604
	Methanol (kg)	11,330	8,860	8,266	10,521	8,666
	Dichloromethane (kg)	2,483	1,349	968	939	445
	Acetone (kg)	1,613	1,420	2,286	2,159	2,042
	n-Hexane (kg)	2,729	2,575	2,286	3,154	2,777
	Ethanol (kg)	11,168	11,229	9,801	1,477	7,659
	Tetrahydrofuran (kg)	2,699	539	213	2,248	377
	Acetonitrile (kg)	6,633	5,558	31,111	14,343	14,627
	Total VOC handled (kg)	44,740	35,997	58,411	38,928	40,329

Status of environmental management system certification

Office name	Acquired certifications	Date of certification acquisition	Last third-party review
Odawara Central Factory	ISO 14001	August 2004	February 2026 (Regular review)
Head Office area business office	KES Step 2*6	June 2012	June 2026 (Review for renewal)

	FY2021	FY2022	FY2023	FY2024	FY2025	
Nippon Shinyaku Group CO_2 emissions (t-CO_2) (Received third-party verification)						
Scope 1: Direct greenhouse gas (GHG) emissions from owned or controlled sources	4,738	4,911	4,366	4,683	4,610	☑
Scope 2: Indirect emissions that occur through the use of purchased electricity, steam, and heat	5,852	5,204	4,057	4,650	4,533	☑
Scope 3: 1. Purchased goods and services	189,415	208,157	198,273	232,917	274,486	☑
CO_2 emissions by Scope (t-CO_2) (parent company)						
Scope 1: Direct greenhouse gas (GHG) emissions from owned or controlled sources	4,449	4,471	3,948	4,262	4,167	
Scope 2: Indirect emissions that occur through the use of purchased electricity, steam, and heat	5,236	4,711	3,335	3,966	3,900	
Scope 3: 1. Purchased goods and services	171,906	188,834	193,118	228,141	257,439	
Scope 3: 2. Capital goods	14,639	20,043	46,557	87,847	16,196	
Scope 3: 3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	1,938	1,942	1,685	1,798	1,729	
Scope 3: 4. Transportation and delivery (upstream)	721	658	271	171	170	
Scope 3: 5. Waste generated in operations	225	208	207	340	504	
Scope 3: 6. Business travel	235	233	243	245	260	
Scope 3: 7. Employee commuting	270	287	446	449	477	
Scope 3: 9. Transportation and delivery (downstream)	1,977	2,345	1,435	1,600	—*7	
Scope 3: 12. End-of-life treatment of sold products	139	140	390	178	55	
Scope 3: 13. Leased assets (downstream)	628	628	625	315	315	

*1 The scope of application is the Head Office area, Odawara Central Factory, and Discovery Research Laboratories in Tsukuba.
*2 The calculation method has been revised since FY2024.
*3 The calculation method has been revised since FY2025.
*4 Applies to 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.
*5 The scope of application is the Head Office area and Odawara Central Factory.
*6 Abbreviation for Kyoto Environmental management system Standard, enforced by the specified non-profit corporation KES Environmental Organization since 1999.
The number of registered companies exceeds 5,000.
*7 The calculation of emissions in FY2025 is incomplete because a portion of the data of the relevant pharmaceutical wholesalers is undisclosed at calculation time.

Non-Financial Data

	FY2021	FY2022	FY2023	FY2024	FY2025
Total energy consumption (MWh)					
Nippon Shinyaku Co., Ltd.*8	63,451	65,200	69,647	41,233	41,407
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	5,975	5,618	5,583	3,612	3,771
Electricity (MWh)					
Nippon Shinyaku Co., Ltd.	15,350	15,881	17,884	19,215	19,753
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	1704	1650	1,663	1,633	1,689
City gas, LP gas (1,000 m³)					
Nippon Shinyaku Co., Ltd.	1,523	1,562	1,471	1,694	1,701
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	100	81	75	79	14
Total water withdrawal (tap water + well water) (1,000 m³)					
Nippon Shinyaku Co., Ltd.*8	165	164	153	148	150
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	29	24	25	28	36
Tap water withdrawal (1,000 m³)					
Nippon Shinyaku Co., Ltd.	58	54	58	66	76
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	18	18	19	22	25
Wastewater discharge to sewer (1,000 m³)					
Nippon Shinyaku Co., Ltd.	61	54	61	76	81
Sioe Pharmaceutical Co., Ltd. and Tajima Shokuhin Kogyo Co., Ltd.	17	17	18	22	24

*8 The calculation method has been revised since FY2024.

Governance

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of Board Directors (persons)	12	12	12	12	12
Number of Outside Board Directors	4	4	4	4	4
Number of female Board Directors	3	3	4	3	3
Percentage of female Board Directors (%)	25	25	33	25	25
Number of Audit & Supervisory Board Members (persons)	4	4	4	4	4
Number of Outside Audit & Supervisory Board Members	2	2	2	2	2
Percentage of Outside Audit & Supervisory Board Members (%)	50	50	50	50	50

Society

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees and women's empowerment					
Number of employees (parent company)	1,827	1,857	1,865	1,876	1,902
Number of female employees	552	565	582	598	617
Percentage of female employees (%)	30.2	30.4	31.2	31.9	32.4
Number of employees in senior positions	571	596	614	624	675
Number of women in senior positions	92	100	110	112	131
Percentage of women in senior positions (%)	16.1	16.8	17.9	17.9	19.4
Number of employees in management positions	343	301	314	313	323
Number of women in management positions	38	40	42	45	50
Percentage of women in management positions (%)	11.1	13.3	13.4	14.4	15.5
Number of recruits	57	62	75	89	75
Number of female recruits	28	20	34	30	25
Percentage of female recruits (%)	49.1	32.3	45.3	33.7	33
Average number of years of service	17.4	17.5	17.4	17.2	17.4
Average number of years of service of female employees (years)	16.5	16.6	16.4	16.5	16.6
Average number of years of service of male employees (years)	17.8	17.8	17.9	17.5	17.8
Number of employees taking childcare leave (male)	30	61	51	48	60
Uptake rate for childcare leave (male) (%)	50	69.3	70.8	76.2	75.0
Number of employees taking childcare leave (female)	19	25	29	17	37
Uptake rate for childcare leave (female) (%)	100	100	100	94.4	100
Uptake rate for paid annual leave (%)	63.5	69.6	71.8	75.3	79.0
Total annual working hours (hours)	1819.89	1841.69	1854.32	1860.25	1814.19
Employee turnover rate (%)	1.66	1.92	2.0	2.3	2.5
Employee turnover rate after three years for new graduates joining the Company on Apr. 1 (as of Apr. 1 three years later) (%)	1.5	6.0	3.5	8.1	1.5
Average annual salary (thousands of yen)	8,061	8,151	7,835	9,192*1	9,349
Wage differential between men and women (%)	—	79.1	78.8	81.0	81.1
Human resources development					
Hours of basic training per employee (hours)	7.2	10	9.1	15.3	19.4
Hours of voluntary training per employee (hours)	10.7	10.3	20.1	18.8	18.1
Human resources development investment per employee (thousands of yen)	79	83	85	93	122

*1 Average for regular employees

Corporate Profile/Investor Information (As of March 31, 2026)

Corporate Profile

Corporate Name	Nippon Shinyaku Co., Ltd.
Founded	November 20, 1911
Established	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)

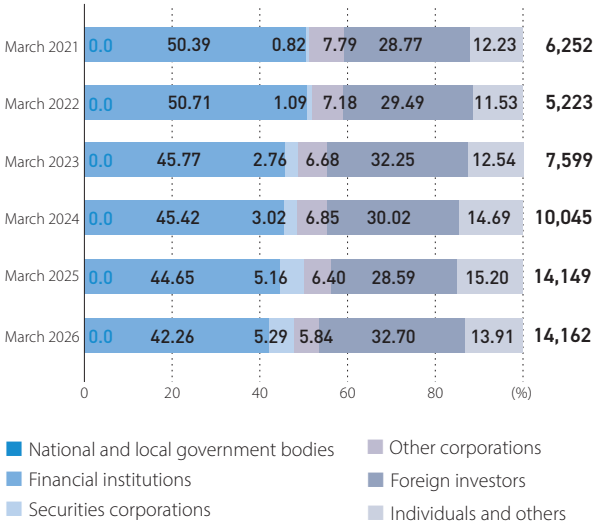
Representative Directors	Shigenobu Maekawa, Chairman Toru Nakai, President
Accounting Auditor	Deloitte Touche Tohmatsu LLC Shijokarasuma FT Square 20, Naginataboko-cho, Karasuma-higashiiru, Shijo-dori Shimogyo-ku, Kyoto 600-8008, Japan
Number of Shares Outstanding	70,251,484
Number of Shareholders	14,162
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 (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8,100	12.02
Meiji Yasuda Life Insurance Company	6,486	9.62
Custody Bank of Japan, Ltd. (Trust account)	4,918	7.30
The Bank of Kyoto, Ltd.	3,090	4.58
MUFG Bank, Ltd.	2,706	4.02
Nippon Life Insurance Company	1,341	1.99
STATE STREET BANK AND TRUST COMPANY 505001	1,284	1.91
THE BANK OF NEW YORK MELLON 140044	1,170	1.74
Morgan Stanley MUFG Securities Co., Ltd.	1,147	1.70
STATE STREET BANK AND TRUST COMPANY 505103	1,140	1.69

Shareholder distribution by holder type (shareholding ratio)



(Note 1) The shareholding ratio is calculated based on the total number of shares issued minus the number of treasury shares (2,850,555 shares).
(Note 2) The shareholding ratio is rounded to the second decimal place.

Recognition by External Parties

Inclusion in ESG indices

- FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Index

- FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Sector Relative Index

- FTSE4Good

FTSE4Good

- S&P/JPX Carbon Efficient Index

S&P/JPX カーボン エフィシェント 指数

- MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)

- MorningStarGenDiJ

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2024

THE INCLUSION OF NIPPON SHINYAKU CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NIPPON SHINYAKU CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

External evaluation of sustainability

- CDP

CDP A List 2025

- Sompo Sustainability Index

2026 Sompo Sustainability Index

- Nikkei SDGs Management Survey

NIKKEI SDGs

- JPX Nikkei Index 400

JPX-NIKKEI 400

- Nikkei Smart Work Management Survey

NIKKEI Smart Work 2026

NIPPON SHINYAKU CO., LTD.

Network (As of July 1, 2026)

■ 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