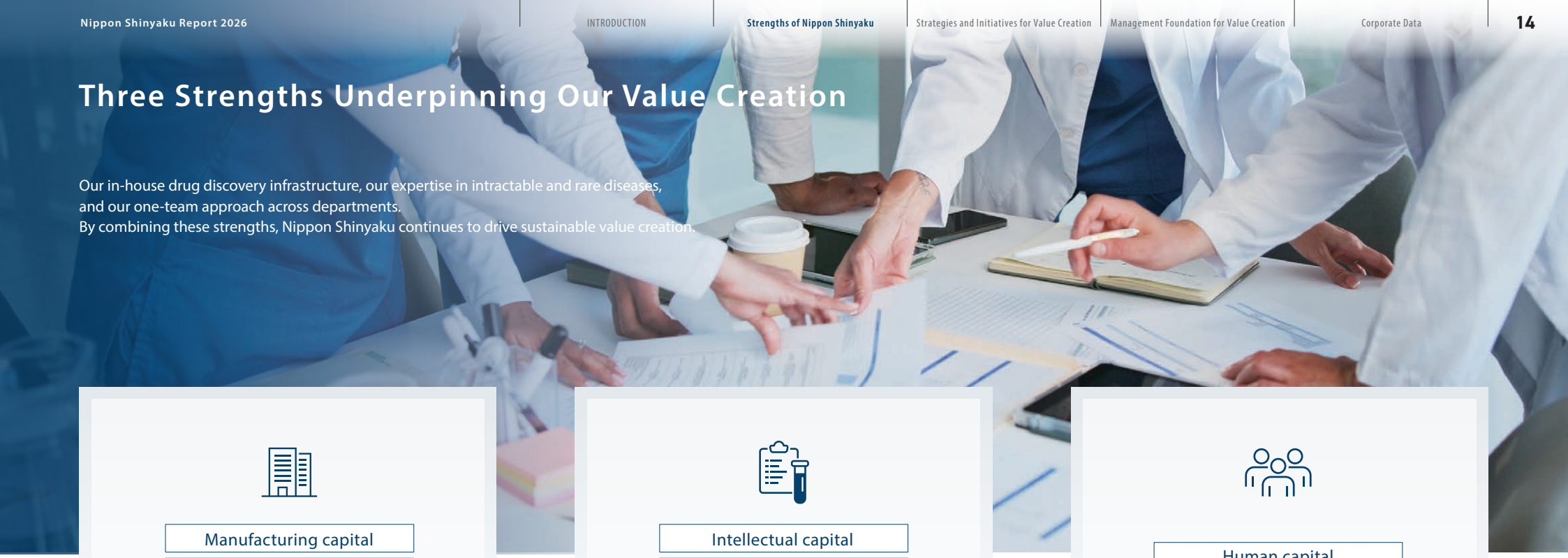
Strengths of Nippon Shinyaku

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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.

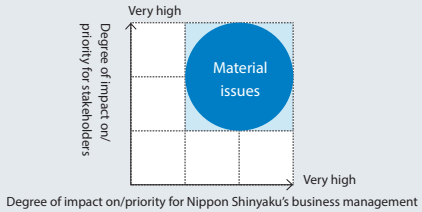
Material Issue Identification Process

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

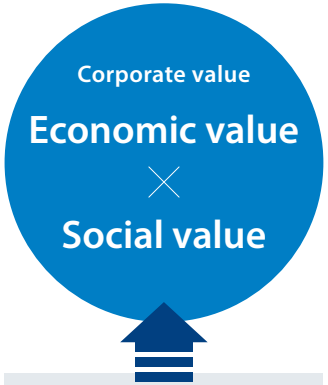
Material issues	Activities	Indicators/KPIs for the final year of the 7th Medium-Term Management Plan (FY2028)	FY2025 KPI results	Progress
Realizing a healthy future by creating innovation P.31	Creating unique products and services to become a global healthcare company from Kyoto, while advancing patient-centric 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