We promote sustainability by actively incorporating the essence of ESG.

Takashi Takaya
Director, Head of Administration

Initiatives for the 6th Five-Year Medium-term Management Plan

Nippon Shinyaku's goal is to become a “company with a meaningful existence in healthcare.” In aspiring to that goal, the Group’s corporate social responsibility (CSR) is summarized in the slogan of “Helping people lead healthier, happier lives.” In terms of management policy, it means seeking to prosper with society by supplying unique and high-quality products; to earn the trust of society and to develop each employee. Our fundamental CSR policy is to conduct our business activities in line with this thinking on a continuous basis, thereby making a broad-based contribution to society.

One of the goals of the 6th Five-Year Medium-term Management Plan is to increase our corporate value by strengthening ESG management. In an increasingly uncertain business environment, we aim to achieve sustained growth by reinforcing ESG-based management initiatives as part of our management approach. Our fundamental CSR policy is to conduct our business activities in line with this thinking on a continuous basis, thereby making a broad-based contribution to society.

Within our social initiatives, we use a “motivation management” approach to our investment in human capital to foster an organizational culture in which individual employees are positively challenged to grow. It is also vital to promote greater diversity and inclusion as part of building a base for sustainable business growth. Gender neutrality is a fundamental principle of our recruitment, and we also apply this in various aspects of HR management such as skills development and promotion. Moreover, we have developed a range of skills development support programs designed to suit the varying lifestyles and life stages of our employees.

The flextime system that we first introduced in the Pharmaceutical Sales and Marketing Division has been extended to be available to all employees as a “super-flextime” system without set core working hours. In addition, having upgraded telework systems to help limit the spread of coronavirus, we expect to make telework a permanent feature of post-COVID management due to its significant benefits in terms of enhanced workforce diversity and support for greater work-life balance for employees.

Our approach to health management sees employee health as a goal rather than a means to an end. In 2018, our president made a declaration on health. In 2019, Nippon Shinyaku was selected as a “White 500” Certified Health and Productivity Management Organization. We remain actively focused on varied measures to cut smoking rates inside the company to zero by 2022. Our social contribution program includes the Nippon Shinyaku Children’s Literary Awards, initially established to commemorate our 90th anniversary and now in their 11th year, and the Public Research Grant Scheme, which was created to commemorate our centenary. Elsewhere, we give support to non-profits; sponsor sporting and cultural events; and seek to enrich community life through access to company facilities, notably the Yamashina Botanical Research Institute. We also undertake a range of disease-related educational activities so the knowledge we possess can play a role in creating a healthier society. In April 2020, we introduced a system to grant employees leave to make their own social contribution through volunteering.

In terms of governance initiatives, in line with our basic policy on CSR, we are focused on ensuring full compliance with laws, regulations and internal rules across all aspects of management, along with proper transparency. Constantly aware of our social responsibility to every stakeholder, we try to ensure our corporate actions are sincere and highly ethical.

Building employee awareness of the importance of ESG-based management

Using ESG-based management to boost enterprise value will not work if only management or a part of the organization follows that approach. Our view is that contributing to the realization of the Sustainable Development Goal (SDG) targets by promoting sustainability requires all employees to incorporate the essence of ESG into their daily lives, as well as their activities at work.

Using articles in internal media, training and other means, we seek to educate our entire workforce, from managers to new recruits, on what we can do at the individual and corporate level to help address social issues. Examples from our training program include SDG training for directors and a materiality analysis project involving younger employees. In another sign of our commitment, Nippon Shinyaku became a signatory to the UN Global Compact in January 2020.

Implementing ESG-based management

The COVID-19 pandemic has radically altered the business environment. Rather than viewing this as a threat, we regard it as an opportunity to accelerate a range of management reforms.

The choice between health – in this case, preventing the spread of infection – and the economy is often portrayed as a trade-off. Yet, from an ESG-based management perspective, we should be working to realize both aims in a sound and healthy manner.

Our core aim as a pharmaceutical manufacturer is to contribute through R&D for developing drugs. Our focus is on developing therapies using nucleic acid technology. Cultivating a workplace culture that fosters innovation is important in accelerating drug development. We will ensure that our management approach fosters an open culture permitting frank debate, irrespective of gender, job status, ethnicity or nationality, while at the same time prioritizing the health and happiness of employees.

The COVID-19 pandemic has transformed people’s values, too. Companies displaying no environmental consideration are increasingly seen as self-absorbed entities that harm others, make the situation worse, or pose a danger to the planet. At Nippon Shinyaku, we take seriously our responsibility to help create a more sustainable society by, for example, shifting to renewable energy to counter global warming, or by ensuring the responsible management of chemicals.

Effectively functioning governance is indispensable to fulfilling our duties to stakeholders, ranging from patients, business partners and users to shareholders, investors and employees. Cognizant of the risk of compliance breaches, we are focused on developing a compliance-oriented management setup and on ensuring the effectiveness of governance structures such as the Board of Directors and the Board of Auditors. We are also ensuring transparency and objectivity by reinforcing the supervisory functions of external directors. Lastly, we aim to create a good workplace environment with a culture that inhibits and prevents any malfeasance.
Environmental Management

Nippon Shinyaku Basic Environmental Policy
At Nippon Shinyaku, our mission is to help people lead healthier, happier lives. When we seek growth, it should be in harmony with the natural environment. That is why we strive to protect, sustain, and improve the environment through eco-considerate business activities.

1. We will effectively operate an internal organizational responsibility for environmental issues and establish clear targets for our collective pursuit of environmental conservation initiatives.
2. We will comply with laws, regulations, and internal rules pertaining to the environment, and work at environmental conservation consistent with our responsibility to society at large.
3. We will maintain an accurate awareness of the impact of our business activities on the environment (e.g., global warming, depletion of resources, environmental pollution) and seek to continuously improve our environmental conservation activities and prevent pollution.
4. We will train and educate all employees to recognize the importance of environmental conservation and act in a responsible manner.
5. We will consider biodiversity when pursuing our business activities, and encourage the sustainable development of our society.
6. We will proactively publish information about our environmental conservation activities, and communicate with our local communities and other stakeholders.

Environmental Accounting
The following is an accounting of the environmental costs and benefits in fiscal 2019.

<table>
<thead>
<tr>
<th>Costs within our business areas</th>
<th>Costs (thousands of yen)</th>
<th>Investments</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollution prevention costs</td>
<td>182,129</td>
<td>211,657</td>
<td></td>
</tr>
<tr>
<td>Global environmental conservation costs</td>
<td>151,429</td>
<td>141,062</td>
<td></td>
</tr>
<tr>
<td>Resource recycling costs</td>
<td>0</td>
<td>65,211</td>
<td></td>
</tr>
<tr>
<td>Upstream &amp; downstream costs</td>
<td>-</td>
<td>4,768</td>
<td></td>
</tr>
<tr>
<td>Management activity costs</td>
<td>19,049</td>
<td>78,362</td>
<td></td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Social activity costs</td>
<td>0</td>
<td>1,425</td>
<td></td>
</tr>
<tr>
<td>Environmental remediation costs</td>
<td>0</td>
<td>84</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>251,176</td>
<td>316,866</td>
<td></td>
</tr>
</tbody>
</table>

Environmental conservation benefits

<table>
<thead>
<tr>
<th>Benefit verification</th>
<th>Units</th>
<th>FY2019 results</th>
<th>Year-on-year change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO-emissions</td>
<td>Tons</td>
<td>11,218</td>
<td>1,420</td>
</tr>
<tr>
<td>Electricity usage</td>
<td>kW</td>
<td>14,987</td>
<td>-73</td>
</tr>
<tr>
<td>Heavy oil &amp; kerosene usage</td>
<td>3</td>
<td>3</td>
<td>-8</td>
</tr>
<tr>
<td>City gas &amp; LPG usage</td>
<td>1,000</td>
<td>1,630</td>
<td>-11</td>
</tr>
<tr>
<td>Sandblasting &amp; dielectric used</td>
<td>100</td>
<td>50</td>
<td>50%</td>
</tr>
<tr>
<td>Water consumption</td>
<td>m³</td>
<td>182</td>
<td>-22</td>
</tr>
<tr>
<td>Waste substances generated</td>
<td>Tons</td>
<td>482</td>
<td>-40</td>
</tr>
<tr>
<td>Final amount of landfilled waste</td>
<td>Tons</td>
<td>3.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Environmental Management System
Nippon Shinyaku formulated the Nippon Shinyaku Basic Environmental Policy as a guideline for our environmental conservation activities. The Environment Committee, chaired by the Director, Head of Administration, was established to put this policy into practice and to direct and target our environmental preservation activities.

Environmental Management Structure

President
Chairperson: Director, Head of Administration
Secretariat: NS Shared Service Co., Ltd. (Environmental Technology Center)
Head Office Area: Environment Committee (main business locations)
Discovery Research Laboratories in Tsukuba (NS Shared Service Co., Ltd.)
Odaiba Central Factory: Environment Committee (main business locations)

Putting Environmental Management System Certification into Action
Our production site at the Odawara Central Factory targets continuous improvement in environmental performance as part of environmental management activities, based on a framework created using ISO 14001-certified environmental management system. The environmental management activities for the R&D facility at our Head Office site are based on KES Environmental Management System Standard Step 2 (“KES·Step 2”) certification.

In fiscal 2019, the Odawara Central Factory underwent its periodic review and the Head Office also had its annual document review and on-site inspection. No serious problems that would lead to environmental pollution were found, and each certification was continued.

* Abbreviation for Kyoto Environmental management Standard, originating in Kyoto

The 5th Nippon Shinyaku Environmental Targets Plan (FY2017–2019)
The Nippon Shinyaku Environmental Targets Plan sets specific voluntary targets for the company to carry out in order to comply with its Basic Environmental Policy. The 5th Nippon Shinyaku Environmental Targets Plan, a three-year plan that began in April 2017, adds to previous targets a new set of numerical targets—basic units for CO2 emissions and volume of waste generated, and for the waste recycling rate. In fiscal 2019, we continued working toward the targets set in the 5th Nippon Shinyaku Environmental Targets Plan.

To promote further environmental conservation efforts, we will formulate the 6th Nippon Shinyaku Environmental Targets Plan (FY2020–2022) in fiscal 2020.

The 5th Nippon Shinyaku Environmental Targets Plan

<table>
<thead>
<tr>
<th>Numerical Targets</th>
<th>Results in FY2019</th>
<th>Progress Toward Numerical Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions</td>
<td>230,432 GJ or less</td>
<td>Total energy consumption: 211,137 GJ</td>
</tr>
<tr>
<td>CO2 emissions*1</td>
<td>0.13 or less</td>
<td>Basic unit of CO2 emissions: 0.081</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>0.53 or less</td>
<td>Basic unit of waste generated: 0.41</td>
</tr>
<tr>
<td>Waste recycling rate</td>
<td>81.5%</td>
<td>Waste recycling rate: 81.5%</td>
</tr>
</tbody>
</table>

*1 Value of waste generated (tons) divided by unit sales (100 million yen)
Initiatives for the Environment

Environmental Performance

Promotion of Energy Conservation and Global Warming Countermeasures

We have formulated guidelines to support collective efforts by all employees to save energy. Topics covered include appropriate settings for air-conditioners and thermostats in coordination with flextime arrangements; turning off any lights not in use; and recommending that people take the stairs. We continually seek to make facilities more energy-efficient through the repair, upgrade or installation of air-conditioning, heating and refrigeration equipment. We are also steadily replacing lighting with LEDs.

As a result of these efforts, we achieved our targets for total energy consumption and basic units for CO2 emissions in fiscal 2019.

Saving Resources, Reducing Waste, and Promoting the 3Rs

In fiscal 2019, we achieved our targets in terms of reducing the final amount of landfilled waste and basic unit of waste generated, and keeping the waste recycling rate.

We actively promote the 3Rs (Reduce, Reuse, Recycle) to make our resource usage as efficient as possible. We only engage certified subcontractors when we outsource the transportation, collection and disposal of wastes. This system is supported by electronic manifests for proper waste management and regular in-house audits of waste subcontractors.

Proper Management of Chemical Substances

Under the Japanese law governing the Pollutant Release and Transfer Register (PRTR) system, we are required to submit reports to the authorities for business sites that handle at least one ton of Class 1 Designated Chemical Substances per year. The applicable PRTR substances for Nippon Shinyaku are acetonitrile, n-hexane, and dichloromethane at the Head Office. The Yamashina Botanical Research Institute also applies mandatory reporting.

Material Balance of Our Business Activities

While our usage of dichloromethane increased by 33% compared with fiscal 2018, our consumption of acetonitrile and n-hexane fell by 49% and 20%, respectively. Dichloromethane usage increased due to operation of an in-house API production facility. Atmospheric release of substances generated in API production is minimized by installing solvent adsorption traps.

Communication on the Environment

We participate in or cooperate with many types of community environmental activities, and also give environment-related donations and offer school workshops.

The Yamashina Botanical Research Institute

The Yamashina Botanical Research Institute was established in 1934 as the Yamashina Plant Farm. Since then, we have preserved and cultivated over 3,000 varieties of medicinal and useful (and in some cases, rare) plants from around the world, including mibuyomugi (Amuraisa mantima). We used this plant to produce the anthelmintic toyoniin, an intestinal worm treatment that played a large part in our corporate development.

The institute’s collection includes more than 160 plant sources for crude drugs listed in the Japanese Pharmacopoeia, as well as many plants on the Japanese Ministry of the Environment’s endangered plants list, and rare plants such as tree tumbo (Welwitschia mirabilis), that are recognized the world over as endangered. The institute also is heavily involved in plant cultivation as a means of preserving biodiversity. During fiscal 2019, more than 1,600 people visited the institute across various events. Besides opening the facility on seven public holidays, we hosted tours for the public, pharmacist training courses, seminars for medicinal plant specialists, and summer indo-dying workshops aimed at local elementary school students. The city of Kyoto recognized the institute for its contribution to the region with two awards for corporate excellence.

In addition, the institute participates in activities to help protect and propagate rare local plants such as Japanese wild ginger (Asarum caucalicum), Kikukani-giku (Chrysanthemum setucupse), and fragrant eupatorium (Eupatorium japonicum). As such, it has been recognized by the city as the peak of the Botanical and Cultural Regeneration Project.

Helping Local Clean-up Initiatives

• Head Office: Nishioji Station vicinity clean-up groups
• Odawara Central Factory: “Clean Sakawa” (a concerted effort by local residents to clean up the Sakawa River) and factory vicinity clean-up activities
• Discovery Research Laboratories in Tsukuba: Clean-up activities run by Tsukuba City

Environment-related Donations

• Proceeds from the sale of metal scrap and recyclable paper are donated to the Nippon Shinyaku Kira Kira Kodomo Bondi children’s fund.
• Recyclable waste with resale value provided to designated consultation support office for disabled children.
• Books and DVDs collected for Kanagawa Kintaro Book Donation program.
• Donations funded by cashbacks received as ShonDaX corporate member.
• Gift of rescue stretchers funded by collection of aluminium cans.
• Plastic bottle caps supplied for vaccine exchange program.
• Funds collected using drink vending machines for the Red Feather Fund and Green Fund.

Research Laboratory Tours

• Head Office’s Discovery Research Labs: 18 lab tours for Saga Junior High School and other schools (junior high to college students, adults)
• Discovery Research Laboratories in Tsukuba: One lab tour for Tsuchiura First High School

Contributions to Biodiversity

• Conservation of tree tumbo (Welwitschia mirabilis) and other endangered plants
• Raising Japanese wild ginger (Asarum caucalicum) for the Ao Festival (Kamagari Shrine, Kyoto Prefecture)
• Raising Chrysanthemum setucupse for the Soji Water Corridor (Kyoto Station) and Kikukani Forest of Flowering Chrysanthemums (Kyoto City, Kyoto Prefecture)
• Participation in Rice Paddy Appreciation Association and Sakawa River System Medaka Supporters Association (Odawara City, Kanagawa Prefecture) activities, loan of parking lot

Material Balance of Our Business Activities

<table>
<thead>
<tr>
<th>Input</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>267 t</td>
</tr>
<tr>
<td>Packaging materials</td>
<td>272 t</td>
</tr>
<tr>
<td>Energy</td>
<td>14,987,000 kWh</td>
</tr>
<tr>
<td>City gas: 1,629,000 m³</td>
<td>LPG: 374 m³</td>
</tr>
<tr>
<td>Gasoline: 600 kl</td>
<td>Diesel: 2 kl</td>
</tr>
<tr>
<td>Water</td>
<td>59,000 m³</td>
</tr>
<tr>
<td>Consumption Tap water:</td>
<td>Well water: 123,000 m³</td>
</tr>
<tr>
<td>Waste</td>
<td>482 t</td>
</tr>
<tr>
<td>Substances</td>
<td>Final amount of landfilled waste: 3.01 t</td>
</tr>
<tr>
<td>Water emissions Waste water:</td>
<td>182,000 m³</td>
</tr>
<tr>
<td>Container and package recycling Recycling Waste containers and packages:</td>
<td>201 t</td>
</tr>
</tbody>
</table>
Initiatives for Society

Supporting Value Creation in HR

Basic View on Human Resources (HR) Development

At Nippon Shinyaku, we regard human resources as the key to sustaining growth, and to that end the concept of “developing each employee” is enshrined in our management policy, under which we respect the rights and personalities of individuals and aim to ensure that every single employee has the opportunity to grow and develop.

Developing a globally capable workforce has become a top priority as our business becomes more international in scope. To that end, in fiscal 2015 we instituted an Overseas Training Program for employees engaged in research and development.

This program provides our R&D personnel with opportunities to study abroad at a university or research institution. To further facilitate overseas expansion, we have also been running two kinds of English training courses since fiscal 2016, one for elite employees and one for those attending of their own accord. We believe that a globally capable workforce has a broader perspective and a more balanced mindset, and therefore is better equipped to identify and overcome the challenges of modern business, both domestically and overseas.

HR Development

Career Support System, CASA (Career Support Academy)

At Nippon Shinyaku, we think that if every employee thinks and acts for themselves and operates proactively, they will not only grow as a person but also contribute to the company’s growth. To foster this approach, we have established a Career Support Academy (CASA) comprising three levels of training: “Basic,” “Skill Up,” and “Challenge.” Rather than having every employee participate in the same program, we encourage employees to reflect upon their own strengths and weaknesses, and select their own subjects accordingly from within a broad curriculum.

Developing the Next Generation of Leaders

With a view to nurturing the next generation of leaders, in fiscal 2007 we launched the Next-Generation Leader Development Program, targeted at manager level employees around 40 years of age. In fiscal 2012 we went on to launch our Next-Generation Leader Challenge Program, geared toward employees around 30 years of age. These programs are respectively held every other year.

In fiscal 2019, we held the 7th Next-Generation Leader Development Program. We sought nominations from within the company, either via self-recommendation or recommendation by others, and selected 13 participants from several departments. Between August 2019 and March 2020 these employees undertook group training as well as attending external education programs at a business school to acquire basic management knowledge in areas such as management strategy, marketing and financial accounting. These programs also aim to cultivate greater business awareness based on two-way communications with senior management.

This initiative has actively supported the growth of next-generation business leaders by providing original ways to learn and gain management experience outside daily work.

Support for Overseas Study

We provide support for employees to study at overseas universities and research institutions. This system not only helps employees acquire knowledge and build networks in specialized fields, but also helps them to experience life in other countries and cultures as part of the development of a globally capable workforce equipped to meet modern business challenges. To date, two employees have used this system to study at overseas research institutions of their choice. In fiscal 2019, we widened the scope to enable employees to apply to study at Company-selected research institutions. Support was provided in fiscal 2019 for one person in the self-directed stream and two to study at Company-selected institutions. Each participant is responsible for organizing their own overseas study schedules and related visa requirements. In this way, the program helps to build global skills and personal initiative.

Developing Workforce Diversity

Promoting Women in the Workplace

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When employing people with disabilities, we conduct short-term practical training to ascertain each individual’s daily rhythm and the nature of their disability, before progressively moving onto long-term practical training aimed at favorizing employees with specific tasks. In this manner, we seek to provide persons with disabilities with greater motivation to work, and to identify or create suitable positions.

As well as proactively hiring people with disabilities, at Nippon Shinyaku we also provide our workplace as a venue for work experience and practical training, in collaboration with employment transfer support offices and administrative organs. By offering workplace tours and sharing successful case studies involving the employment of persons with disabilities, we seek to ensure that our know-how can also be of use to society as a whole.

“ar system that combines corporate internship with education at a special-needs-support school

Reemployment of Retired Workers

Nippon Shinyaku has adopted a continuing employment system (that is, reemployment system) allowing continued work until age 65. This system takes in workers again after they have left the company, to leverage their experience, techniques, and skills on behalf of the company. The system offers both full-time and part-time employment, in accordance with employees’ wishes. Those re-entering the company under this system go about their day-to-day duties having set their own goals in accordance with the objectives of the workplace as a whole, and progress toward those goals is rewarded appropriately, for example in the next year’s salary.

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Initiatives for Society

Occupational Health and Safety (OH&S) and Health Management

**Basic Stance on Occupational Health and Safety**

To ensure workplaces are comfortable and provide conditions that will safeguard employee health and safety, we work to prevent workplace accidents or injuries as part of maintaining OH&S, including upgrading systems and having OH&S committees.

Besides basic OH&S activities, our approach is also to address OH&S issues from a health and productivity management perspective. This means that we ensure the physical and mental health and safety of everybody in the workplace while aiming to create a rewarding working environment.

**Mental Healthcare**

Nippon Shinyaku has utilized an externally developed Employee Assistance Program (EAP) to support early detection, prevention and treatment of mental health issues since March 2003. Based on an annual evaluation, this program complies with the mandatory Stress Check Program introduced in Japan in 2015. In fiscal 2019, we also began offering an on-site counselling service to help workers communicate any concerns, while stationing mental health professionals at worksites to provide support. Going forward, we will continue to fine-tune our approach to mental health management.

**Basic Stance on Health Management**

The Health Declaration issued by the President of Nippon Shinyaku in October 2018 committed the company to actively maintaining the health of all employees and supporting family members, based on management of the workplace environment and working conditions through a health management approach.

OH&S initiatives to date have included measures to reduce excessive working hours, support early mental healthcare interventions, and revise workstyles. Initiatives were upgraded with the issuance of the Health Declaration. Nippon Shinyaku was featured in the Certified Health and Productivity Management Organization Recognition Program in 2019 and 2020, gaining selection as a White 500 company in the 2019 program.

Our fundamental belief is that employees and their families should enjoy good physical and mental health, leading to a workplace that overflows with smiles and vitality.

At Nippon Shinyaku, we want employees to help support the welfare of the company by pursuing better individual health and happiness, coupled with active engagement (a sense of attachment and belonging, an understanding of the direction of the company, and a shared desire to act).

**Health Management Promotion System**

Beyond making it an easy place to work, the true goal of health management at Nippon Shinyaku is to create a motivating workplace where people are naturally smiling and happy to work.

Since April 2019, we have established the Health Promotion Office to plan and execute measures to maintain and promote health in cooperation with the OH&S committees across the Group, OH&S physicians, and the Health Management Working Group (working in partnership with the health insurance association and labor unions).

### Specific Health Management Initiatives

To promote the health of individual employees through enhanced awareness, we are providing training and web-based health-related experiences to help people clearly ascertain their health status and any areas where they should try to improve. This approach supports the self-identification of high-risk individuals within the general population.

<table>
<thead>
<tr>
<th>Name of initiative</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>改善生活習慣定期検診campaign to undertake “Health Challenge”</td>
<td>To help achieve better health outcomes by altering lifestyle habits in an enjoyable manner, we are enrolling employees in the “Health Challenge” program offered by Tokio Marine &amp; Nichido Medical Services Co., Ltd.</td>
</tr>
<tr>
<td>Group walking events (organized by Kencom)</td>
<td>These events encourage people to team up with work colleagues, other club members, friends or other fellow workers to compete for 2 kg bags of rice as prizes awarded to each member of teams achieving average daily step counts of at least 8,000.</td>
</tr>
<tr>
<td>RIZAP health seminars</td>
<td>Based on the wellness program offered by RIZAP Co., Ltd., this initiative includes seminars and body composition tracking to help promote health awareness and improve lifestyle habits.</td>
</tr>
<tr>
<td>Introduction of “smart meals”</td>
<td>We introduced “smart meals” at our Head Office canteen to provide more nutritionally well-balanced menu choices for employees interested in adjusting daily dietary habits to their physical condition.</td>
</tr>
<tr>
<td>Seminar on combating effects of aging</td>
<td>A seminar was organized with the Functional Food Division entitled, “Creating a Younger Body Using Anti-Glycation Products.” The seminar was combined with separate checks on personal glycation levels and vegetable intake.</td>
</tr>
<tr>
<td>Stay-at-home promotion measures</td>
<td>As part of our internal information dissemination efforts to help prevent the spread of COVID-19, we provided a range of information to help employees doing telework stay healthy, including ways to relieve stress, keep exercising, stay connected and eat correctly, among other stay-at-home lifestyle tips. While preventing the spread of infection, this information also helped to promote better health.</td>
</tr>
<tr>
<td>Lecture on presenteeism</td>
<td>We invited an outside medical expert to give a lecture on presenteeism and the connection between sleep and higher productivity at work. Presenteeism causes lower employee productivity due to health issues.</td>
</tr>
<tr>
<td>Support for quitting smoking</td>
<td>One of our workplace health management goals is to help all employees quit smoking by the end of September 2022. From October 2020, smoking on Nippon Shinyaku premises is completely banned. This has also been reflected in flextime systems.</td>
</tr>
</tbody>
</table>
**Initiatives for Society**

**Workplace Reforms**

**Medium-term Management Plan Policy**

Amid concerns in Japan of the low birth rate and continued aging causing a decline in the working age population, sustainable growth of enterprises relies on the ability to develop and retain human resources who can play an active role, irrespective of gender, nationality or age. To achieve this goal, companies need to develop systems and cultivate conditions that meet the expectations of employees from various backgrounds. Based on the concept that “unique products come from unique human resources,” in accordance with the 6th Five-Year Medium-term Management Plan, Nippon Shinyaku is working to create an organizational climate where every employee can flourish by maintaining respect for diversity and by providing opportunities for individuals to take on challenges and grow.

**Telework system**

From January 2018, we initiated a telework system to enable flextime workers to work from home or a rented conference facility under circumstances where it is difficult to commute to the designated workplace due to bad weather, suspension of public transport, illness or injury, childcare commitments, or the need to take an elderly relative to hospital. Going forward, we plan to further revise the conditions to facilitate more remote working irrespective of location.

Telwork even for new graduate hires

The ceremony to welcome 67 new graduates to the Company was held on April 1, 2020, with everyone wearing face masks and hands sanitized. To help prevent COVID-19 spread, all new employees started teleworking from the following day, using work PCs provided to enable teleconferencing as well as access to the Internet and Company intranet. After their induction training, graduate hires are assigned to training or to work duties in their allocated sections.

With the declaration of a state of emergency extending telework arrangements, it was vital to support new graduate hires with constant communication as they adjusted to their new roles in society. Besides traditional email and phone, we used new communication methods such as business chat tools to support closer ties with superiors, work colleagues and HR support personnel, thereby helping to relieve any stress felt by new employees.

**Responsible Procurement**

**Basic Rationale**

Recently it has been widely recognized that companies have much greater responsibilities than simply providing products to consumers. Corporate social responsibility requires that a company protect human rights, comply fully with laws and regulations, and protect the environment throughout the supply chain.

Maintaining public trust is a major tenet of Nippon Shinyaku’s management policies. We have formulated the Responsible Procurement Guidelines to promote this, based on the five areas of legal compliance, confidentiality, equitable business practices, rational selection of suppliers, and environmental consideration. Based on this thinking, we are dedicated to implementing responsible procurement policies across all these areas in partnership with our suppliers to ensure that we maintain public trust.

**Responsible Procurement Guidelines**

**Stringent legal compliance**

Nippon Shinyaku complies with all relevant legislation (Antimonopoly Act, Subcontract Act, Unfair Competition Prevention Act, etc.) and industry and internal rules, also refraining from making unreasonable demands or taking unfair advantage.

**Confidentiality**

We take thoroughgoing measures to prevent leaks of confidential information concerning business partners, also eschewing fraudulent transactions.

**Equitable business practices**

In our dealings with all business partners, Nippon Shinyaku offers transparent, fair, and equitable transactions based on free competition principles.

**Rational selection of suppliers**

Nippon Shinyaku chooses its suppliers by taking comprehensive account of factors including management stability, the quality and prices that they offer, their development prowess, their social credibility, and their concern for the environment.

**Consideration for the environment**

We comply with laws and regulations pertaining to the environment and undertake environmentally friendly procurement in adherence to our Basic Environmental Policy.

**Framework for Supplying Products**

We have put in place a framework to secure the rapid and stable supply of high-quality pharmaceuticals through the use of sophisticated supply chain management (SCM), from production and quality control through to logistics management.

Our diverse initiatives in this area include efforts to reduce lead times by enhancing the efficiency of our overall production process including quality control processes, and regularly evaluating our suppliers to encourage improvement.

**Activities in Fiscal 2019**

Since fiscal 2013, as part of the responsible procurement program, Nippon Shinyaku has conducted a Responsible Procurement Survey of major domestic and overseas suppliers on a biannual basis. Initiated as a supplier evaluation project, this became the Responsible Procurement Survey in fiscal 2017. Besides compliance status and consideration for the environment, the survey covers procurement reliability issues such as supply continuity preparedness, compliance with product quality and delivery standards, and production capacity.

The survey response rate in fiscal 2019 was over 90%. Survey results have been used to work with suppliers to implement a range of responsible procurement initiatives, including measures to safeguard continuity of supply.

We will continue to conduct regular surveys and reinforce efforts to undertake follow-up initiatives as required so we and our suppliers fulfill our corporate social responsibilities.
For the Next Generation
We are engaged in various activities designed to support future generations, including the Nippon Shinyaku Children’s Literary Awards and the Nippon Shinyaku Sparkling Future Mobile Library.

Designed to commemorate our 90th anniversary, the Nippon Shinyaku Children’s Literary Awards were established in 2009 with the support of the Japan Juvenile Writers Association as a way of inspiring the dreams and nurturing the spirits of children through picture books.

Awards are made in the two categories of stories and artwork, and the two first-prize winners collaborate to produce a picture book with a print run of 30,000 copies. The books are distributed to children nationwide through public facilities. They can also be viewed on the Nippon Shinyaku website.

We began the Nippon Shinyaku Sparkling Future Mobile Library in 2019 as part of our centenary celebrations. The library van carries around 1,000 picture books, including Braille and audio books, and digital books. Staff volunteers take the mobile library to visit elementary and special needs schools.

Going forward, we hope to contribute to both the physical and mental health of children by giving them various opportunities to be touched by the wonder of books.

Public Research Grant Scheme
As part of our centenary celebrations, Nippon Shinyaku initiated a “Public Research Grant Scheme” to contribute to the advancement of science in medical and pharmacological fields in which the company is active. Under the scheme, we aim to support young researchers by offering grants to successful applicants. With the second round of grants for fiscal 2020, we sought applicants to perform fundamental research in two fields: hematopoietic tumors and pulmonary hypertension. After rigorous examination by an external review committee, we awarded grants to six projects in the field of hematopoietic tumors and four in the field of pulmonary hypertension.

Activities to Preserve and Maintain the Culture of Kyoto
For more than half a century, each year Nippon Shinyaku has produced calendars with pictures made using Kakezome, a traditional local stencil dying technique. The calendars feature Kyoto’s seasonal scenery, customs, and historical events. We also publish a quarterly PR magazine entitled “Kyo” to showcase the huge appeal of Kyoto—from the city’s many shrines, temples and other cultural assets to its cuisine and local produce.

Supporting Education through Sports
Working with governments at the municipal and local level and baseball associations, the Nippon Shinyaku amateur baseball team offers baseball clinics for elementary, junior high, and senior high school students in places including Kyoto (head office), Odawara (factory), and Kushimoto (Walgreens/Pharmacy training facility). These events improve the baseball skills and strength of children while fostering interaction with local communities.

Stakeholder Engagement
Nippon Shinyaku conducts business with the support of various stakeholders. At Nippon Shinyaku, we consider it important to listen closely to and engage in dialog with all our stakeholders, from patients to business partners, users, shareholders and investors, employees, community groups and environment.

By incorporating in our business activities the information we thus glean on stakeholders’ opinions and needs, we seek to grow the company while also creating and providing new value to society.

Basic Concepts
In the Pharmaceuticals business, our emphasis is first and foremost on patients suffering from illnesses. To ensure that medical professionals deliver the appropriate medication to patients, we train employees working as medical representatives to arm them with knowledge concerning our products, and means for conveying that information. We also provide patients with information concerning various diseases via our website and smartphone apps, as well as through public lectures.

In the Functional Food business, we draw on our technical prowess as a pharmaceutical company to provide high-value-added products addressing market needs.

For more than half a century, each year Nippon Shinyaku has provided calendars with pictures made using Kakezome, a traditional local stencil dyeing technique. The calendars feature Kyoto’s seasonal scenery, customs, and historical events. We also publish a quarterly PR magazine entitled “Kyo” to showcase the huge appeal of Kyoto—from the city’s many shrines, temples and other cultural assets to its cuisine and local produce.

Calendar and quarterly magazine ‘Kyo’
Corporate Governance

Basic Concepts

At Nippon Shinyaku, we recognize that one of management’s most important tasks is to fulfill accountability to all stakeholders by ensuring management transparency, in order to raise our corporate value through social contributions. To that end, it is essential that our corporate governance functions effectively, and, in line with four clearly defined basic concepts that are posted on our website, we are working tirelessly to enhance corporate governance as a means of driving sustainable growth and increasing the value of our public presence, as well as bolstering our corporate value over the medium and long term.

The Corporate Governance Basic Policy was instituted on December 15, 2015, and sets forth our basic concepts of corporate governance. The Policy was revised on December 17, 2018.

Steps taken to strengthen corporate governance

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Directors</th>
<th>Number of External Directors</th>
<th>Number of Female Directors</th>
<th>Number of Standing Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2013</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2014</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2015</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2016</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2017</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2018</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2019</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2020</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Organization for Corporate Governance

General Meeting of Shareholders:

- Appointment/dismissal
- Audit
- Board of Directors
- Board of Auditors
- Corporate Auditors
- Accounting Auditor
- Director
- Executive Director
- Audit Committee
- Compliance Department
- Internal Control Department
- Committees
- Admission
- Voting
- Customer Relations
- Internal Audit

Analysis/evaluation of effectiveness of the Board of Directors:

- Results of fiscal 2019 evaluation:
  - As previously, the survey confirmed that all Board members believe that meetings provide the opportunity to actively voice opinions, engage in frank, constructive debate based on multi-faceted, wide-ranging perspectives, and that the discussions support appropriate management decisions. This result indicates the Board of Directors is broadly effective.

Board of Directors:

Role:
- Ensures business fairness and transparency through general management oversight.
- Makes decisions in the best interests of the Company by (1) setting policies governing the appointment/dismissal of directors and auditors using procedures that are objective, timely and transparent, based on findings of the Nominating Committee; (2) evaluating the serious risks facing the Company and formulating related countermeasures; and (3) making important business decisions.

Meeting frequency:
- Monthly; extraordinary sessions if required
- 12 meetings held in fiscal 2019
- Attendees: All directors and auditors

External Directors:

- Name: Yukio Sugiu (12/12)
- Name: Hitoshi Sakata (12/12)
- Name: Mikiyo Sakurai (12/12)
- Name: Yoshimasa Wada (10/10)

Reasons for Appointment:
- Appointment because he offers advice to management from a practical perspective, based on his expertise from an independent standpoint as a physician.
- Appointment because he offers advice to management from a practical perspective, based on his expertise from an independent standpoint as a lawyer.
- Appointment because she offers advice to management from a practical perspective, based on her expertise from an independent standpoint as a pharmacologist.
GOVERNANCE

Cooperation with Accounting Auditor

The accounting auditor provides reports on outline audit plans and the implementation status of interim audits at regular meetings with the Board of Auditors.

Mutual efforts are made to improve audit effectiveness and efficiency based on close cooperation, including witnessing of audits.

Cooperation with Internal Audit Department

The close cooperation between the Board of Auditors and the Internal Audit Department based on regular meetings and other means as required involves two-way reporting on audit plans and findings, as well as related discussions and exchanges of opinions.

After submitting internal audit reports to the President, the department sends reports to the Board of Auditors and provides auditors with related oral presentations.

External Auditors: Appointment Rationale and Main Activities

<table>
<thead>
<tr>
<th>Name</th>
<th>Reasons for Appointment</th>
<th>Attendance at Board of Directors meetings (Total 2019/ meetings attended / meetings held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsyoshi Kondo</td>
<td>Appointed because he offers advice that will enhance management soundness and transparency while also improving compliance, based on his expertise and insight from an independent standpoint as a lawyer.</td>
<td>(12/12)</td>
</tr>
<tr>
<td>Sumitaka Maruyama</td>
<td>Appointed because he offers advice that will enhance management soundness and transparency while also improving compliance, based on his expertise and insight from an independent standpoint as a licensed tax accountant.</td>
<td>(10/10)</td>
</tr>
</tbody>
</table>

1 Nominating Committee and Remuneration Committee

Composition

- Committees are composed of at least three members, including at least two independent external directors, one of whom acts as chair.

Role

- Members report to the Board of Directors about deliberations of important matters relating to the appointment and dismissal of directors and auditors (Nominating Committee) and related remuneration issues (Remuneration Committee).

Committee Composition

<table>
<thead>
<tr>
<th>Committee Name</th>
<th>All Committee Members</th>
<th>Full-time Members</th>
<th>Inside Directors</th>
<th>External Directors</th>
<th>Outside Experts</th>
<th>Other</th>
<th>Chairperson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committee Corresponding to Nominating Committee</td>
<td>Nominating Committee</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Committee Corresponding to Remuneration Committee</td>
<td>Remuneration Committee</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Training for Directors and Auditors

Nippon Shinyaku holds training and debriefing sessions attended by all directors (including candidates), in order to convey information that is essential for directors on legal responsibilities, corporate governance, etc., and to share information on the important operations performed by each division. Auditors also are able to attend these sessions. New directors and new corporate auditors receive new officer training offered internally upon their assumption of office. In this manner, Nippon Shinyaku provides the necessary training opportunities for directors and corporate auditors, covering any expenses incurred.

Officers’ Remuneration

Policy on Determining Remuneration Amounts and Calculation Methods

At Nippon Shinyaku, policy on officers’ remuneration amount and calculation method is decided by the Board of Directors, and the amount is set within the limits decided by resolution of the General Meeting of Shareholders. The Board of Directors bases this policy on recommendations by the Remuneration Committee, over half of whose members are external directors, with an external director acting as chairperson, and also references survey data from specialized external institutions as an objective benchmark.

Remuneration of (non-external) directors

- Comprises monthly salary and bonuses.
- Monthly salary is set according to directorial role (excluding external directors) as well as performance appraisal. Performance-linked bonuses for (non-external) directors are also set by multiplying annual operating income by a fixed percentage based on directorial role.
- Individual remuneration amounts including salary and bonuses are set after consultation with the Remuneration Committee. If the Board of Directors delegates authority to the President, the latter can determine individual remuneration for (non-external) directors using Board-approved methods and director performance appraisals, in line with the findings of the Remuneration Committee.

Remuneration of external directors

- Remuneration only has a fixed component to ensure proper management oversight.
- Individual remuneration amounts are set after consultation with the Remuneration Committee. If the Board of Directors delegates authority to the President, the latter can determine individual remuneration amounts in line with the findings of the Remuneration Committee.

Remuneration of auditors

- Remuneration only has a fixed component to ensure proper management oversight and auditing functions.
- Individual remuneration amounts are based on discussions with auditors.

Total remuneration for each officer category with subtotals for each type of remuneration and numbers of recipients

As of March 31, 2020

<table>
<thead>
<tr>
<th>Officer category</th>
<th>Total remuneration (millions of yen)</th>
<th>Subtotals for each type of remuneration (millions of yen)</th>
<th>Number of recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors (excl. External Directors)</td>
<td>405</td>
<td>197</td>
<td>207</td>
</tr>
<tr>
<td>Auditors (incl. External Auditors)</td>
<td>34</td>
<td>34</td>
<td>—</td>
</tr>
<tr>
<td>External Directors / Auditors</td>
<td>57</td>
<td>57</td>
<td>—</td>
</tr>
</tbody>
</table>

* Includes directors who were in office between July 2018 and June 2019

Internal Control System

Pursuant to the Japanese Companies Act, we have resolved a basic policy on the establishment of an internal control system through our Board of Directors, establishing a framework to ensure the proper execution of business by ensuring regulatory compliance and raising business effectiveness and efficiency. Moreover, we comply with the internal control reporting requirements applied from fiscal 2008 under the Financial Instruments and Exchange Act, operate under a framework we have developed for ensuring proper financial reporting, and, through the Internal Audit Department positioned directly under the President, evaluate the state of internal controls for financial reporting.
Compliance

The Information Service Supervisory Department was created in fiscal 2019. Messages from the President in April 2019 and October 2019 stressed the importance of raising compliance standards even higher. Related training and education activities as outlined in the preceding table were conducted throughout the year.

Employee Hotline for Compliance Reporting

The hotline for compliance reporting allows anyone to report serious breaches or other compliance issues, as a means of self-policing.

Compliance Initiatives

Groupwide compliance initiatives are planned, formulated and implemented by the Compliance Management Department, with input from the Compliance Council.

Compliance Training in Fiscal 2019

<table>
<thead>
<tr>
<th>Type of Training</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental training (June)</td>
<td>Training that focuses on teaching new employees about compliance concepts and approaches, and stresses the importance of following company rules and other compliance guidelines.</td>
</tr>
<tr>
<td>Training for mid-career recruits (September–October)</td>
<td>Training that focuses on teaching new employees about compliance concepts and approaches, and stresses the importance of following company rules and other compliance guidelines.</td>
</tr>
<tr>
<td>Training for newly promoted managers</td>
<td>Education and training programs for newly promoted managers. A training program is also conducted for newly promoted managers.</td>
</tr>
<tr>
<td>Enhanced Training (November)</td>
<td>Ensuring that newly promoted managers are informed about company rules and other compliance guidelines.</td>
</tr>
</tbody>
</table>

Risk Management

Framework for Risk Management

The Nippon Shinyaku Group has in place Basic Risk Management Rules for identifying underlying risks and assigning the departments responsible for each risk in formulating preventive policies as well as measures for responding when such situations arise. Additionally, each year we identify highly critical risks. In fiscal 2019, these included "cyberattacks," "information leakage," "disasters," "harassment," and "breaches of labor laws," which led us to strengthen controls and raise awareness. Furthermore, every year we conduct a self-check survey of all group employees for the purpose of verifying each individual’s risk awareness.

Path of Risk Notification (as of April 1, 2020)

1. First employee to identify risk: Director in charge of department where risk occurred.
2. Supervising manager of employee: (If high urgency) (N/A)
3. Risk management department: Director in charge of risk management
4. Supervising department for the specific risk: (If judged to be major risk)
5. Departments asked to cooperate:
   - Board of Auditors
   - President
   - Cost Control office
   - Working group

Disaster Countermeasures (Formulating a BCP)

To ensure uninterrupted supply of medicines to patients in emergency situations such as earthquakes, storms, floods or other natural disasters, we have formulated a Business Continuity Plan (BCP) to keep our factory at Odawara running even after an earthquake measuring six or higher on Japan’s seismic scale. We revise the BCP every three years, most recently in fiscal 2018. We are also committed to promoting disaster readiness through BCP-related activities such as the reinforcement of support ties with inventory storage facilities and partner companies.

In response to the COVID-19 pandemic, we have created a crisis management office in line with our Basic Risk Management Rules. Our response includes varied measures such as the promotion of telework arrangements.

Initiatives for Information Security

Nippon Shinyaku has in place a basic policy and rules to guide our initiatives for information security. Our Information Security Management System (ISMS) Committee implements specific rules for information security, guided by the basic policy and rules. We are also advancing technological measures tailored to advancements in IT and changes in society in order to protect the Nippon Shinyaku Group’s information assets from a variety of risks.

Prevention of workplace harassment

We treat harassment as a serious issue that disregards individuals and infringes upon their human rights. Besides establishing the Harassment Prevention Committee to help prevent workplace harassment of any kind and maintain a good working environment, we have formulated the Group Harassment Prevention Rules. Various activities during the year support compliance with these rules, including compliance and manager training programs and the distribution to all employees of anti-harassment policy pamphlets and portable awareness cards.
GOVERNANCE

Messages from External Directors

The four Nippon Shinyaku external directors share their thoughts on the challenge of developing sustained growth in a rapidly moving business environment, as well as related issues and expectations.

Yukio Sugiura
External Director

Ensuring stable management and strong profitability

The coronavirus crisis has led efficiency-minded firms to reconsider the value of flexibility. As an external director, I see it as my job to watch where the company should be going while also striving to improve corporate governance to contribute to the growth of Nippon Shinyaku’s enterprise value.

With a history of more than a century, I trust Nippon Shinyaku has a clear future direction that is based on its strengths and position. It is a wonderful achievement to have launched the first treatment in Japan for Duchenne muscular dystrophy. One advantage of nucleic acid drugs is that it is possible to develop them quickly once the development framework is complete, even if the drug discovery target changes. Another is that the unique mechanism of action enables more unmet medical needs to be satisfied by widening the scope of the drug discovery program. I see Nippon Shinyaku creating new value as a global player in the nucleic acid medicine field.

A constantly regenerating development pipeline of innovative in-house drugs will be essential to ensure stable management and strong profitability going forward. To this end, I want us to build the systems and framework needed to promote further open innovation, make best use of human capital, and react to changing conditions.

Hitoshi Sakata
External Director

Contributing to balanced management that focuses on the value inherent in the protection of human health and lives

Creating innovative drugs has always been Nippon Shinyaku’s core mission. In fiscal 2019, we made huge strides in the U.S. towards overcoming intractable and rare diseases. This was arguably the first step towards our goal of helping people lead healthier and happier lives across the world. All employees must work hard if we are to realize this ideal in the future.

The COVID-19 global pandemic has led to major disruption in 2020, and there are many enterprises left threatened. Have companies done enough to protect the lives, health and property of employees and other stakeholders in this crisis? Maximizing the value of shares was held in high regard by society, but has proved powerless in the middle of a pandemic.

In such a challenging situation, my role as an external director is to ensure proper, transparent business execution and to help enhance management efficiency. In addition, I aim to contribute to balanced management that focuses on the value inherent in the protection of human health and lives.

Miyuki Sakurai
External Director

Huge growth potential from harnessing the Group’s capabilities

Whether we like it or not, the coronavirus pandemic has overturned all our previous assumptions, creating an unprecedented challenge. Part of Nippon Shinyaku’s response has been to revise the BCP from various angles while introducing reforms such as remote working support to allow more diverse work styles. I think we need to see this situation as a critical opportunity for positive change.

As an external director, I am happy and motivated to work hard. Only then can we harness the efforts of everyone within the Group.

At the same time, it is important that we create a continuous stream of innovative drugs of high quality and differentiability while also expanding the global business. Under the strong leadership of President Mankawa, I expect the Group to achieve significant growth based on superior drug R&D and production capabilities, backed up by sales and marketing, supply chain and integrated management expertise.

Yoshinao Wada
External Director

Building the next-generation Nippon Shinyaku

My impression from my first year as an external director of Nippon Shinyaku is that the Board of Directors does function effectively. A great example of this was one agenda item where the on-the-ground research was adequate, but we ended up rejecting the proposal by discussing it from a standpoint of the future challenges that Nippon Shinyaku faced.

With the COVID-19 outbreak spreading rapidly in society and magnifying the risk of mental health deterioration, colleagues and superiors can have less opportunity to check on fellow workers. I will do what I can as an external director to see that we maintain both the quality and quantity of communications so that we can make our work more efficient while ensuring that employees stay smiling and focused on the opportunities of reform and growth.

The core therapeutic area of intractable and rare diseases is a potential source of new enterprise value creation for Nippon Shinyaku. For example, gene therapies will demand novel marketing strategies, since the conditions defy categorization along the traditional lines of neurology, metabolic disorders, endocrinology or immunology. Our goal is to make people associate Nippon Shinyaku automatically with gene therapy so we can gain first mover’s advantage in the field. I expect this to be a major element in building the next-generation Nippon Shinyaku.
Board of Directors, Corporate Officers and Corporate Auditors

Shigenobu Maekawa
Managing Director, Head of IBD
1976 Joined Nippon Shinyaku Co., Ltd.
1982 Temporary transfer to Osaka Department
1985 Transferred to Osaka Department
1987 Department Manager, Osaka Business Office
2002 Department Manager, Corporate Planning Dept., Osaka Business Office
2005 Head of Corporate Planning, Finance & Accounting, and Information System
2010 Managing Director, Corporate Planning, Finance & Accounting
2016 Managing Director, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 12/12

Akira Matsuura
Managing Director, Head of Sales and Marketing
1980 Joined Nippon Shinyaku Co., Ltd.
2004 Department Manager, Sales Business Office
2013 Director, Department Manager, Osaka Business Office
2015 Director, Department Manager, Sales Promotion Div., Sales and Marketing
2017 Director, Department Manager, Osaka Business Office, Head of Tokyo Area Div., Sales and Marketing
2019 Director
2019 Head of Sales and Marketing
2019 Direct (current position)
2019 Managing Director
Attendance at board meetings (FY2019): 12/12

Shouzou Sano
Managing Director, Corporate Officer
1968 Joined Nippon Shinyaku Co., Ltd.
1990 Registered with Kyoto Bar Association
1990 Visiting Professor, Doshisha Women’s College of Liberal Arts
2005 Corporate Officer; Head of Corporate Planning Dept., Nippon Shinyaku Co., Ltd.
2015 Corporate Officer; Head of Osaka Business Office, Sales and Marketing
2017 Corporate Officer; Head of Tokyo Area Div., Sales and Marketing
2019 Corporate Officer
2019 Managing Director (current position)
2019 Managing Director (current position)
Attendance at board meetings (FY2019): 12/12

Hitoshi Sakata
Managing Director, Corporate Officer
1989 joined Nippon Shinyaku Co., Ltd.
1990 Department Manager, Kinki Tokai Div., Sale
1991 Director (current position)
2005 Director
2005 Manager, Department, Osaka Business Office
2015 Corporate Officer; Department Manager, Nagoya Business Office
2015 Director
2017 Director (current position)
2019 Managing Director (current position)
2019 Managing Director (current position)
Attendance at board meetings (FY2019): 12/12

Miyuki Sakurai
Managing Director, Corporate Officer
1990 Completed training in The Legal Training and Research Institute of Japan
1990 Visiting Professor, Doshisha Women’s College of Liberal Arts
2005 Corporate Officer; Department Manager, Osaka Business Office
2015 Corporate Officer; Head of Osaka Business Office
2019 Corporate Officer; President, Nippon Shinyaku Co., Ltd.
2019 President (current position)
2019 President (current position)
Attendance at board meetings (FY2019): 12/12

Yoshinori Wada
General Director
1975 joined Osaka University Hospital
1991 Department of Obstetrics, Osaka Medical College
1983 Department of Obstetrics, School of Medicine, Osaka University
1987 Head, Department of Obstetrics, Osaka Medical College
1997 Head, Department of Obstetrics, Keio University
1998 Head, Department of Obstetrics, Medical College of Georgia
2003 Head, Department of Obstetrics, Keio University
2005 Head, Department of Obstetrics, Keio University
2007 President, Keio University
2007 President, Keio University
2015 President, Keio University
2017 President, Keio University
Attendance at board meetings (FY2019): 10/10

Taro Sakurai
Managing Director, Finance & Accounting Dept.
2003 Department Manager, Osaka Business Office
2010 Director, Department Manager, Osaka Business Office
2013 President, Nippon Shinyaku Co., Ltd.
2015 Managing Director
2015 Managing Director
2015 President, Nippon Shinyaku Co., Ltd.
2015 President, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

Hirotaka Harada
Vice President, Second District Director, Nishinari Tax Office
2008 Director, Second District Director, Nishinari Tax Office
2010 Director, Second District Director, Nishinari Tax Office
2013 Director, Second District Director, Nishinari Tax Office
2015 Director, Second District Director, Nishinari Tax Office
2018 Director, Second District Director, Nishinari Tax Office
2020 Director, Global Business
2020 Director, Global Business
2020 Director, Global Business
2020 Director, Global Business
Attendance at board meetings (FY2019): 10/10

Hideki Sasaki
General Manager, Global Business Div.
2010 Head of Global Business Div.
2013 General Manager, Global Business Div.
2015 General Manager, Global Business Div.
2020 General Manager, Global Business Div.
2020 General Manager, Global Business Div.
2020 General Manager, Global Business Div.
Attendance at board meetings (FY2019): 10/10

Kazuhiyo Izumida
Manager, Overseas Business Office
2013 Director, Department Manager, Osaka Business Office
2015 Director
2015 Manager, Department, Osaka Business Office
2019 Corporate Officer; General Manager, Global Business Div., Nippon Shinyaku Co., Ltd.
2019 General Manager, Global Business Div., Nippon Shinyaku Co., Ltd.
2019 General Manager, Global Business Div., Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

Koji Hori
Managing Director, Nippon Shinyaku Co., Ltd.
2015 Managing Director, Nippon Shinyaku Co., Ltd.
2016 Managing Director, Nippon Shinyaku Co., Ltd.
2018 Managing Director, Nippon Shinyaku Co., Ltd.
2020 Managing Director, Nippon Shinyaku Co., Ltd.
2020 Managing Director, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

Kazuyuki Yamada
Managing Director, Corporate Planning Dept.
2015 General Manager, Corporate Planning Dept.
2016 Managing Director, Corporate Planning Dept.
2018 Managing Director, Corporate Planning Dept.
2020 Managing Director, Corporate Planning Dept.
2020 Managing Director, Corporate Planning Dept.
Attendance at board meetings (FY2019): 10/10

Kazuchika Takagaki
Managing Director, Discovery Research Labs.
2013 Head of Discovery, Development Division, Nippon Shinyaku Co., Ltd.
2015 Head of Global Business Division, Nippon Shinyaku Co., Ltd.
2017 Head of Discovery, Development Division, Nippon Shinyaku Co., Ltd.
2019 Head of Discovery, Development Division, Nippon Shinyaku Co., Ltd.
2020 Head of Discovery, Development Division, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

Hitoshi Ishizawa
Managing Director, Osaka Business Office
2010 Head of Osaka Business Office
2013 Head of Osaka Business Office
2015 Head of Osaka Business Office
2018 Head of Osaka Business Office
2020 Head of Osaka Business Office
Attendance at board meetings (FY2019): 10/10

Hayato Wada
Managing Director, Tokyo Business Office
2010 Head of Tokyo Business Office
2013 Head of Tokyo Business Office
2015 Head of Tokyo Business Office
2018 Head of Tokyo Business Office
2020 Head of Tokyo Business Office
Attendance at board meetings (FY2019): 10/10

Masaya Toda
Managing Director, Discovery Research Labs.
2015 Head, Department, Nippon Shinyaku Co., Ltd.
2017 Head, Department, Nippon Shinyaku Co., Ltd.
2019 Head, Department, Nippon Shinyaku Co., Ltd.
2020 Head, Department, Nippon Shinyaku Co., Ltd.
2021 Head, Department, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

Kazuyuki Yamada
Corporate Director
2015 Managing Director, Corporate Planning Dept.
2016 Managing Director, Corporate Planning Dept.
2018 Managing Director, Corporate Planning Dept.
2020 Managing Director, Corporate Planning Dept.
2020 Managing Director, Corporate Planning Dept.
Attendance at board meetings (FY2019): 10/10

Kazuchika Takagaki
Corporate Director
2013 Head of Global Business Division, Nippon Shinyaku Co., Ltd.
2015 Head of Global Business Division, Nippon Shinyaku Co., Ltd.
2017 Head of Global Business Division, Nippon Shinyaku Co., Ltd.
2019 Head of Global Business Division, Nippon Shinyaku Co., Ltd.
2020 Head of Global Business Division, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

Hitoshi Ishizawa
Corporate Director
2013 Corporate Officer, Nippon Shinyaku Co., Ltd.
2015 Corporate Officer, Nippon Shinyaku Co., Ltd.
2017 Corporate Officer, Nippon Shinyaku Co., Ltd.
2019 Corporate Officer, Nippon Shinyaku Co., Ltd.
2020 Corporate Officer, Nippon Shinyaku Co., Ltd.
Attendance at board meetings (FY2019): 10/10

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