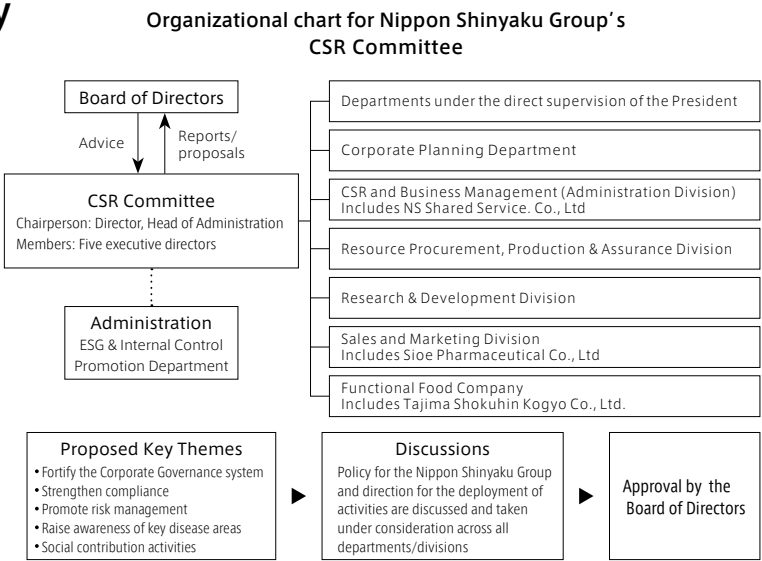




## How We View Sustainability

### CSR Promotion System

The Nippon Shinyaku Group has a CSR committee in place to confirm that its corporate activities meet society’s norms and expectations and to orient its various activities so as to expand and enrich the Group’s overall CSR initiatives in line with its CSR policy.



### Engaging with materiality issues as part of realizing a sustainable world

The global COVID-19 pandemic has led to major changes in our lives while at the same time shifting our values and perspectives. On a positive note, it has made us realize more than ever before the degree to which everyone worldwide is connected and how interdependent we are. In 2015, the United Nations created a goal for the international community of building a sustainable society in which no one is left behind. I believe the time is now ripe for nations, companies and consumers to address this goal seriously.

At Nippon Shinyaku, we announced a list of 19 materiality items in April 2021 following a year of internal consultation. Each of the 19 items is important, but I would place two at the top of the list: first, taking care of the global environment through measures to tackle climate change; second, ensuring the well-being and respecting the diversity of all our employees.

To address climate change, we have pursued measures to reduce environmental impact in line with our Basic Environmental Policy, and have set targets in line with the goals adopted by the government and economic organizations. We are considering adopting significantly more ambitious targets after the commitment made by the government to achieve net-zero emissions by 2050.

In terms of policies to promote diversity and inclusion and to support employee well-being, we concur with the movement spearheaded by Keidanren to increase the representation of women at director level in Japan to at least 30% by 2030 as part of the efforts to eliminate gender disparity in the Japanese workforce. We do not need to be investing large sums to create a company where women, seniors and other employees can work

happily and be fulfilled, but we do need to change the awareness of employees. Changing the so-called unconscious bias is not easy even through repeated training and on-the-job support, and I am taking the lead in trying to get this message across patiently over time. At the same time, we must also seek to trust and empower our colleagues at work. Demonstrating trust in subordinates and using delegation may only have minor short-term effects, but there are major long-term benefits in this approach since it will help develop the most effective workforce. It is also in keeping with the tradition of this company to recruit and develop people who can think for themselves.

A workplace where we are psychologically confident enough to discuss any issue is an essential prerequisite for working together to build a sustainable society. Eliminating harassment, encouraging cross-generational fertilization of ideas, and forging the links that foster innovation: these are one half of our CSR challenge as we also work together to solve the problems caused by disease.



**Takashi Takaya**  
Director,  
Head of Administration



### Initiatives for the Environment

## Environmental Management

#### Related SDGs



### 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 growth 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 organization responsible 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 cognizant of 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 preservation 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 be considerate of biodiversity when pursuing our business activities, and encourage the sustainable development of our society.
- 6 We will proactively publish information about our environmental preservation activities, and communicate with our local communities and other stakeholders.

### Environmental Management Organization

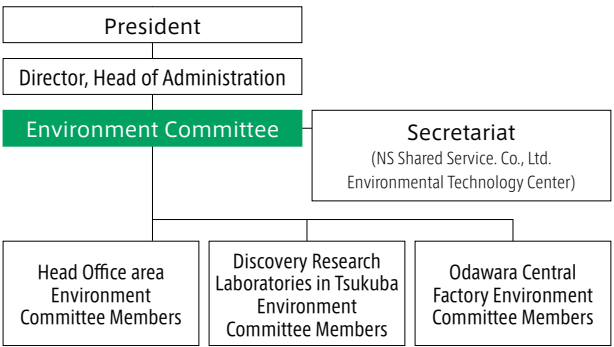
Nippon Shinyaku formulated the Nippon Shinyaku Basic Environmental Policy as a guideline for our environmental conservation activities. The Environment Committee, chaired by the Director, Head of Administration, was established to put this policy into practice and determines the direction and targets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

### The 6th Nippon Shinyaku Environmental Targets Plan (FY2020-2022)

The Nippon Shinyaku Environmental Targets Plan sets specific voluntary targets for the company to carry out to comply with its Basic Environmental Policy.

Under the 6th Nippon Shinyaku Environmental Targets Plan (FY2020-2022), we are striving to reduce our environmental footprint in all aspects of our business operation and enhance corporate value through ESG management.

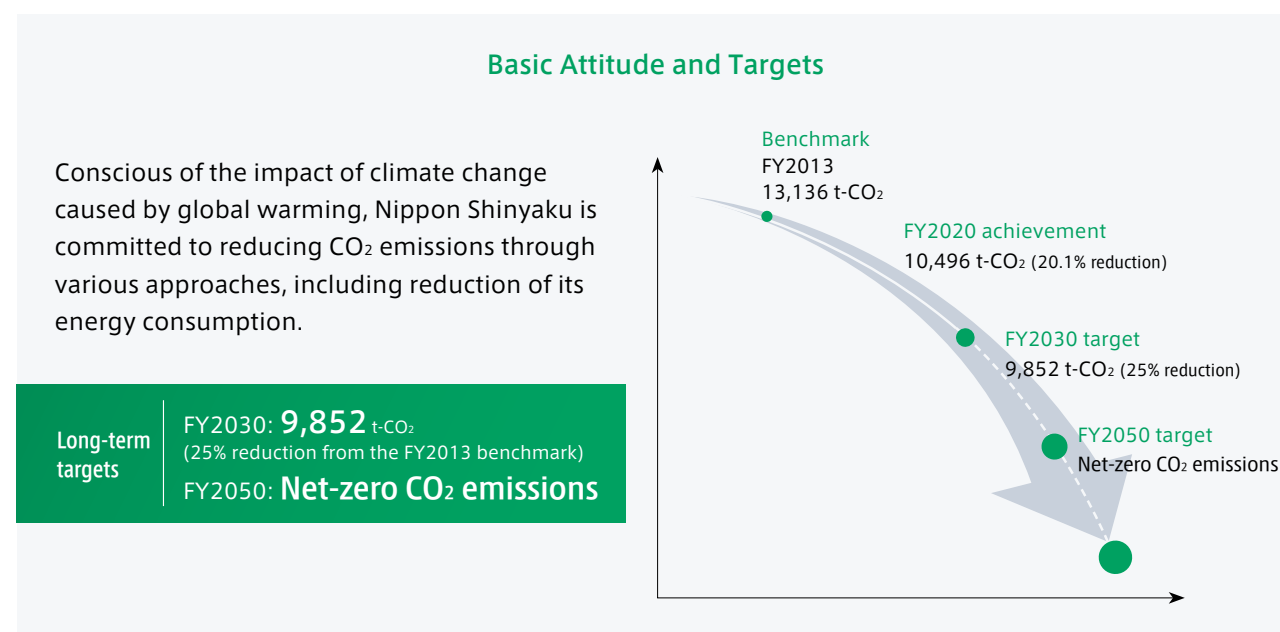
#### Environmental Management Structure



Item	Targets
Global warming alleviation	Reduce GHG emissions by FY2030 by 25% from the FY2013 benchmark. Reduce GHG emissions by 6% by 2022.
Waste management	Reduce the final amount of landfilled waste by FY2022 by 70% from the FY2005 level. Set the target waste plastic recycling rate for FY2022 at 65%. Set the target waste recycling rate for FY2022 at 55% or above.
Chemical substance management	Promote appropriate management of chemical substances, including those designated under the Pollutant Release and Transfer Register (PRTR) Act, so as to continue reducing their release into the natural environment.
Environmental management	Continue the certification of the environmental management systems (ISO 14001 and KES Step 2) so as to effectively improve environmental performance. Actively engage in community service and promote ESG to contribute to the achievement of SDGs.
Stakeholders	Disclose ESG information appropriately to society. Promote community service related to the conservation of biodiversity.

## Initiatives for the Environment

### Climate Change Alleviation



#### Initiatives to reduce CO<sub>2</sub> emissions

##### 1. Reducing energy consumption through equipment improvement

On the occasion of equipment renewal, we renew air-conditioning refrigerators, boilers, and total heat exchangers. We have also been gradually replacing conventional lighting equipment with LED equipment and installing motion detectors on lighting equipment. Through these measures, we aim to reduce CO<sub>2</sub> emissions, thereby contributing to climate change alleviation.

At the Odawara Central Factory, we introduced highly efficient chillers at the time of the renewal of air-conditioning refrigerators. At the Tokyo Office, ice thermal storage equipment\* was introduced to level off consumption peaks.

\* This shifts daytime power consumption for air conditioning to night time, with the use of ice heat stored in the thermal storage tank during the night.

##### 2. Introducing hybrid vehicles for sales representatives

By introducing hybrid vehicles for our sales activities and also encouraging employees to use public transportation systems while in urban centers, we are promoting measures to better respond to climate change and raising employee awareness.

Nippon Shinyaku's sales vehicles will be entirely replaced by hybrid cars in the four-year period starting from FY2020, except in heavy snowfall areas. In FY2020, hybrid cars already accounted for 43% of the company's fleet of sales vehicles.

##### 3. Energy conservation following the guidelines for saving electricity and energy

We are making company-wide power and energy-saving efforts, following the guidelines for saving electricity and energy drawn up by an in-house committee specifically established to promote conservation initiatives. Concrete company-wide power-saving measures range from appropriate indoor temperature settings to encouraging personnel to turn off all unnecessary lights and use stairways instead of elevators.

##### 4. Expanding initiatives

In addition to equipment renewal, equipment operating hours and temperature settings are also continuously reviewed to improve our energy-saving performance.

From April 2021, we switched to using renewable energy sources to meet roughly 30% of the Head Office area's electricity needs.

Initiatives involving the use of renewable energy, including the installation of solar power generators, will be further examined and implemented.

##### 5. In-house Awareness-raising Education

The importance and necessity of environmental protection are covered in a range of in-house training and educational programs, including intranet-based training programs. These programs contribute to raising and maintaining employees' environmental awareness.

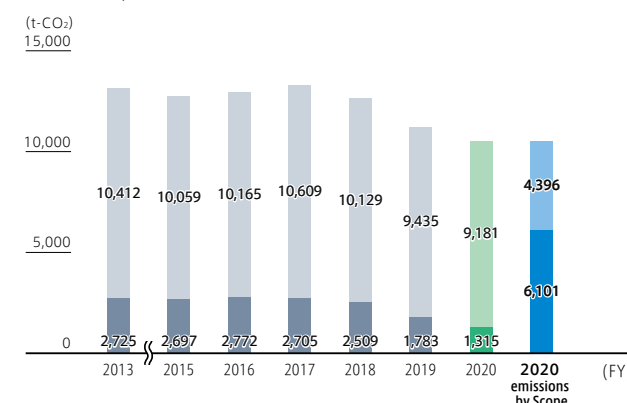
#### Scope 1, 2, and 3 emissions reduction

Nippon Shinyaku is focusing on expanding the range of emissions calculations with a view to mitigating and adapting to climate change throughout the entire supply chain.

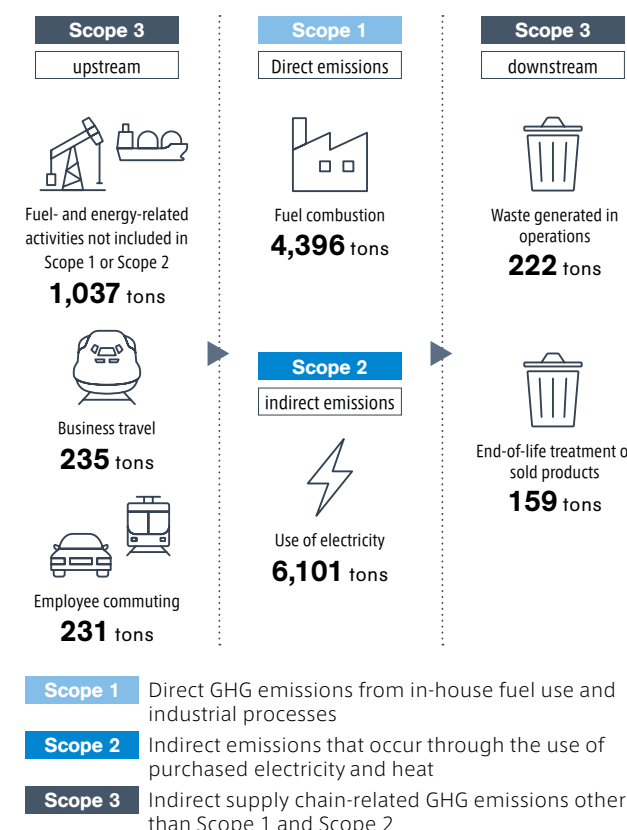
In addition to the Scope 1 and 2 emissions already calculated, from FY2020 the company also has been calculating Scope 3 emissions.

##### Scope 1 and 2 emissions volume

■ Main business sites: Head Office area, Odawara Central Factory, Discovery Research Laboratories in Tsukuba  
■ Sales offices, etc.  
■ Scope 1: Direct GHG emissions from owned or controlled sources  
■ Scope 2: Indirect emissions that occur through the use of purchased electricity, steam, and heat



##### Supply chain emissions volume



### Promoting the Recycling of Resources

#### Basic Attitude and Targets

Recognizing the limits of natural resources, we at Nippon Shinyaku are constantly striving to reduce the amounts of resources we use, adopting various methods, including reuse and dual or common use. We are also focusing our efforts on the active use of recycled raw materials to ensure that the waste resulting from our activities is recycled or reused. As general indicators for these efforts, we are working to reduce the quantities of waste generation and waste disposal in landfills. With regard to the use of water, including cooling water at our manufacturing sites, we endeavor to protect and nurture water sources in the environment and regulate the quality of waste water from our facilities in compliance with applicable laws and regulations.

As a long-term target concerning waste plastic, we are aiming to achieve a reuse/recycling rate of 81.1% by FY2030 (in line with the target set by the Federation of Pharmaceutical Manufacturers' Associations of Japan).

#### Initiatives for Resource Recycling

##### 1. Appropriate treatment and utilization of waste materials

We appropriately treat and manage waste materials, recycle metals, and collect and sort out plastic waste, all in compliance with the Waste Disposal and Public Cleansing Act and applicable Kyoto City ordinances.

In the Head Office area and at the Discovery Research Laboratories in Tsukuba, we have adopted an integrated waste management service (ASP service) capable of appropriate and continuous support to waste management. This enables us to confirm responsible waste treatment and disposal by our service providers. Furthermore, in the Head Office area, we disclose information regarding waste materials from time to time on the in-house intranet based on the KES Environmental Management System Standard.

##### 2. Reduced package waste

By reducing the amount of pharmaceutical package waste, we are trying to reduce the burden on the environment, while ensuring that new packaging will not compromise product quality.

##### 3. Reduced use of office paper

As part of our drive to realize paperless offices, we have been digitizing documents and reducing the volume of office paper purchased year after year. In FY2020, we achieved a 38.7% YoY decrease in office paper purchases. At the same time, we have been continuing the purchase of "green" office paper commensurate with the Act on Promoting Green Purchasing.



## Initiatives for the Environment

### 4. Plastics Smart campaign - a 1.2-ton reduction of PET bottle use

Endorsing its objective of reducing marine plastic litter, Nippon Shinyaku has joined the Plastics Smart campaign launched by the Ministry of the Environment of Japan by registering the Blue Smile Project, our plastic waste reduction initiative. In this project, all employees are provided with their own multiple-use bottles and encouraged to use them in the workplace, while on assignment away from the workplace, and even in their free time. Moreover, the suspension of the sale of drinks in PET bottles from vending machines in the Head Office area resulted in a drop of waste PET bottles from 1.2 tons in FY2019 to zero. This achievement drew great attention and praise from society, and Nippon Shinyaku was featured on the Kyoto City-operated website "Kogomi Net," dedicated to waste reduction and recycling information, as a company proactively engaged in plastic waste reduction.



Reusable bottle distributed to all employees



[http://kyoto-kogomi.net/recycle\\_plastic/](http://kyoto-kogomi.net/recycle_plastic/)

### Appreciation by External Parties

#### Recognition by Kyoto City for Excellence in Industrial Waste Disposal and Promotion of 3Rs

Fiscal 2019 marked the first time our Head Office area was commended by Kyoto City as a "Business Recognized for Excellence in Industrial Waste Disposal and Promotion of 3Rs," under a system devised by Kyoto City to evaluate the responsibility of waste generators. In fiscal 2020 we were recognized again.



Sticker recognizing "Excellence in Industrial Waste Disposal and Promotion of 3Rs"



Certificate recognizing "Excellence in Industrial Waste Disposal and Promotion of 3Rs"

#### Recognition by Kyoto City as Office with Excellent 2R, Sorting and Recycling Activities

In fiscal 2020, our Head Office area was certified by Kyoto City as an Office with Excellent 2R, Sorting and Recycling Activities, mainly in recognition of Nippon Shinyaku's participation in the Plastics Smart campaign and our registered initiative, the Blue Smile Project.



Certificate of an especially excellent business operator for 2R

## Promoting Proper Management of Chemical Substances

### Basic Attitude and Goals

For a pharmaceutical company that handles a variety of chemical substances, their appropriate management is a vital social responsibility. At Nippon Shinyaku, we ensure responsible management of all chemicals, and a dedicated committee, established in compliance with the company's Basic Regulations on the Management of Chemical Substances, clarifies the company's policy in this regard so that chemicals are managed correctly by all departments. Thanks to our IT system that enables a comprehensive and exhaustive inspection of the status of legal and regulatory compliance concerning chemical substances, we maintain a responsible management mechanism concerning all chemicals handled in-house in conformity with the latest applicable laws and regulations. Furthermore, we regularly assess workplace risks, including those related to chemical substances, from the perspective of occupational health and safety to realize the highest level of workplace safety.

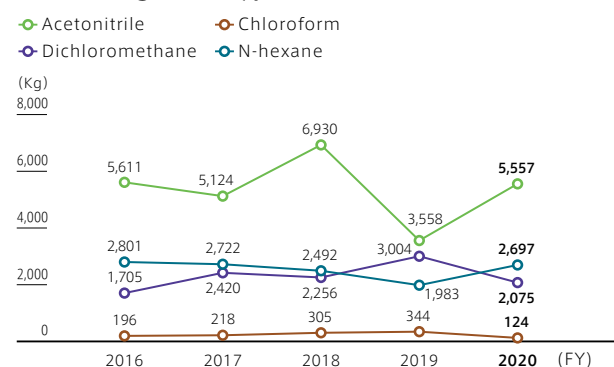
### PRTR Method-based Management

In the Pollutant Release and Transfer Register (PRTR) method defined under the Act on Specific Chemical Substances\*, business operators that handle one ton or more of any designated Type 1 chemical substances per year are required to notify these chemicals and details of their treatment. The corresponding chemicals we handle are acetonitrile, N-hexane, and dichloromethane in the Head Office area. We file all required reports and notices, demonstrating our appropriate management of all designated chemicals.

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

\* The unabridged title of the law is the Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

### PRTR-designated Type 1 chemicals (quantities handled)



## Conservation of Biodiversity

### Basic Attitude

At Nippon Shinyaku, we carry out activities designed to protect internationally recognized endangered plant species and those designated as endangered species by the Ministry of the Environment of Japan. We also organize tour workshops on themes related to these plants.

The Yamashina Botanical Research Institute conserves and cultivates over 3,000 varieties of plants, including more than 160 species that are the botanical origins of herbal medicines recorded in the Japanese Pharmacopoeia, numerous internationally recognized endangered species such as *Welwitschia mirabilis*, and species recognized as being in danger of extinction by the Ministry of the Environment of Japan. We attach great importance to research into cultivation from the perspective of biodiversity conservation. We participate in local activities for the preservation of rare plants native to Kyoto. For example, we are active in the protection and propagation of futaba aoi (*Asarum caulescens*) and kikutani-giku (*Chrysanthemum seticuspe*).

### Involvement by Yamashina Botanical Research Institute in conservation activity

#### Raising Awareness of Biodiversity Conservation

In addition to disseminating information via the website (<https://yamashina-botanical.com/>), the Yamashina Botanical Research Institute routinely holds tours by appointment, as well as hosting seminars for professionals, indigo dyeing workshops for elementary school students, public holiday tours, and other events designed to raise awareness of conserving plant diversity.

#### Cultivating and returning *Chrysanthemum seticuspe* to its natural habitat

Conservation activities by Nippon Shinyaku include cultivating and propagating Kyoto City's endangered *Chrysanthemum seticuspe* to feature in Kyoto Station's "Green Water Corridor" and Kyoto City's Kikutani Forest of Flowering Chrysanthemums (returning the plant to its natural habitat). We returned 300 shoots of this plant to the natural habitat in fiscal 2020.

#### Cultivation and dedication of futaba aoi (*Asarum caulescens*)

Nippon Shinyaku participates in the Aoi Project, a campaign launched by a general incorporated association established to preserve futaba aoi (*Asarum caulescens*), which is used in the Aoi Festival, one of the three major traditional festivals of Kyoto. Nippon Shinyaku takes part in the cultivation and ritual dedication of the plant for the festival. The number of futaba aoi growing in Kyoto has been rapidly decreasing in recent years. In July 2020, we dedicated 150 pots of futaba aoi, which we had cultivated from seeds for three years.

#### Protection of *Welwitschia mirabilis* and other endangered species

Nippon Shinyaku also practices ex situ conservation of endangered species protected by the Washington Convention, such as *Welwitschia mirabilis* and aloes.



Touring Yamashina Botanical Research Institute

### Appreciation by External Parties

#### 1. Receipt of Kyoto Environmental Award (Honorable Mention)

Kyoto City established the Kyoto Environmental Award with the aim of raising interest in the environment and further promoting various practical activities that contribute to environmental conservation, such as preventing global warming, creating a recycling-oriented society, and maintaining biodiversity. During the COVID-19 pandemic, the Yamashina Botanical Research Institute held virtual tours in place of real-world tours and received an Honorable Mention in the Kyoto Environmental Award for this initiative.



Virtual tour

#### 2. Recognized as Contributor to Kyoto City's "Kyoto Biological & Cultural Regeneration Project"

In 2019, the Yamashina Botanical Research Institute was officially recognized and registered as a contributor to the Kyoto Biological & Cultural Regeneration Project, run in accordance with the Kyoto City Biodiversity Plan to promote preservation and regeneration of rare animals or plants that have a distinctive place in traditional Kyoto culture.

In contributing to this project, the Yamashina Botanical Research Institute promotes the preservation of plants, such as okera (*Atractylodes ovata*), fuji bakama (*Eupatorium japonicum*), and kikyo (*Platycodon grandiflorus*), which are inseparable from Kyoto's traditional cultural landscape. In addition, the Research Institute actively promotes the preservation of endangered plants registered in Kyoto Prefecture's Red Book and organizes related educational and awareness-raising activities.

#### 3. Kyoto City's Kagayaki Award and Special Kagayaki Award

In 2019, the Yamashina Botanical Research Institute was nominated for commendation by Kyoto City for local companies that make outstanding achievements in specific categories. The company received the Kagayaki Award and Special Kagayaki Award. The commendation system was instituted based on the Kyoto City Ordinance on the Promotion of Sustainable Development by Local Businesses established in April 2019. The awards are presented to local companies recognized as pursuing their business activities while nurturing deep ties with the local communities through contribution to general safety and security, activities leading to the preservation of cultural assets, natural environmental protection, and so forth.

## Initiatives for Society

# Promoting Employee Health Management and Workplace Safety

### Related SDGs



### Policy and Objectives

The Health Declaration issued by Nippon Shinyaku in 2018 committed the company to actively maintaining the health of employees while supporting family members, based on a health management-based approach to the workplace environment and related working conditions. The subsequent transformation of the way we live and work by the COVID-19 pandemic prompted a refashioning of this commitment to health management as the Nippon Shinyaku Health Declaration 2020. In an interview conducted at the time as part of efforts to raise internal awareness, then-President and current Chairman Shigenobu Maekawa shared his thoughts on the concept behind the new Health Declaration and his personal approach to maintaining health.

For company-wide health management to progress effectively, health literacy on the part of each and every employee is essential. Heightened individual awareness results in positive change in behavior. Believing that this should also positively influence families and others around these individuals, we are moving toward our goal of health management, well-being for all.



### Nippon Shinyaku Health Declaration 2020

Two years have passed since we announced the Nippon Shinyaku Health Declaration 2018, in which we expressed our commitment to promoting health management.

Since then, the COVID-19 pandemic has largely modified the way we work and conduct our daily activities. As we continue with many aspects of our daily lives restrained, this situation has also provided us with the opportunity to recognize anew the importance of health.

Health is not something that is given from someone else. It is our own responsibility to strive to maintain and enhance our health. Within Nippon Shinyaku, all employees' well-being, being in good physical and mental health, is the very goal of the company's health management.

With this Health Declaration 2020, Nippon Shinyaku defines the goal of its health management as becoming a company that goes beyond being an easy place to work, creating a healthy workplace that makes work more worthwhile and adds purposefulness in life. We hereby declare that toward this goal we strive to support all employees' health and well-being and realize a workplace full of smiles.

October 1, 2020

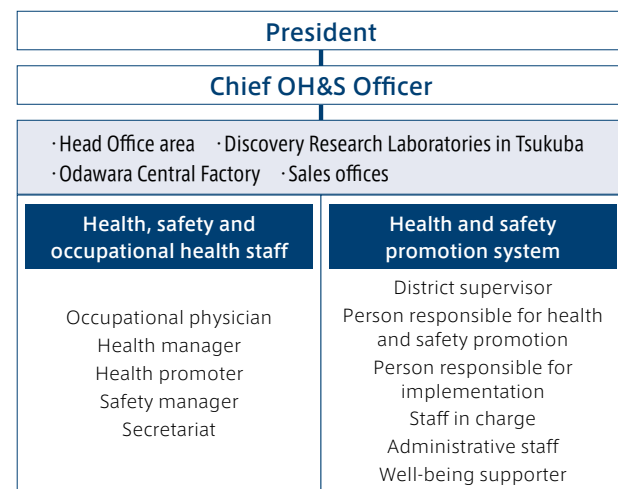
Shigenobu Maekawa  
President  
Nippon Shinyaku Co., Ltd.

### Health management promotion system

The Health Management Working Group, composed of representatives from the health insurance association, labor unions and HR office managing health promotion, oversees all health management policy planning and execution. Besides the staff responsible for workplace health and safety, each worksite has a designated "well-being supporter" with the role of promoting

measures for employee health management.

These people are also involved in raising the awareness of health management across the company and in gathering frontline feedback to help develop improved policies.



### External Recognition

We have participated in the annual survey on health management practices conducted by the Ministry of Economy, Trade and Industry (METI) since 2018, and been recognized under the program several times.

2019: Certified Health & Productivity Management Outstanding Organization Recognition Program - White 500	
2020: Certified Health & Productivity Management Outstanding Organization Recognition Program	
2021: Certified Health & Productivity Management Outstanding Organization Recognition Program - White 500	

The growing number of firms taking part in the survey makes it increasingly hard to gain the "White 500" designation, and our success in doing so is testament to the quality of our activities in the health



management area. In February 2021, we were also awarded the "Sports Yell Company" designation by the Japan Sports Agency. This recognizes firms that actively work to promote the health of employees through sports-based initiatives as part of the broader push to promote the social benefits of sport.

### Mental Healthcare

In 2003, Nippon Shinyaku was one of the pioneers in Japan of an Employee Assistance Program (EAP) designed to support early detection, prevention and treatment of mental health issues. The program includes annual stress checks for employees. 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.

### 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.

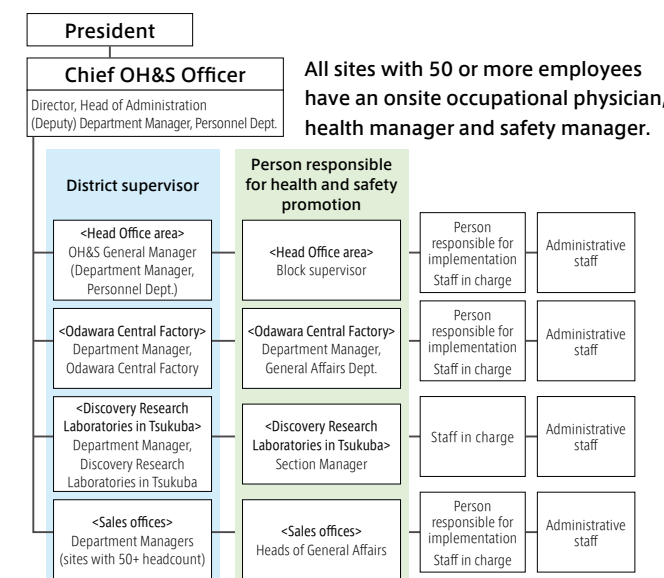
Measure	Description
<b>① Improving health literacy</b>	
Campaign to undertake "Health Challenge"	To help achieve better health outcomes by altering lifestyle habits in an enjoyable manner, we are enrolling employees in the "Health Challenge" program offered by Tokio Marine & Nichido Medical Service Co., Ltd. * A self-selected 12-part program with challenges such as quitting smoking, drinking less, or walking
Group walking events (organized by Kencom)	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.
Introduction of "smart meals"	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.
Aging care education events	An event organized with the Functional Food Division entitled, "Creating a Younger Body Using Anti-Glycation Products" included the chance to test blood sugar levels and receive related advice from a health professional.
"Jar of Health"	Twice-monthly column dedicated to improving employees' health literacy.
Seminar on women's health	An in-house seminar focused on the importance of gynecological diagnostic screening for female employees, drawing on lessons from related experiences of the effects on patients and their families of breast cancer and other potentially serious diseases affecting working women. The event discussed women's related concerns.
<b>② Support for quitting smoking</b>	
Quit smoking support measures	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. "Today's tabaccolumn" issued on the 2nd and 12th of each month / "Swan Day" initiatives on the 22nd of each month to support quitting ('swan' in Japanese is a homonym for 'non-smoking') Reimburse the full out-of-pocket expenses of outpatient smoking cessation programs for employees trying to quit Held a companywide non-smoking event called the Swan Cup in 2021



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

To ensure workplaces are comfortable and provide conditions that safeguard employee health and safety, we have created systems to prevent workplace accidents and promote OH&S. We have set up OH&S committees throughout the company as part of ongoing efforts to maintain OH&S and to upgrade systems. While the activity mix differs by site, besides basic OH&S programs, every part of Nippon Shinyaku promotes workplace OH&S from a health and productivity management point of view. This means ensuring the physical and mental health and safety of all employees, while also trying to create a rewarding work environment that supports well-being.

### Occupational Health and Safety (OH&S) Structure



All sites with 50 or more employees have an onsite occupational physician, health manager and safety manager.



## Initiatives for Society

# Achieving a work-life balance and allowing every employee to grow and thrive

### 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.

### Measures to support work-life balance

In fiscal 2019, we reformed our long-term care leave system. Whereas we previously allowed carers to take up to a total of 93 days of leave for a single family-care situation, we now have set an upper limit of one year off for caring. We also removed restrictions on the number of times care leave could be taken within that total, to create a system that responds flexibly to individuals' care circumstances.

In fiscal 2020 we adopted the corporate-led babysitter user support scheme instigated by the Cabinet Office. Under this scheme, which is designed to facilitate a balance between work and child-rearing, Japanese workers of all descriptions can use discount coupons issued by the Cabinet Office to lessen their out-of-pocket expenses when making use of babysitter dispatch services. While we already had included financial support for babysitting services in our employee welfare system, by further enhancing support for child-rearing generations we seek to mitigate the mental and physical stress that child-rearing exerts on employees.

In addition, the Nippon Shinyaku Group Mutual Aid Association regularly holds seminars regarding work-life balance support. Large numbers of employees attend these sessions, which include seminars for those balancing work and care, and others for mothers and fathers balancing work with child-rearing. Not only do these seminars provide employees with useful information on work-life balance and on eligibility for company-specific systems, they also provide a forum for employees to share information among themselves.

In this manner we are expanding work-life balance support initiatives with a view to enhancing both the quality of work and QOL and striving for a corporate culture in which every employee is able to achieve an appropriate balance between the two.

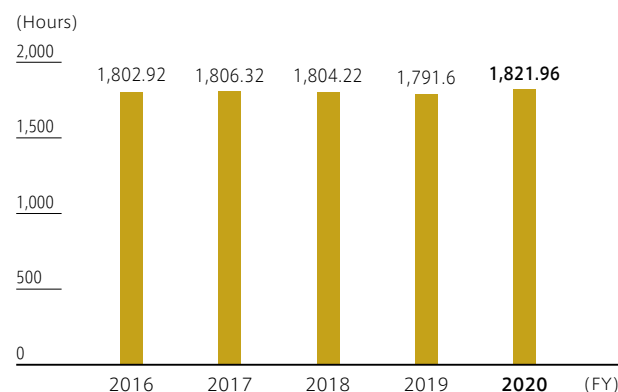
### Prevention of long working hours

In January 2018, Nippon Shinyaku became one of the first in the industry to introduce a flexible working hours system for MRs. This system has reduced working hours for MRs by creating a flexible working style. From the outset, no core time was set under this system, allowing individual MRs to adapt break times as well as starting and

ending times to their planned activities. From October 2019, this flextime was expanded across the entire company, except for some divisions including production, and in April 2020 we completely abandoned the concept of core time (a period of the day during which employees are required to be at work).

As a further countermeasure against long working hours, we use e-learning to educate all employees about the Labor Standards Act. Also, when employees are planning daily activities, we have them submit advance applications and follow-up reports for both overtime and telework.

### Total annual working hours



### Promotion of human resource development efforts to foster an organizational culture in which everyone can play an active role

• **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.

### • Training 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 2020, we held the 6th Next-Generation Leader Challenge Program. We sought nominations from within the company and selected 13 participants from several departments. Between September 2020 and February 2021 these employees undertook group training as well as attending external education programs. This initiative actively supports the growth of young employees aspiring to be independent leaders capable of spearheading the organization, by providing original ways to learn and gain management experience outside daily work.

### • Developing global human resources

To further Nippon Shinyaku's global development, we offer support and training designed to nurture global human resources. To help employees hone their skills in foreign languages, we offer Foreign Language Learning Support courses to all who apply. The program involves online English conversation lessons with a native speaker, and applicants can participate for a period of between 3 and 12 months as they like. In fiscal 2020, we also held an online Business English Practical

Training Program targeted at employees displaying a certain level of language proficiency. Designed to take participants from "learning English" to "using English," this program offers employees opportunities to enhance their skills via practical training in the use of English in meetings, discussions, and so forth.



Business English Practical Training Program, held online

### • 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, three employees have used this system to study at overseas research institutions of their choice. In fiscal 2019, we widened the scheme to enable employees to apply to study at company-selected research 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.

## TOPICS

### Nippon Shinyaku New Work Style Basic Policy

In July 2020, we devised a New Work Style Basic Policy. As part of this new work style, we adopted initiatives to enable employees to continue working remotely. In fact, we recommended that telework continue even after the COVID-19 pandemic is contained.

Over the past year we have taken steps to build an environment conducive to telework, including installation of digital and communications equipment and security upgrades. To heighten understanding of the telework system and ensure its practical and appropriate use, we offer training to employees via e-learning.

When working remotely, it is difficult to communicate in the same manner as when face to face. We recommend that employees remain conscious of the need for communication, and to that end we have introduced communication tools available companywide as a measure to ensure employees' psychological wellness. Nippon Shinyaku intends to continue promoting a new work style with a view to further enhancing employees' sense of well-being.



Initiatives for Society

Promoting Diversity and Inclusion

Basic Idea

Nippon Shinyaku is striving to build a diverse workforce by hiring a variety of people regardless of gender, age, nationality, and individual traits. We also pursue various initiatives to ensure that every employee can thrive, as alluded to both in our Management Policy (under the heading, “Employees: Develop Each Employee”) and the 6th Five-year Medium-term Management Plan (in the goal of cultivating an organizational culture that enables individual employees to fully develop their potential). We are also working to create conditions that foster a workplace climate where every single employee—each with diverse values—can flourish and be independent, enabling the company to generate innovation and realize sustainable growth.

Improving Workplace Climate to Improve Retention

Nippon Shinyaku seeks to offer employees a positively challenging environment that simultaneously supports diverse work styles and is conducive to personal growth. To that end, we have been overhauling our personnel systems and their management.

We have taken a variety of steps to improve employees’ working conditions, including expansion of our paid leave system and replacement of unpaid leave with partial paid leave. Other measures to aid in child-rearing have included shorter working hours, staggered commuting, a flextime system, and a telework system.

In July 2020, we launched a New Work Style Basic Policy, with an eye to adapting flexibly to societal change in the manner that we believe is expected of Nippon Shinyaku. We continue to abide by this policy and remain committed to creating an environment enabling each individual to re-imagine their work-life balance and thrive both in and out of the workplace.

More Active Roles by Women

Nippon Shinyaku has long since defined encouraging women to take up more active roles as one of the company’s important missions, implementing various initiatives to this end. To give the necessary nudge to women who might be hesitating for various reasons to take their career to the next level, the company has been improving the corporate environment, offering female employees with opportunities for further personal growth.

Nippon Shinyaku aims to help female employees grow by providing opportunities to improve their motivation and skill sets and form external networks. To that end, in fiscal 2020 we sought applicants from throughout the company for a training program held by an external organization supporting women who aspire to management roles. There were many applicants, which is testament to the large number of career-minded female employees. As participants have reported learning a good deal and feeling highly stimulated, we regard this program as an effective means of further boosting female employee’s motivation and fulfillment.

Promoting Women to Directorial and Managerial Roles

In fiscal 2019 we devised a General Employer Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, setting the goal of having 15% or more of female employees in management positions. That goal was met in fiscal 2020, when 15.1% of female employees held management positions. The number of women in management/executive positions is increasing every year, and we seek to further elevate women to managerial, executive, and eventually directorial positions by actively recruiting career-minded women who are not satisfied with their current lot.

“#Here We Go 203030” Initiative

Nippon Shinyaku supports the “#Here We Go 203030” initiative announced by the Japan Business Federation (Keidanren), which has set the aspirational target of increasing the proportion of female directors in Japan to more than 30% by 2030. Keidanren came up with the “#Here We Go 203030” initiative to create a movement to achieve this target, and provide a driving force for accelerating promotion of “active participation in the workforce by diverse people” as a means of achieving inclusion and co-creation of diverse value.



Mid-career Recruitment

Corporate competition is intensifying due to ongoing globalization and other factors. For companies’ lasting growth, responsiveness to change, speedy execution, fresh viewpoints, and new ways of thinking are becoming ever more important. To obtain such qualities together with high levels of expertise, leadership skills, broad perspectives, and a breath of fresh air, Nippon Shinyaku actively turns to mid-career hires in the hope that they will lead to organizational cultural reform and corporate value enhancement. The company’s number of mid-career hires has been increasing year after year, with positive results in all job types and fields.

Supporting Senior Employees Remaining Active

Nippon Shinyaku has adopted a continued employment (rehiring) system that in principle enables employees who wish to work past the legally prescribed retirement age of 60 to do so up to the age of 65, in a position organized by the company in the community where they plan to live once retired.

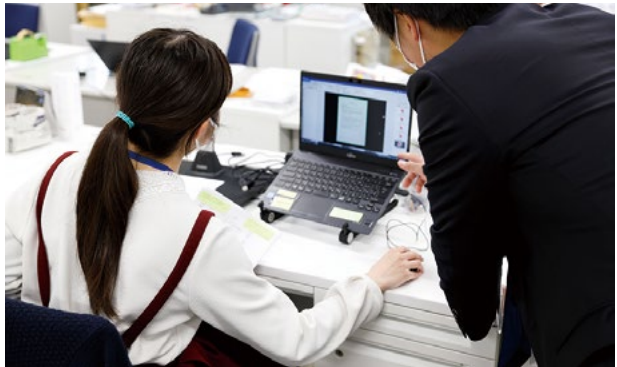
Under this system, treatment for the following year and a second, point-based severance payment is determined via fair appraisal of the achievement of personal goals set by rehired senior employees, affording them greater motivation to continue working.

Nippon Shinyaku will continue to support workforce participation by senior employees by devising new work styles that further heighten rehired employees’ appetite for work and productivity.

In addition to the above, we have taken steps to eliminate obstacles to persons with disabilities in the workplace, in line with provisions in the Act on the Elimination of Discrimination against Persons with Disabilities and Revised Act on Employment Promotion, etc., of Persons with Disabilities (both enacted in April 2016), that explicitly require businesses to provide reasonable accommodation to employees with disabilities.

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

\* A training system that combines education at a special-needs support school and vocational training within a company



A disabled employee at work

Employees with Disabilities

Based on the principle of inclusion, Nippon Shinyaku is working toward expanding employment and creating new job opportunities for persons with disabilities.

To expand employment, we have been collaborating with a special-needs support school since fiscal 2007, offering a dual system of learning while working\*. In terms of creating new job opportunities, we have made efforts to simplify and standardize various routine tasks, with a view to shifting employees with disabilities into roles that they can undertake and enabling work-sharing. Furthermore, several consultants are stationed in the workplace to promote an environment where those with disabilities can work productively side by side with others. This is one example of how we are working to create comfortable work environments.

TOPICS

Human Rights Policy

The Nippon Shinyaku Group has established its Human Rights Policy to fulfill its corporate responsibility of respecting human rights. The Human Rights Policy complements the Nippon Shinyaku Group Charter of Business Conduct, which has been established as operational standards of action that all Nippon Shinyaku Group directors and employees must adopt in their corporate activities to meet society’s expectations and win society’s trust.

Basic idea	The Nippon Shinyaku Group advocates the Ten Principles of the United Nations Global Compact in four areas (one of which is human rights) as its signatory company, respects internationally recognized human rights norms, such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, and adheres to the World Medical Association’s Declaration of Helsinki with regard to pharmaceutical research. We respect the human rights and dignity of all individuals, strive to prevent harassment and treasure diversity, and act with high ethical values to form relationships of trust with society while naturally maintaining a safe and secure workplace environment.
Policy applicability	The Human Rights Policy is applicable to all Nippon Shinyaku Group directors and employees (including fixed-term contractual, re-hired, temporary, and part-time employees), personnel dispatched by temporary staff agencies, personnel on loan from other organizations, employees of subcontractors and service providers, and all persons engaged in the Nippon Shinyaku Group’s operations.
Due diligence	In conformity with the United Nations Guiding Principles on Business and Human Rights, the Nippon Shinyaku Group strives to act with due diligence to prevent and mitigate possible negative impacts resulting from the Group’s business activities. We fulfill our corporate responsibility of respecting human rights by observing the laws and regulations of the countries and regions in which we operate, avoiding infringement of human rights, and not letting others infringe on human rights.
Relief	In the event that the Nippon Shinyaku Group’s business activities are found to have compromised or caused any negative impacts on human rights, the Group will take relief measures or act otherwise for the relief of the victims in collaboration with other parties concerned and undergo appropriate procedures to prevent recurrence.



## Initiatives for Society

# Community Life

### Basic Concepts

Besides its core mission of supplying the world with high-quality medicines as a manufacturer of pharmaceuticals, Nippon Shinyaku is committed to fulfilling its role as a corporate citizen to help local and regional communities. Activities to enrich community life include providing educational support for the children who will lead the next generation, and opening our botanical research institute and other company facilities to the public. We also hold public lectures nationwide with the aim of disseminating the latest information and promoting correct understanding of diseases. In addition, we fund public research grants in a bid to foster scientific developments in the fields of medicine and pharmacology.

### Contributing to Communities and Culture

#### Nippon Shinyaku Children's Literary Awards

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 and the City of Kyoto 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 20,000 copies. The books are distributed to children nationwide through medical institutions and via public facilities such as libraries.

The 12th Nippon Shinyaku Children's Literary Awards ceremony was held online, in view of rising COVID-19 cases. "Nezuo Mouse," the main character in this year's picture book, "A Zodiac Animal's Job is Never Done," made an impression at the awards by leaping out of the book and playing host. The ceremony included a book-reading and guest singing performances, all streamed live on YouTube. While it was very different from previous occasions, the ceremony had features that could only be provided online.

Visitors to our newly updated (Japanese-only) special website (<http://kodomo-bungaku.jp/>) are able

to see electronic versions of past and present books and hear them read aloud as they browse the pages.

#### Nippon Shinyaku Sparkling Future Mobile Library

We began the Nippon Shinyaku Sparkling Future Mobile Library in 2019 as part of our centenary celebrations to bring exciting library experiences to children. The library van carries around 1,000 picture books, including the Nippon Shinyaku Children's Literary Award-winning titles, a range of universal design titles (such as Braille and audio books), and digital books. Staff take the mobile library to visit local kindergartens.

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.



Nippon Shinyaku Sparkling Future Mobile Library



Group photograph from 12th Nippon Shinyaku Children's Literary Awards online ceremony

#### Nippon Shinyaku & Seitaro Kuroda Smiles Art Project

In 2013 we launched the Nippon Shinyaku & Seitaro Kuroda Smiles Art Project, a nationwide campaign spearheaded by illustrator Seitaro Kuroda that visits communities around Japan and encourages locals to band together and create art on the walls of hospitals and nursing facilities.

In March 2021, we held the Nippon Shinyaku & Seitaro Kuroda Smiles Art Project online, by organizing a link between Mr. Kuroda's studio, the Kyoto Municipal Narutaki Comprehensive Support School, and children receiving care at Utano Hospital. We managed to host a new style of event dubbed Smiles Collabo Art, combining pictures already colored in by the children with a live painting session by Mr. Kuroda.

Through this project, we hope to continue strengthening bonds and generating smiles by visiting local hospitals and drawing pictures together with people from all walks of life, including physicians, patients, senior citizens, children, and students.



Live painting session during Smiles Collabo Art event

#### 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 third round of grants, offered in fiscal 2021, we sought applicants to perform fundamental research in two fields: hematopoietic tumors and hereditary muscular disorders such as muscular dystrophy. 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 muscular dystrophy and other hereditary muscular disorders.



#### Contributing to the Culture of Kyoto

As a company headquartered in Kyoto, Nippon Shinyaku engages in activities to preserve and maintain the culture of Kyoto. For more than half a century, each year Nippon Shinyaku has produced calendars that feature pictures of Kyoto's seasonal scenery, customs, and historical events, and are made using traditional stencil-dyeing and wax-dyeing techniques. In November 2020, we relaunched our Kyo Gallery website (<https://www.nippon-shinyaku.co.jp/english/kyo-gallery/>), displaying more than 300 works included over the years in the calendars.

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.



#### Educational Support and Community Interaction 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 and senior high school students in places including Kyoto (head office), Odawara (factory) and Kushimoto, Wakayama Prefecture (training facility). These events improve the baseball skills and strength of children while fostering interaction with local communities. Representing the City of Kyoto at the Intercity Baseball Tournament, in 2020 the Nippon Shinyaku Baseball Club brought smiles to the faces of local citizens, achieving the wonderful result of third place and winning the Kyoto City Sports Honor Award.

Due to the COVID-19 pandemic, the Intercity Baseball Tournament was not held in fiscal 2020. Instead, the Nippon Shinyaku Baseball Club engaged in cleanup activity including litter collection in the area around the company, also participating in the Citrus Ribbon Project with the slogan "Citrus Ribbon Project x Nippon Shinyaku = Supplement for the Mind," with a view to awareness-raising and elimination of bias against medical workers and people infected with COVID-19.



"Supplement for the Mind" activity

Initiatives for Society

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.

Main Activities

As part of our responsible procurement program, Nippon Shinyaku conducts a Responsible Procurement Survey of major domestic and overseas suppliers on a biannual basis.

Besides compliance status and consideration for the environment, the survey covers procurement reliability issues such as supply continuity preparedness, adherence to product quality and delivery standards, production capacity, and mechanisms in place to prevent forced labor, child labor, and discrimination.

The survey response rate is consistently over 90%, and the survey is used to confirm that suppliers are implementing 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 to ensure that we and our suppliers fulfill our corporate social responsibilities.

GOVERNANCE

Corporate Governance


Related SDGs




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 June 29, 2021.

The following items are posted on our website.  
[https://www.nippon-shinyaku.co.jp/english/ir/esg\\_management/governance.php](https://www.nippon-shinyaku.co.jp/english/ir/esg_management/governance.php)  
• Corporate Governance Report • Corporate Governance Basic Policy

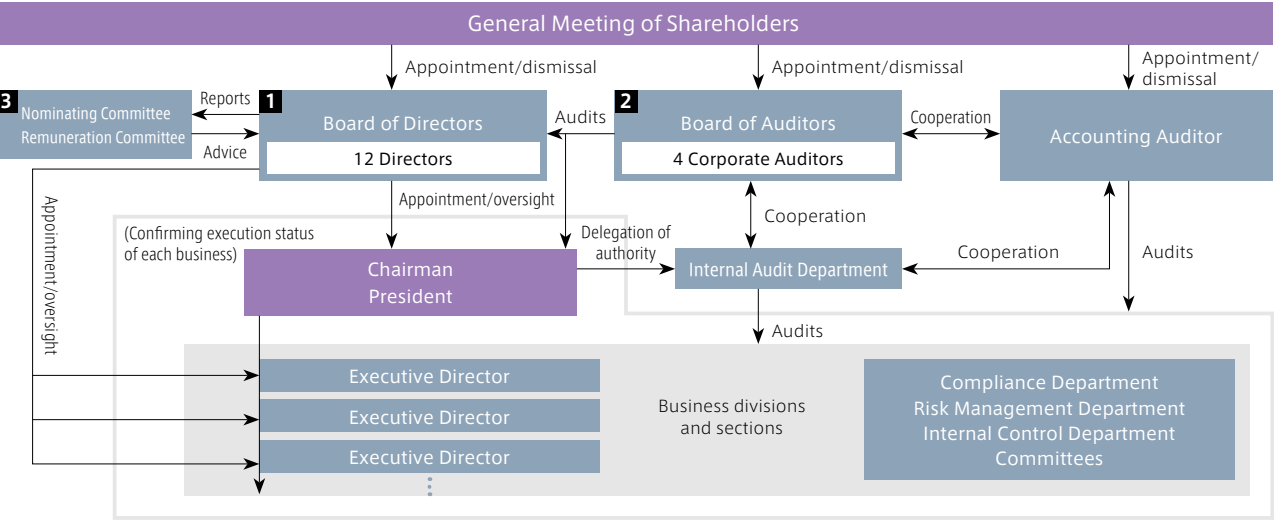


Steps taken to strengthen corporate governance (number of directors is as of conclusion of each year's Annual General Meeting of Shareholders)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of directors	7	9	9	10	10	10	10	12	12	12
(of whom, inside)	7	7	7	7	7	7	7	8	8	8
(of whom, external)		2	2	3	3	3	3	4	4	4
(of whom, female)						1	1	1	1	3
Number of auditors					4	4	4	4	4	4
(of whom, standing)					2	2	2	2	2	2
(of whom, external)					2	2	2	2	2	2
Committees					Existence of Nominating Committee		Existence of Remuneration Committee			

Organization for Corporate Governance

Headed by the company chairman and consisting of 12 members including four external directors, the Board of Directors holds a meeting once a month in principle and resolves and reports on material business matters.

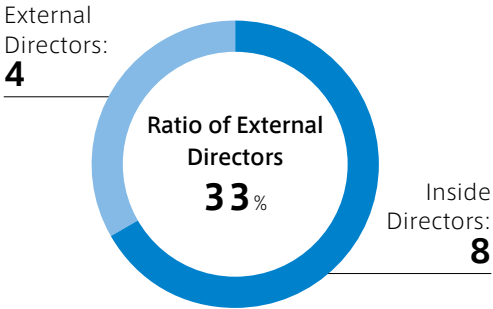




GOVERNANCE

1 Board of Directors

Role	<div><div>• Ensures business fairness and transparency through general management oversight.</div><div>• 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.</div></div>
Meeting frequency	Monthly; extraordinary sessions if required 14 meetings held in fiscal 2020
Attendees	All directors and auditors



External Directors: Appointment Rationale and Main Activities

Name	Reasons for Appointment	Attendance at Board of Directors meetings (Fiscal 2020: meetings attended / meetings held)
Yukio Sugiura	Appointed because he offers advice to management from a practical perspective, based on his expertise and insight from an independent standpoint as a pharmacologist.	(14/14)
Miyuki Sakurai	Appointed because she offers advice to management from a practical perspective, based on her expertise and insight from an independent standpoint as a lawyer.	(14/14)
Yoshinao Wada	Appointed because he offers advice to management from a practical perspective, based on his expertise and insight from an independent standpoint as a physician.	(14/14)
Yukari Kobayashi <div>Newly appointed</div>	Appointed on the premise that she can offer advice to management from a practical perspective and from an independent standpoint, based on her wealth of experience and broad insight gained from engagement in various businesses and corporate management for many years, mainly at foreign IT companies.	—

Analysis/evaluation of effectiveness of the Board of Directors

Frequency	Annual
Methodology	Self-evaluation survey completed by all directors
Content	The Board's effectiveness in discussing and deciding issues was determined by asking each director if they actively voice their opinion; if discussions are conducted based on multi-faceted, wide-ranging perspectives; if debate is free and constructive; and if the discussions support appropriate decisions by management.
Results of fiscal 2020 evaluation	As previously, the survey confirmed that all Board members believe that meetings provide the opportunity to actively voice opinions; to engage in free, 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.

2 Board of Auditors

Role	<div><div>• Provides corporate oversight in coordination with the Board of Directors, supporting the corporate governance system by supervising the actions of the Board as an independent entity accountable to shareholders.</div><div>• Based on its specialized knowledge and vast experience, the Board of Auditors actively expresses opinions to the Board of Directors and management.</div></div>
Meeting frequency	Monthly; extraordinary sessions if required 16 meetings held in fiscal 2020
Attendees	All auditors

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

Name	Reasons for Appointment	Attendance at Board of Directors meetings (Fiscal 2020: meetings attended / meetings held)
Tsuyoshi Kondo	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.	(14/14)
Sumitaka Maruyama	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.	(14/14)

3 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

	Committee Name	All Committee Members	Full-time Members	Inside Directors	External Directors	Outside Experts	Other	Chairperson
Committee Corresponding to Nomination Committee	Nominating Committee	3	0	1	2	0	0	External Director
Committee Corresponding to Remuneration Committee	Remuneration Committee	3	0	1	2	0	0	External Director

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.

GOVERNANCE

Remuneration of (non-external) directors	<ul style="list-style-type: none"><li>•Comprises monthly salary and bonuses.</li><li>•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.</li><li>•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.</li></ul>
Remuneration of external directors	<ul style="list-style-type: none"><li>•Remuneration only has a fixed component to ensure proper management oversight.</li><li>•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.</li></ul>
Remuneration of auditors	<ul style="list-style-type: none"><li>•Remuneration only has a fixed component to ensure proper management oversight and auditing functions.</li><li>•Individual remuneration amounts are based on discussions with auditors.</li></ul>

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

As of March 31, 2021

Officer category	Total remuneration (millions of yen)	Subtotals for each type of remuneration (millions of yen)		Number of recipients
		Fixed basic remuneration	Performance-linked remuneration	
Directors (excl. External Directors)	398	201	196	8
Auditors (excl. External Auditors)	34	34	—	3
External Directors/Auditors	60	60	—	6

\* Includes directors who were in office between July 2019 and June 2020

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.

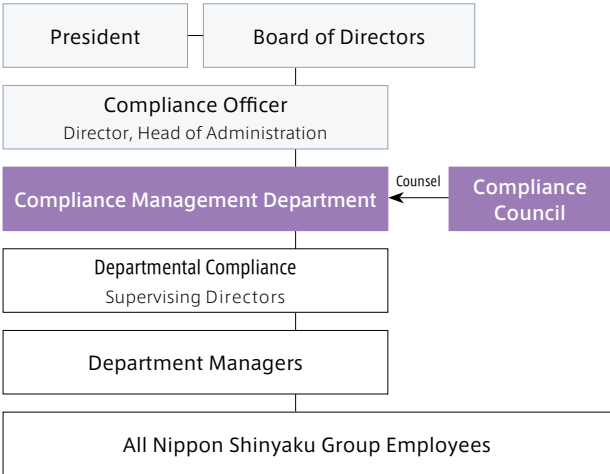
Accounting auditor	<ul style="list-style-type: none"><li>•Deloitte Touche Tohmatsu LLC is contracted to audit financial reporting and internal controls to ensure proper accounting procedures and management transparency.</li></ul>
Internal Audit Department	<ul style="list-style-type: none"><li>•Department has 9-person team and reports directly to President.</li><li>•Department conducts internal audits of all processes supporting risk management, control and governance of Nippon Shinyaku Group; results are reported to the President and shared with the Board of Directors.</li></ul>

Compliance

Framework for Compliance

The Nippon Shinyaku Group has in place Compliance Operating Rules, with the Director, Head of Administration acting as a compliance officer and a dedicated department to oversee compliance initiatives. The supervising director for each department is responsible for departmental compliance initiatives, which are carried out by the managers in each department.

Compliance Framework Chart



Compliance Initiatives

The Compliance Management Department plans and formulates group-wide compliance initiatives based on advice from the Compliance Council.

Compliance Training in Fiscal 2020

Type of Training	Description
Departmental compliance training (monthly)	Departmental training incorporating company-wide content and department-specific content, for all group employees
Training for new employees (April)	Training that focuses on teaching regular new employees about compliance concepts and approaches, and stressing the importance of compliance.
Training for midcareer recruits (as and when required)	Training covers compliance concepts and approaches for mid-career recruits.
Training for newly promoted managers (March, October)	Training that focuses on teaching compliance to newly promoted managers.
Training for employees in their second year at the company (June -October)	Conducted monthly e-learning concerning compliance for employees in their second year at the company.
Training on the Charter of Business Conduct for new employees (as and when required)	Enhancing understanding of and compliance with the Charter of Business Conduct.

Messages from the President in April 2020 and October 2020 stressed the importance of raising compliance standards even higher.

We revised the key points of our Charter of Business Conduct to reflect changes in the environment surrounding the Nippon Shinyaku Group. In view also of altered working conditions due to the increase in telework, we digitized our Charter of Business Conduct booklet to make it accessible at any time on notebook computers and smartphones loaned to all employees.

Internal Compliance Reporting (Whistleblowing Hotline)

Nippon Shinyaku maintains an internal compliance reporting system based on a set of regulations as a self-policing means to handle legal or regulatory violations. All Nippon Shinyaku Group company employees can report violations, perceived or real, and seek advice with regard to compliance issues via whistleblowing hotlines set up both within and outside the Group companies that can be reached through a dedicated phone number or e-mail address.

The regulations on internal compliance reporting stipulate necessary measures to be taken for the protection of whistleblowers' privacy and the duty of confidentiality, and they guarantee that whistleblowers will not be subjected to unfair treatment as a result of their reporting.

Information on the internal compliance reporting system is provided to all Group employees from time to time to make it known throughout the Nippon Shinyaku Group.

Education Initiatives

- A competition to create compliance slogans was held and the best entries were chosen via an internal review and vote by all Group employees. Compliance education posters based on the winning slogans were then made for display across all departments.
- Created compliance cards outlining business philosophy and management policy, for all Group employees to keep on their person



Compliance education posters

Compliance cards



## GOVERNANCE

# Risk Management

### Risk Management Framework

The Nippon Shinyaku Group has in place Basic Risk Management Rules for identifying underlying risks and aiding the departments responsible for each risk in formulating preventive policies as well as measures for responding when such situations arise.

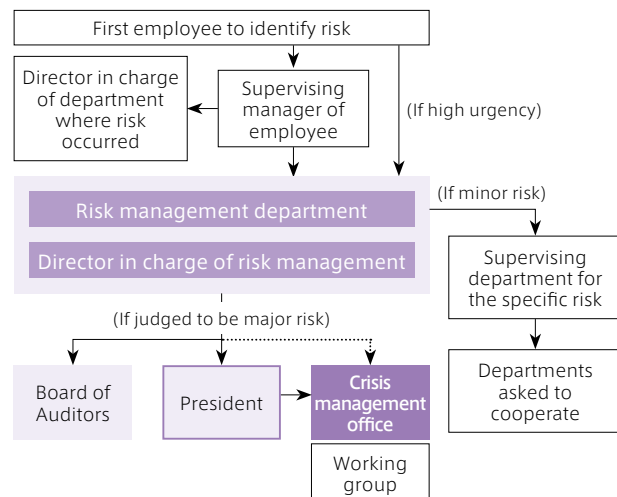
Additionally, each year we identify highly critical risks and set risk management goals and action plans for the year. In fiscal 2020, these included "cyberattacks," "information leakage," "disasters," "harassment," and "breaches of labor laws," which led us to strengthen controls and raise awareness.

Furthermore, every year we conduct a self-check survey of all group employees for the purpose of verifying each individual's risk awareness.

When an incident does occur, the director in charge of risk management receives a report from the risk management department, and then determines the effect the incident will exert on business operations.

If the effect is considered minor, the supervising department for the specific risk will be directed to respond. If, on the other hand, it is deemed that the incident will have a serious effect on business operations, the President will be immediately notified, while a temporary crisis management office will be established to respond to the incident in a timely manner. Once the incident is dealt with, measures are devised to prevent recurrence, and these are put in place by the relevant departments.

#### Path of Risk Notification



### Initiatives to Prevent Workplace Harassment

At Nippon Shinyaku, we treat harassment as a serious issue that disrespects individuals and infringes upon their human rights. We have formulated the Group Harassment Prevention Rules to help prevent workplace harassment of any kind and maintain a good working environment. We have also set up a dedicated hotline to receive any harassment complaints, provide related advice, and

conduct internal fact-finding investigations. Other activities to prevent harassment and support compliance in this area include compliance and manager training programs and the distribution of anti-harassment policy pamphlets and portable awareness cards.

### Protecting and Respecting Intellectual Property Rights

The Nippon Shinyaku Group recognizes the importance of the intellectual property (IP) created at all stages of a product's life from early research to post-launch marketing. Our Patent Strategy Committee formulates global IP strategy, examines IP-related issues, and oversees the Group's response to these issues. Patents, trademarks and other IP rights related to pharmaceuticals, functional foods and other products developed in-house are managed appropriately to support the maximum degree of commercial freedom in business activities.

Based on our fundamental IP stance that pays equal respect to third-party intellectual rights, we take a thorough approach to managing IP risks, including ownership investigations.

### Supply Chain Risk Management

#### Upgraded systems to ensure supply reliability

In fiscal 2020, the impact of the COVID-19 pandemic on the pharmaceutical industry in Japan focused attention on weaknesses in the supply chains for drugs. At Nippon Shinyaku, we ensured a reliable supply of our products by taking steps to maintain drug inventories based on our Business Continuity Plan (BCP) and good communications with suppliers.

Upgrading our systems to ensure reliability of supply using a risk management approach is one of the goals of the current medium-term management plan. To accommodate greater supply chain diversity and evolving business conditions, we have been working to prevent supply interruptions by making supply chains more resilient. In fiscal 2020, we also created a new set-up to manage supply chain risks via a risk-based approach, based on assessing the underlying supply risks and related potential market and frontline medical impacts.

The underlying risks are assessed in relation to various frameworks. Quality assurance is the first and most critical factor in ensuring the efficacy and safety of pharmaceuticals. Next, we strictly monitor the production and quality management processes at our in-house manufacturing sites and those of affiliates to ensure full compliance with the relevant laws and regulations of Japan and other countries, as well as with Good Manufacturing Practice (GMP).

We have also formulated our own unique set of multifaceted criteria to enable the advanced assessment and management of supply chain risks that differ by product, based on other frameworks such as transportation

and logistics systems, maintenance of alternative supplier networks, and inherent difficulties in accurate demand forecasting.

By creating an integrated risk management system to formulate countermeasures based on established priorities and outcomes of risk assessments, we have made rapid and steady progress in developing a more resilient supply chain.

The BCP formulated for the Odawara Central Factory aims to maintain uninterrupted supply by preparing for major incidents such as an earthquake or flood. We are helping suppliers and external manufacturing sites to upgrade the status of their BCPs to a similar level.

Going forward, we will continue to promote these activities, keeping in mind that constant improvement is required due to the dynamic nature of risk.

### Initiatives on Information Security

Nippon Shinyaku has instituted a policy and basic rules relating to information security. Based on this policy, the ISMS\*1 Committee has been created to oversee the operation of the Group's information security management system and to promote related improvements.

Protecting the security of information assets is a top priority for us since our research attracts global attention. We also strive to keep our information security as advanced as possible because social conditions, business processes and information technology are changing on an almost daily basis.

In fiscal 2018, we created a dedicated internal set-up (NS-CSIRT\*2) to respond quickly to any cyberattacks or other incidents that threaten the Group's information security. NS-CSIRT has since run regular cyberattack simulations and drills to test and modify each division's response procedures and to improve the way our

information security systems operate. We have introduced systems for restricting the memory of USB devices that can connect to office PCs as a way of preventing malware infections and data leaks. In fiscal 2019, we also established the SOC\*3 to undertake 24/7 surveillance of the Group's networks and computer systems. Besides monitoring for any suspicious activity, the SOC can work with external information security experts to respond rapidly in the event of any serious information security breach, thus helping to minimize the related impact.

In fiscal 2020, we introduced cloud storage service to our internal network to help boost efficiency while significantly improving the ability to manage data and prevent any leaks.

While implementing these various measures, given that human error is the ultimate cause of most information security breaches, we are also taking steps to mitigate people-related information security risks. To ensure high levels of employee awareness about the need for strong information security, we provide training on information security to all new recruits (including graduates, mid-career hires and people seconded to the Group), as well as continuing online education courses to keep awareness levels high. Amid a growing threat from email phishing attacks in recent years, we conduct regular training sessions on how to deal with suspicious emails. The aim is not only to build awareness of the threat posed by such emails, but also to develop capabilities over time by building on previous training sessions as part of a PDCA cycle-approach to improving information security.

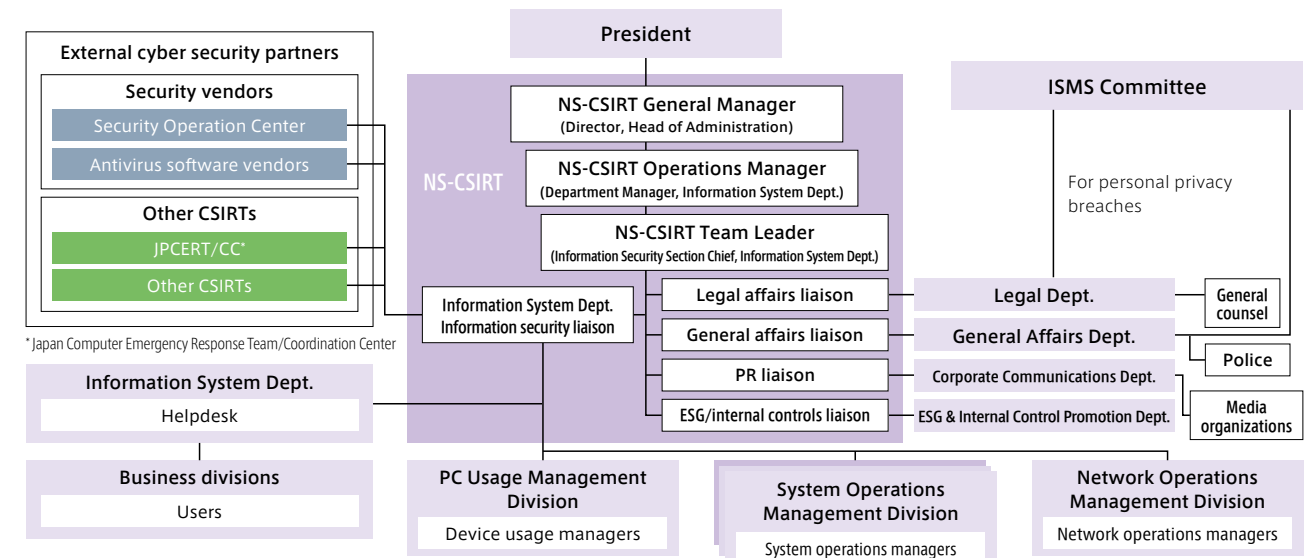
Going forward, we plan to further upgrade our information security risk countermeasures for protecting the Group's information assets in partnership with external organizations.

\*1 ISMS: Information Security Management System

\*2 NS-CSIRT: NS-Computer Security Incident Response Team

\*3 SOC: Security Operation Center

#### NS-CSIRT framework



\* Japan Computer Emergency Response Team/Coordination Center

## GOVERNANCE

### Messages from External Directors



**Yukio Sugiura**  
External Director

#### Continuous in-house development of innovative drugs to create a seamless, full pipeline of next-generation products

Recent years have been momentous for Nippon Shinyaku. Having celebrated its centennial in 2019, the company is now focused on the global development of Upravi and Viltepso. We have also had a leadership transition. The Nominating Committee debated the qualities that the incoming President would need, ranging from vision and leadership to the ability to respond to change and build diversity. We evaluated candidates and reported our findings to the Board, who made the final decision on who to appoint. The Japanese pharmaceuticals market shrank in 2020, creating harsh conditions for drug manufacturers. I will be looking to President Nakai to set out a long-term vision and new lifestyle-based business model as part of showing the necessary problem-solving and leadership qualities to help get us through these tough times.

I believe the path Nippon Shinyaku must take is continuous in-house development of innovative drugs to create a seamless, full pipeline of next-generation products. The essential factors will be the powerful motivation of our research teams, a forward-looking strategy, and a passion for improving the lives of patients. To this end, I want to see us invest further in our abilities to discover drugs and create highly innovative medicines based on our advanced clinical development expertise. As an external director, I will apply my specialist knowledge and experience with objectivity and independence, along with a commitment to diversity, to ensure we develop innovative medicines and build a stronger business.



**Miyuki Sakurai**  
External Director

#### Formulating strategies and addressing vital issues in ways that lead to financial results and new innovations

President Nakai has been appointed to lead Nippon Shinyaku into this era of the so-called 'new normal,' responding to huge societal changes caused by digital transformation while further expanding the business. I believe he can display the strong leadership needed to secure future growth for Nippon Shinyaku and guide the company to a successful strategy in overseas markets, especially in Europe and Asia.

Nippon Shinyaku regards sustainability and diversity as critical issues in working to realize sustained growth and enhance the management platform, and we have prioritized related measures. To promote greater sustainability, we have created separate CSR working groups reporting to the Board to oversee the implementation of specific programs that address the three component elements of ESG. I also think it is excellent how we are trying to raise internal awareness of these efforts and to share related information. Amid increasingly long-term impacts due to the COVID-19 pandemic, our ability to revise the BCP from various angles while introducing reforms such as remote working support to allow more diverse work styles demonstrates our success in grasping these opportunities for positive change. As we move ahead step by step, I expect us to formulate strategies and to address vital issues in ways that lead to financial results and new innovations.



**Yoshinao Wada**  
External Director

#### Building a position as a leading player in Japan and worldwide

Nippon Shinyaku has worked to enhance transparency and objectivity and promote debate by instituting the Nominating and Remuneration Committees, which are both chaired by an external director, and ensuring the four external directors have a strong voice on the Board of Directors. I think the level of governance at Nippon Shinyaku is broadly satisfactory. The recent moves to separate oversight and executive roles between the Chairman and the President, with the latter given the clear chief executive role, have also strengthened governance, in my opinion. However, external directors do not have access to sufficient information prior to items being placed on the Board meeting agenda to evaluate the full picture. A clearer and deeper analysis of items that should be debated by the Board could be facilitated through enhanced sharing of information. For example, prior to Board meetings, this could be achieved through advance briefings on the assessment of business risks or access to supplementary briefing materials.

Nippon Shinyaku is acknowledged widely as a "company with a meaningful existence in the healthcare field" because it has sought to build on its strengths in traditional domains to develop a presence in the challenging field of intractable and rare diseases. I would like to pay homage to the collective efforts of all employees, which have now translated into several years of sales and profits in this difficult field. By developing a strong pipeline and building a presence in rare diseases, I expect Nippon Shinyaku to be regarded as a leading player, not only in Japan but worldwide as well.



**Yukari Kobayashi**  
External Director

#### The increasing importance of doing as much as possible to provide proper and accurate information about products

As a recently appointed external director of Nippon Shinyaku, I see it as my duty to utilize my experience of implementing reforms in a global enterprise, including internal reorganization programs, M&A, and business model transformation. I will be supporting efforts to gain rapid results from reform projects aimed at promoting global development. I also hope to give a different perspective to industry insiders when debating Nippon Shinyaku's role in helping more people lead healthier lives.

Today, the COVID-19 pandemic has led to heightened interest in healthcare and medicines. The problem is that many are confused about whether the information they receive from various media sources is accurate or is misinformation. In this situation, I think it is vital that Nippon Shinyaku does all it can to supply proper and accurate information about products so that users can feel confident they are making the best choice. In addition, from the perspective of providing preventive healthcare to help extend healthy life expectancy, by providing information correctly as a pharmaceutical maker, I hope Nippon Shinyaku can be of benefit to society by helping more people to manage their health based on the correct health-related knowledge.



GOVERNANCE

Board of Directors, Corporate Officers and Corporate Auditors



**Shigenobu Maekawa**  
Chairman

1976 Joined the Company  
1992 Transfer to Japan Federation of Employers' Associations  
2002 Department Manager, Corporate Planning Department,  
Corporate Strategy Office  
2004 Corporate Officer  
2005 Director  
2005 Corporate Planning, Finance & Accounting, and  
Information system, and Department Manager,  
Corporate Planning Department  
2006 Managing Director  
2007 General Manager, Corporate Planning, Finance & Accounting,  
and Information system  
2007 President  
2021 Chairman (current position)

Attendance at board meetings (FY2020): 14/14



**Toru Nakai**  
President

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

Attendance at board meetings (FY2020): 14/14



**Shouzou Sano**  
General Manager, Sales and Marketing Div.

1984 Joined the Company  
2008 Department Manager, Saitama Branch Office,  
Sales and Marketing  
2010 Corporate Officer, Department Manager, Osaka Branch Office,  
Sales Promotion Division, Sales and Marketing  
2013 Corporate Officer, Head of Tokyo Area Division,  
Sales and Marketing  
2015 Corporate Officer, Head of Sales and Marketing  
2015 Director  
2015 General Manager, Sales and Marketing; Head of Sales and  
Marketing Division (current position)  
2019 Managing Director (current position)

Attendance at board meetings (FY2020): 14/14



**Miyuki Sakurai**

External Director

1992 Completed training program at Legal Training and Research  
Institute of Japan  
1992 Registered with Osaka Bar Association  
1992 Joined Nishimura Law and Accounting Office  
2003 Joint Owner, Hanamizuki Law Office (current position)  
2015 Auditor, Nissay Life Foundation (current position)  
2016 Auditor, Osaka University (current position)  
2017 External Director (current position)  
2020 Member of the Board, NIPPON SHOKUBAI CO., LTD.  
(current position)

Attendance at board meetings (FY2020): 14/14



**Yoshinao Wada**

External Director

1975 Joined Osaka University Hospital  
1981 Department of Maternal Medicine, Osaka Medical Center for  
Maternal and Child Health  
1991 Department Manager, Department of Molecular Medicine,  
Research Institute, Osaka Medical Center for Maternal and  
Child Health  
1995 Guest Professor, Osaka University (concurrent position)  
1998 Director, Research Institute, Osaka Medical Center for Maternal  
and Child Health  
2006 Member, Science Council of Japan (concurrent position)  
2011 Department Manager, Department of Maternal Medicine;  
Director, Research Institute, Osaka Medical Center for Maternal  
and Child Health  
2014 Chief Department Manager, Department of Maternal Medicine;  
Director, Research Institute, Osaka Medical Center for Maternal  
and Child Health  
2016 Part-time physician, Department of Maternal Medicine, Osaka  
Medical Center for Maternal and Child Health (current position)  
2019 External Director (current position)

Attendance at board meetings (FY2020): 14/14



**Yukari Kobayashi**

External Director

1987 Joined IBM Japan, Ltd.  
2002 General Manager, Overall Management, IBM Japan, Ltd.  
2007 Executive Director, IBM Japan, Ltd.  
2007 Executive Officer, IBM Business Consulting Services KK  
2016 Joined Mercer Japan Ltd.  
2016 In charge of Growth Strategy; General Manager,  
President's Office, Mercer Japan Ltd.  
2018 Director, Mercer Investment Solutions Ltd.  
2018 COO, Mercer Japan Ltd.  
2018 Joined Microsoft Japan Co., Ltd.  
2018 Corporate Officer; General Manager, Corporate Strategy  
Management Division; General Manager, President's Office,  
Microsoft Japan Co., Ltd.  
2020 Representative Partner, Amanda Life Consulting LLC.  
(current position)  
2021 External Director (current position)

Attendance at board meetings (FY2020): —



**Takashi Takaya**

General Manager, Administration Div.

1984 Joined the Company  
2005 Department Manager, Marketing Department,  
Sales and Marketing  
2009 Department Manager, Marketing Department, Sales and  
Marketing Planning Division, Sales and Marketing  
2010 Department Manager, Marketing and Planning Department,  
Sales and Marketing Planning Division, Sales and Marketing  
2011 Head of Sales and Marketing Planning Division,  
Sales and Marketing  
2012 Corporate Officer; Head of Sales and Marketing Planning  
Division, Sales and Marketing  
2018 Director (current position)  
2018 General Manager, Administration (current position)

Attendance at board meetings (FY2020): 14/14



**Takanori Edamitsu**

General Manager, Business Management

1989 Joined the Company  
2011 Department Manager, Corporate Planning Department  
2013 Corporate Officer; Department Manager,  
Corporate Planning Department  
2018 Director (current position)  
2018 General Manager, Business Management (current position)

Attendance at board meetings (FY2020): 14/14



**Kazuchika Takagaki**

General Manager, Research and Development Div.

1986 Joined the Company  
2014 Department Manager, Discovery Research Laboratories in  
Tsukuba, Discovery Research Labs., Research & Development  
2016 Department Manager, Discovery Research Labs.,  
Research & Development  
2017 Corporate Officer; Department Manager, Discovery  
Research Labs., Research & Development  
2021 Director (current position)  
2021 Director, Research and Development; Head of Research &  
Development Division (current position)

Attendance at board meetings (FY2020): —



**Morio Matsuura**

Standing Corporate Auditor

1983 Joined the Company  
2013 Department Manager, Keiji/Hokuriku Business Office Kinki Tokai  
Div., Sales and Marketing  
2015 Department Manager, Osaka Business Office Nishinohon Div.,  
Sales and Marketing  
2017 Department Manager, Kitakanto/Koshin-etsu Business Office  
Sales and Marketing  
2019 Associate Department Manager, Sales and Marketing Planning  
Div., Sales and Marketing  
2019 Standing Corporate Auditor (current position)

Attendance at board meetings (FY2020): 14/14



**Kenji Kuwabara**

Standing Corporate Auditor

1983 Joined the Company  
2004 Department Manager, Biological Research Dept.,  
Discovery Research Labs., R&D  
2008 Department Manager, Nucleic Acid Business Promotion Dept.,  
Nucleic Acid Business Div., R&D  
2010 Department Manager, Discovery Research Laboratories in  
Tsukuba, Discovery Research Labs., R&D  
2012 Department Manager, Alliance & Business Planning Dept.,  
Business Development Div., R&D  
2016 General Manager, Beijing Representative Offi  
2019 General Manager, Beijing Representative Office, Global Business Div.  
2019 General Manager, Beijing Representative Office, Global Business  
2020 Deputy Head, Global Business  
2020 Standing Corporate Auditor (current position)

Attendance at board meetings (FY2020): 12/12



**Hitoshi Ishizawa**

General Manager, Functional Food Div.

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

Attendance at board meetings (FY2020): —



**Hitomi Kimura**

Director

General Manager, Resource Procurement,  
Production & Assurance Div.

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

Attendance at board meetings (FY2020): —



**Yukio Sugiura**

External Director

1988 Professor, Institute for Chemical Research, Kyoto University  
1998 Guest professor, Pharmaceutical Department,  
The University of Manchester  
1998 Director, Institute for Chemical Research, Kyoto University  
2005 Emeritus professor, Kyoto University (current position)  
2005 President, The Pharmaceutical Society of Japan  
2007 Specially appointed professor, Faculty of Pharmaceutical Sciences,  
Doshisha Women's College of Liberal Arts  
2013 External Director (current position)

Attendance at board meetings (FY2020): 14/14



**Tsuyoshi Kondo**

External Auditor

1993 Completed legal training at The Legal Training and  
Research Institute of Japan  
1993 Qualified as a lawyer  
1993 Worked for Kondo Chiaki & Tsuyoshi Law Office  
2001 President of Kondo Law Office (current position)  
2003 Registered as a patent attorney  
2010 Specially appointed professor, Graduate School of Law,  
Kansai University (current position)  
2016 Company Auditor (current position)  
2018 Outside Director, Senshu Electric Co., Ltd. (current position)

Attendance at board meetings (FY2020): 14/14



**Sumitaka Maruyama**

External Auditor

1974 Assigned to Osaka Regional Taxation Bureau  
2008 District Director, Nishinari Tax Office  
2009 Director, Second Human Resources Div., Management &  
Coordination Dept., Osaka Regional Taxation Bureau  
2014 Deputy Assistant Regional Commissioner, First Taxation Dept.,  
Osaka Regional Taxation Bureau  
2015 Assistant Regional Commissioner, First Taxation Dept.,  
Osaka Regional Taxation Bureau  
2016 Registered as Licensed Tax Accountant  
2019 Company Auditor (current position)  
2019 Outside Auditor, UNITIKA LTD. (current position)

Attendance at board meetings (FY2020): 14/14

■ Corporate Officers

**Hirokata Harada**

Head of Medical Supervisory Div.

**Koji Honma**

General Manager, Personnel Dept.

**Hideki Sasaki**

Department Manager, Odawara Central Factory

**Hiromu Nakajima**

Chief Medical Officer

**Hayato Wada**

Department Manager, Tokyo Business Office

**Masaya Toda**

Head of Licensing & Alliance Div.

**Kazuyuki Yamate**

General Manager, Business Management Dept.

**Masafumi Taira**

Head of Clinical Development Div.

**Mitsuharu Koizumi**

Head of Sales and Marketing Planning Div.

Current as of June 29, 2021