

Material Issues

Promotion of Sustainability

The ASKA Pharmaceutical Holdings Group pursues ESG management so that it can solve social issues through its business. In this, we are guided by the corporate philosophy, "Contribute toward the improvement of people's health and progress in society through the development of innovative products."

The Group has identified 11 material issues (most important issues). Of these, "contribution to women's health" and "contribution to animal health" are particularly relevant material issues for the Company and are being promoted by the entire Group. We will also work to address climate change by reducing CO₂ emissions through expanded use of solar power generation and the introduction of clean energy, and strengthen our human capital by developing and acquiring human resources capable of responding to new businesses and changes in

the business and social environment, and by creating a working environment in which a diverse range of human resources, including women, career professionals, and seniors, can play an active role.

In April 2023, we established a new Sustainability Promotion Section in the Corporate Planning Department with the aim of further accelerating our efforts. We will continue to meet the expectations of our stakeholders by placing sustainability at the center of our management, striking a balance between maximizing the economic value of the Company and enhancing its social value.

Atsushi Maruo
Senior Managing Member of the Board of Directors,
Representative Director, in charge of Sustainability
ASKA Pharmaceutical Holdings

Basic Policy for Sustainability

The Company has established CSR guiding principles and works for the ongoing growth for the Group as a whole and to contribute to society.

As a trusted company, we will increase profitability through sound business practices and fulfill our social responsibilities as a good corporate citizen.

1 Supplying High-Quality Pharmaceuticals

- All employees conduct business with integrity guided by our corporate philosophy.
- We provide a stable supply of high-quality pharmaceuticals with excellent efficacy and safety.

2 Ensuring Compliance

- We are thoroughly committed to corporate ethics and to compliance with all laws and regulations.
- We maintain fair relationships with stakeholders and conduct transactions that are fair, transparent, and based on free competition.
- Regarding the protection of personal information, we manage the information in compliance with our privacy policy.

3 Respecting Human Rights

- We respect the human rights of all people affected by our business practices.
- We respect the diversity of our employees and strive to foster a safe and comfortable corporate culture.

4 Contributing to Communities and Society

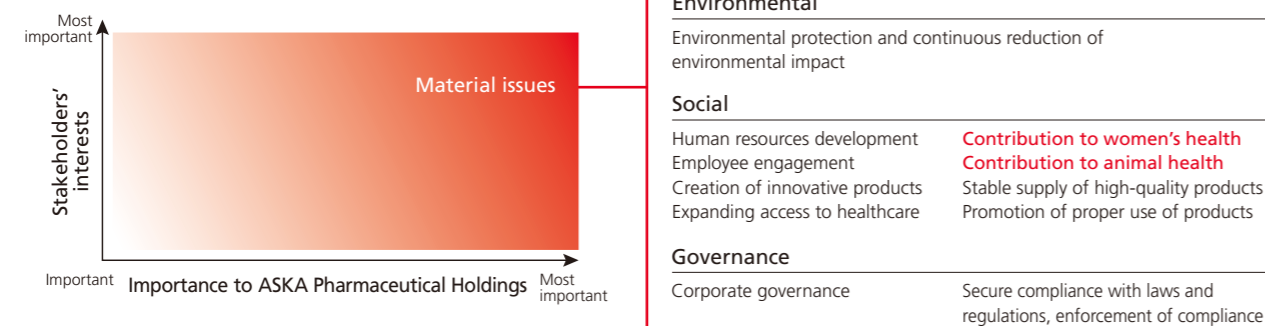
- As a good corporate citizen, we communicate with the local community and broader society while striving to contribute to the world.

5 Preserving the Environment

- We participate in the realization of a sustainable society through environmental preservation and by practicing environmental management.

Materiality Map

Mapping of Material Issues



Background to Identification of Material Issues

The Group aims to become a total healthcare company with a strong foundation as a specialty pharma company. To contribute to solving social issues and building a sustainable society, we established the ESG Committee in 2021 and identified 17 most important issues as our material issues. In 2023, we revised our material issues in response to the

changing business and social environment. We recognize "contribution to women's health" and "contribution to animal health" as distinctive material issues for the Company. We will strive as a Group to solve social issues and enhance our corporate value by addressing these and other material issues.

Company-wide Action Plan and KPIs for Material Issues

KPIs	Material Issues	Company-wide Action Plan	KPIs
E	Environmental protection and continuous reduction of environmental impact	Environmental protection, continuous reduction of environmental impact, and promotion of environmental management	1. Reduction of CO ₂ emissions: Reduction of 46% from FY2013 (FY2030)
			2. Reduction of total waste
			3. Improvement in recycling rates
			4. Promotion of environmental measures
			5. Environmentally conscious business operations
			6. Reduction of the use of natural resources
			7. Reduction of emissions of environmentally harmful substances (reduction of the impact of nitrogen on the environment by promoting low-protein feed)
S	Human resources development	Development of human resources to realize growth strategies	1. Number of in-house recruitment system and interdepartmental transfers (number of career challenges)
			2. Number of elective training courses taken: Next-generation leader training Number of selective training courses taken: Training to promote the advancement of women (career development of female employees)/other selective training as a measure to support the autonomous learning of employees Expenditures per employee (for education)
			3. Promote the implementation of internal and external hierarchical training/selective training (career development of female employees)
	Employee engagement	Creation of an environment that promotes understanding of the organization, sympathy, and motivation to take action, and achievement of work-life balance that respects the health and diversity of our employees	1. Optimization of working hours: Promotion of the use of annual paid leave as planned, guidance for promotion of the use of annual leave, provision of annual leave (taken hourly), etc.
			2. Health management initiatives
			3. Promotion of various working styles: telecommunicating, telework, flextime, short-time work, etc.
			4. Implementation of regular stress checks and surveys for engagement
			5. Promotion of women's advancement in active roles (FY2024 target): Percentage of female managers (15%) Percentage of female medical representatives (20%)
	6. Promotion of active roles for diverse human resources		
	7. Measures to support development of the next generation: Maternity leave (utilization rate 100%)/Childcare leave for male employees (utilization rate 100%)		
8. Support for medical representatives to take maternity leave and childcare leave (implementation of reintegration programs, social gatherings, etc.)			
Creation of innovative products	Expansion of pipeline through open innovation	1. Promotion of in-house research themes 2. Reinforcement of alliance activities	
Contribution to women's health	Total support for women's health	1. Provision of comprehensive information on specialty areas (Ob/Gyn, thyroid)	
		2. Promotion of accurate information and raising disease awareness	
		3. Early identification of diseases through activities to promote testing and diagnostics	
		4. Early detection of disease through non-invasive measurement kit	
		1. Contribution to women's healthcare by providing products for each of women's life stages 2. New initiatives for women's healthcare 3. Promotion of the advancement of women through activities to raise awareness on health and diseases 4. Sexual education initiatives for younger generation 5. Activities to raise awareness among families and partners about women's health issues	
Contribution to animal health	Contribution to creation of a society where people and animals can coexist	1. Promotion of animal welfare	
		2. Development and provision of products useful for maintaining the health of companion animals	
		3. Development and provision of non-invasive measurement kit products using body hair 4. Promotion of biodiversity	
Stable supply of high-quality products	Ensuring product quality and stable procurement and supply	1. Reinforcement of supply chain management 2. Implementation of appropriate GMP audits 3. Implementation of appropriate GQP (ensuring that a quality assurance system is in place)	
		1. Implementation of appropriate clinical trials (GCP compliance) 2. Adequate implementation of GVP and RMP 3. Compliance with GVP and guidelines for activities for provision of sales information 4. Dissemination of materials and knowledge to promote proper use, and strengthening product education for medical representatives, etc. 5. Prompt provision of latest information through website	
Promotion of proper use of products	Ensuring safety and providing information on proper use	1. Fostering corporate culture and climate that respect healthy business ethics 2. Ensuring real equality of shareholders 3. Social contribution activities that lead to solving social issues 4. Constructive dialogue with stakeholders 5. Appropriate disclosure and explanation of management strategy, performance, financial condition, capital policy, etc.	
		1. Compliance system mainly promoted by Group Compliance Promotion Committee 2. Continuous implementation of preventive measures against serious incidents	
G	Corporate governance	Establishment of corporate system for continuous growth	1. Compliance system mainly promoted by Group Compliance Promotion Committee 2. Continuous implementation of preventive measures against serious incidents
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Secure compliance with laws and regulations, enforcement of compliance	Thorough maintenance of compliance and fostering an organizational climate that emphasizes reliability		1. Compliance system mainly promoted by Group Compliance Promotion Committee 2. Continuous implementation of preventive measures against serious incidents
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