

Human Resources

Basic Principles

A company must link its management strategy and human resources strategy to achieve sustainable value enhancement. As such, the Group is working to further reform its human resources strategy as it aims to become a total health care company with a strong foundation as a specialty pharma company.

Based on the belief that the Group's most important asset is its human resources, we regard our employees' skills and abilities as human capital. We aim to maximize this so that we can create value.

In terms of maximizing human resources, one of the seven strategies for laying the foundation for realizing Medium-Term Management Plan 2025 is to "Develop Human Resources to Realize Growth Strategies." To enhance each organization's specialty and ability to create, we are striving to develop and

acquire human resources capable of responding to new businesses and changes in the business and social environment, and to create a working environment in which a diverse range of human resources, including women, career professionals, and seniors, can play an active role.

The Group strives to promote wellbeing by creating an environment that encourages a willingness to learn and respects diversity. We work to improve engagement by deepening mutual trust through dialogue between employees and management. We will continue carrying out various human resources measures aimed at nurturing employees who embrace change and personal growth autonomously. Our aim in doing so is to build an organizational culture that drives innovation by fostering diverse values and an entrepreneurial spirit.

Wellbeing

We believe that employees who feel happy in themselves can have a positive impact on their families and on society as a whole and can contribute to the creation of sustainable value. With this in mind, the Group is committed to creating a workplace environment that empowers employees to lead lives that are physically, mentally, and socially fulfilling.

Through various measures aimed at realizing the Group's organizational vision, we are creating an environment that responds to employees' willingness to learn, respects diverse values and encourages employees to embrace challenges, with the aim of realizing their wellbeing. In this way, we are fostering an organizational culture in which employees themselves seek change and grow.

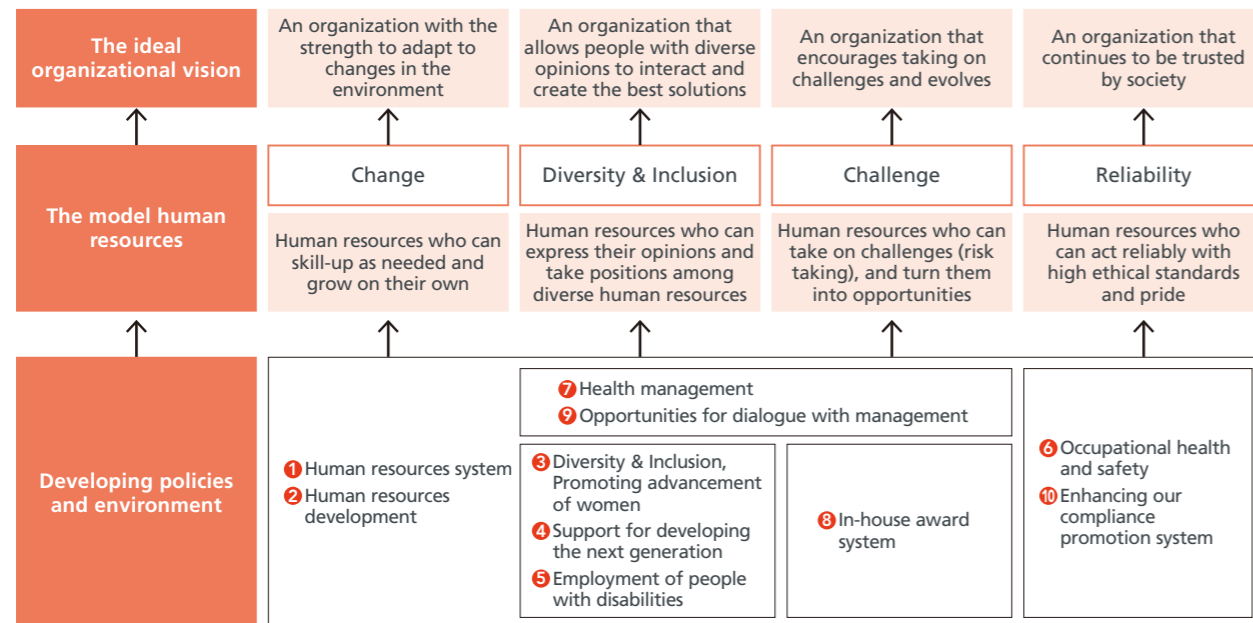
Employee Engagement

We believe that when employees can relate to our corporate philosophy, they will align also with our common vision and goals. Through their various roles, they will then independently develop initiatives that promote innovation. Based on this idea, the Group actively creates opportunities for communication with management, fosters awareness of diverse values and challenges, and improves the workplace environment and employee engagement.

We have set indicators for employee engagement, consisting of "vitality, enthusiasm, and immersion" in work, and for mental toughness, which focuses on the "ability to solve problems" when faced with difficulties.

Since FY2021, the Group has conducted an engagement survey of all employees, which we use as a vehicle for taking in direct feedback from employees. We aim to foster an organizational culture in which employees and management build relationships of mutual trust, working together to drive innovation.

ASKA Pharmaceutical Holdings Human Resources Strategy and Measures



Developing Policies and Environment

1 Human resources system

To realize the growth strategy set forth in the medium-term management plan that began in FY2021, ASKA Pharmaceutical, which plays a central role in the Group, introduced a human resources system in April 2021 aimed at maximizing human capital.

In this system, as a measure to strongly promote the achievement of the medium-term management plan, we have

introduced role transition rules and role-based compensation (single rate) based on the clarification of roles to further evolve the existing role grading system. In addition, we established evaluation meetings to ensure evaluations are transparent and fair, and to develop human resources through feedback, while constantly optimizing the system.

2 Human resources development

In addition to our human resources system, which empowers all employees to maximize their individual abilities, we have put in place training programs linked to the system. These programs are designed to enable employees to learn anew and grow autonomously as the environment changes.

Specifically, in addition to mandatory Group-wide training and level-specific training, we offer a variety of other programs including elective training programs for developing the next generation of management leaders; career design training for female employees (selective training) to foster awareness of the promotion of women's advancement and to drive implementation; and talk sessions for promoting gender diversity. Furthermore, based on the idea of a "self-career dock system" (self-guided career development), the Group provides career design training for each age group (35, 45, and 55

years old). We also provide opportunities for consultations with external career consultants, thereby supporting independent career development. As such, we have also created an environment that supports all employees in their desire to learn. We offer selective training that employees can take voluntarily and an e-learning system that allows them to participate regardless of time and place. In this way, we promote an attitude of autonomous growth and a willingness to take on challenges in response to change.

Furthermore, ASKA Pharmaceutical helps employees advance their careers in their current posts and has also introduced inter-departmental job rotation and an in-house recruitment system to promote career change based on enabling employees to transfer to various other roles.


Education and Training Structure of ASKA Pharmaceutical Holdings

	Mandatory Group-wide training	Level-specific training	Elective training	Division-specific training	Selective training	Career design training
Officers		Training for newly assigned officers				
Seniors	Compliance, mental health, other	Training for department directors Training for section managers Training for newly appointed executives Training for newly appointed section chiefs and assistant managers	Evaluator training	Organizational management	Leadership	Language training Studying abroad/Studying in Japan
Executives						
General staff						
New employees						
Prospective employees						
		Third year training Second year training New employee follow-up training New employee induction training	Fresher's Leaders Mentors	Specialized training by department	Business skill selective training External training course E-learning Correspondence courses	Career training by age

ASKA Pharmaceutical Holdings structure:

- ASKA Pharmaceutical (Parent)
- ASKA Animal Health (Subsidiary)
- ASKA Pharma Medical (Subsidiary)

VOICE



Go Kakiuchi
Section Manager
System Department
Group Business
Management Division
ASKA Pharmaceutical Holdings

An environment that encourages a willingness to learn

Through initiatives such as the book summary app and the e-learning system provided to all employees, I feel that we have created an environment that responds to the desire to learn and has led to my own growth and the growth of those around me, as well as the formation of a new community. While continuing my own learning, I nurture my staff and encourage them to take on many challenges. In this way, I contribute to the realization of the Company's vision and goals.

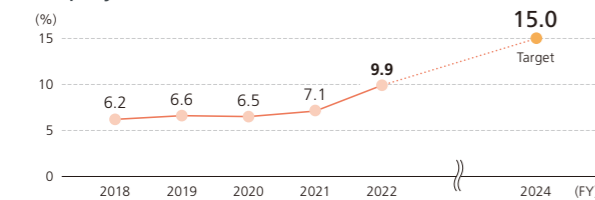
3 Diversity and Inclusion

The Group believes that it is important to respect diverse values in order to achieve sustainable growth and increase corporate value. By building a diverse organization that is not bound by attributes such as gender, age, nationality, or race,

Promoting advancement of women

We set an index for the ratio of women in management positions (central roles in management), and we are developing female managers by expanding the range of job opportunities, creating a rewarding workplace, promoting diverse and flexible work styles, and enhancing training programs so that women can broadly demonstrate their abilities according to their own desires. ASKA Pharmaceutical has set a target of 15% for its percentage of female managers by the end of FY2024 and is working to foster a workplace environment where women can fully demonstrate their abilities and play an active role. As a result of these efforts, the percentage of female officers and female managers has been increasing year by year. The percentage of female managers was 9.9% as of the end of FY2022.

Percentage of Female Managers among Full-Time Employees of ASKA Pharmaceutical



4 Support for developing the next generation

The Group considers the creation of an environment in which the children of the next generation can be born and raised in good health to be one of the issues that society must address, and is promoting efforts to balance work and child rearing. 100% of our female employees have returned to work after taking childcare leave, and the Group has created an environment in which they can raise their children with peace of mind. For male employees, we have set a new target of 100% childcare leave utilization, which we are promoting throughout the Group. As a result, the rate had increased to 94.7% as of the end of FY2022. Going forward, we will also focus on in-house training, such as correcting assumptions about role sharing based on gender differences, in order to improve the number of days taken for childcare leave.

The entire Group supports employees who are raising children, and all employees participate in society's efforts to support the development of the next generation by deepening their understanding of gender bias correction.

5 Employment of people with disabilities

The Group strives to create a workplace environment in which all people, regardless of whether or not they have disabilities, can work with vigor and enthusiasm. ASKA Pharmaceutical has set a target of 2.3% for the employment rate of persons with disabilities. By working together, we are striving to share

and fostering a corporate culture in which all employees can play an active role, we will be able to drive new innovations and achieve sustainable business growth.

ASKA Pharmaceutical: Action Plan for Promoting the Advancement of Women

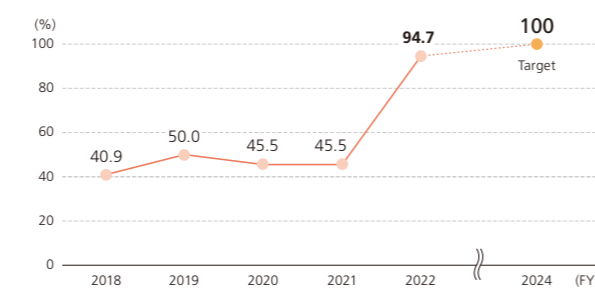
Plan period: Five years from April 1, 2020 to March 31, 2025

1. Set the target percentage of female managers at 15%
2. Implement specific initiatives to promote the health of women
3. Offer diverse and flexible work styles to enhance the work-life balance

Percentage of Female Board Members (Members of the Board of Directors and Audit & Supervisory Board Members) of ASKA Pharmaceutical Holdings Co., Ltd.

	June 2021	June 2022	June 2023
Percentage of women	10.0%	16.7%	16.7%

Male Childcare Leave Utilization Rate at ASKA Pharmaceutical



Note: Percentage of male employees whose spouses gave birth during the fiscal year who took childcare leave

new discoveries and knowledge and to foster a culture of mutual recognition.

We aim to be a group where all human resources can maximize their abilities and feel a sense of fulfillment as they work toward the realization of an inclusive society.

6 Occupational safety and health

The Group is committed to occupational safety and health, placing the highest priority on workplace safety and physical and mental health. In response to these issues, ASKA Pharmaceutical has established a safety and health management system at the Shonan Research Center, Iwaki Factory, and at its head office and each of its sales offices, and holds regular Safety and Health Committee meetings. The Safety and Health Committee monitors long working hours, conducts workplace safety inspections and other safety and health-related risk checks, and implements corrective and preventive measures on a monthly basis. To prevent accidents

and disasters, as well as to minimize damage should those events occur, each business location has established emergency response procedures and conducts periodic drills.

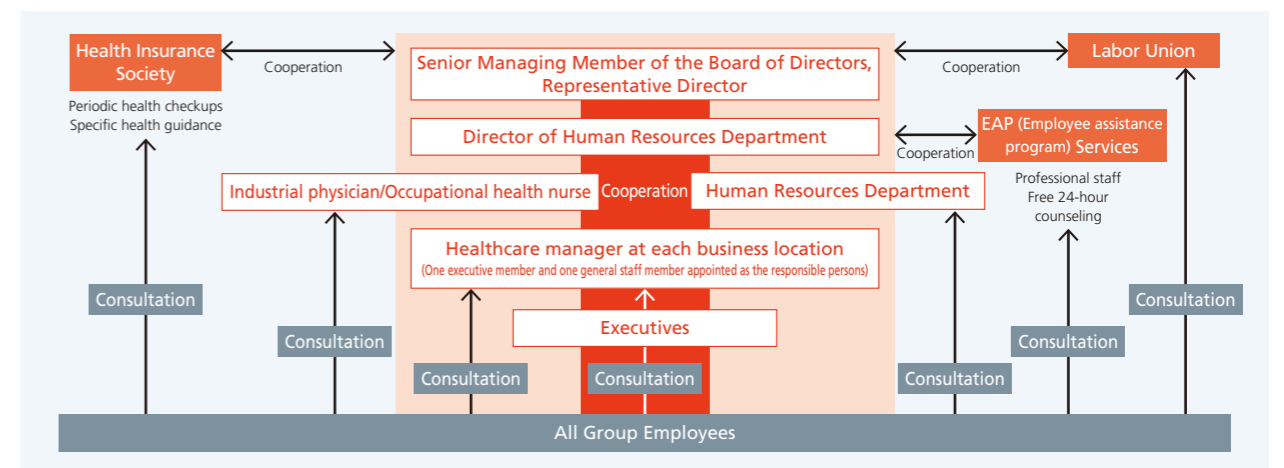
We continue to provide accurate information about safety and health for each employee to internalize and act upon as we work to create a workplace environment where employees can work comfortably and with peace of mind. In addition, various safety and health-related discussions held between labor and management are useful for improving the workplace environment and working style.

7 Health management

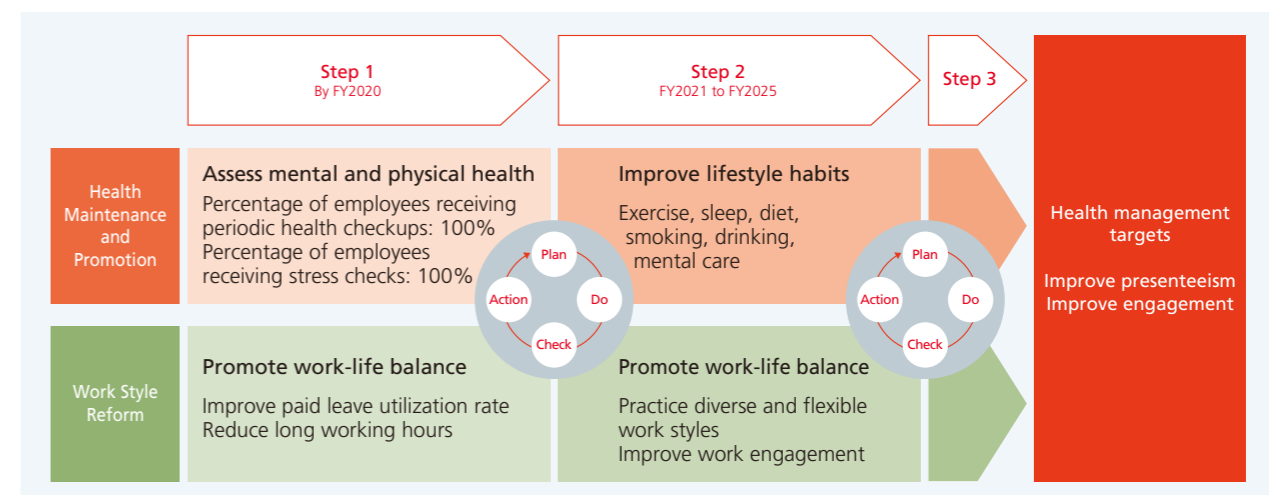
The Group sees human resources as the driving force that advances our business activities based on our corporate philosophy. We consider the mental and physical health of all employees from a managerial perspective, aiming to maintain

a balance between health management and work style reforms. In this way, we aim to further improve productivity and creativity and become a company that grows sustainably.

Health Management Promotion Structure of ASKA Pharmaceutical Holdings



Health Management Goals of ASKA Pharmaceutical Holdings



The Group has established and is working toward goals tailored to the health-management stage of each Group company. In particular, in terms of understanding employee's

mental and physical health, which is the foundation of health management, we maintain a 100% regular health checkup rate and a 100% stress checkup rate for the entire Group.

ASKA Pharmaceutical is working to promote improvement in lifestyle habits and improvement in work-life balance based on respect for diverse values, and has set numerical targets for these efforts for the years up to FY2025.

We are also enhancing our social contribution activities through health-related initiatives by linking the identity that


A Work Style in Which Diverse Values are Respected

ASKA Pharmaceutical has introduced various systems to support the diverse work styles of employees. In 2019, it introduced a flex-time system for all offices except for discretionary workers and Iwaki factory workers. In 2020, it introduced a full-flex-time system with no core hours for even greater flexibility. Various other systems have been introduced, such as an hourly annual

the Group has cultivated to date with health management. Through a continual process of evolving and deepening, we will promote health management from various angles so that employees, organizations, and society as a whole can share happiness that has the value of health.

leave system, reduced schedules and time-differentiated work, work from home, and remote work, allowing employees to choose work styles that suit their diverse values. This high degree of flexibility improves employees' self-management ability and fosters a workplace culture in which they can grow and challenge themselves.

VOICE



Yusuke Suzuki
Section Manager
Clinical Development
Department
Development Division
ASKA Pharmaceutical

Use of work-from-home system and full-flex-time system

I instruct my staff to work remotely or come to work, based on productivity and efficiency considerations and through discussion. In addition, employees are taking advantage of the full-flex-time system and voluntarily choosing their working hours. I feel that these factors have helped foster an awareness of results and self-management skills, contributing to a higher level of engagement.

8 In-house award system

The Group has established a system (the Group Award System) aimed at fostering a sense of unity and improving motivation within Group companies. Various challenges and achievements, such as cultural and social contributions, are selected from throughout the Group, and the President of ASKA Pharmaceutical

Holdings personally presents the awards. Each Group company also has its own award system aimed at increasing employee motivation. The president of each company personally presents awards to employees for their achievements, rewarding their initiative and ingenuity.

9 Opportunities for dialogue with management


The Group actively provides opportunities for dialogue between employees and management. ASKA Pharmaceutical aims to ensure that all people involved in the company, not just employees, respect each other's diverse values so that it

can become an organization that creates optimal solutions and innovation. To this end, it provides the following opportunities for dialogue to improve employee engagement.

Dialogue with Management in FY2022 (ASKA Pharmaceutical Co., Ltd.)

	Takashi Yamaguchi (Member of the Board of Directors, Representative Director, Chairman of the Board)	Atsushi Maruo (Member of the Board of Directors, Vice Chairman of the Board)	Sohta Yamaguchi (President, Member of the Board of Directors, Representative Director)	Overall
Number planned	3	6	8	9
Number held	7	17	74	98

Details of Dialogue with Management in FY2022 (ASKA Pharmaceutical Co., Ltd.)

	Name	Target	Content	Number of times
Dialogue with employees	Town Hall Meetings	All employees	Held with the aim of instilling the management vision among employees. The President directly explains topics such as the Group's vision, progress on the medium-term management plan, and business execution policies to employees, and answers their questions.	13
	Roundtable Meetings	Employees ranging in age from their 20s to their 40s, selected from each division	Held with the aim of shortening the distance between employees and management and improving employee engagement. These meetings are an open forum for top management to hear the thoughts and opinions of employees and for employees to directly hear the thoughts and messages of top management. 	18
	1 : 1 Meetings with the President	Department directors, etc.	Held with the aim of sharing information and strengthening collaboration between the department directors and management. This is an important initiative for delivering management strategies to each organization in greater depth and ensuring its implementation. It also contributes to strengthening leadership and improving the performance of the entire organization.	Irregular
	Dialogue with management in selective training	Selected training participants	Held with the aim of cultivating the next generation of leaders who will be responsible for the future ASKA Pharmaceutical Holdings. By directly sharing the company's vision and expectations of each role, we aim to boost motivation and demonstrate leadership with a willingness to take on challenges.	1
Dialogue with the labor union	Workplace talk sessions	Labor union officers (all central committee members and central executive committee members belonging to each branch)	Held with the aim of promoting discussion and deliberation between labor and management on the theme of the working environment and work styles at each workplace (branch).	1
	Labor-management meetings	Labor union central executive	Held with the aim of improving working conditions and developing the company. These discussions cover working condition requirements, the working environment (safety and health aspects), and the company's management and productivity. They help build a good relationship between labor and management by promoting communication and deepening mutual understanding.	2

VOICE



Haruna Wakatsuki
Endocrine Business Unit
ASKA Pharmaceutical

Opportunities for dialogue with top management at roundtable meetings

Through the opportunity to communicate with top management at the roundtable meeting, I was impressed by their aspirations for the thyroid area. It reminded me of the company's special mission. I am proud when I realize that my role in the organization will lead to the proper treatment of many patients. I will continue to take pride in my daily work.

10 Group compliance promotion structure

We have established a department to promote and support compliance within each Group company and developed the necessary internal systems, and rules and regulations. The structure we have created facilitates the prompt handling of cases, the formulation of measures to prevent violations, and other measures. This means that officers and employees can engage in corporate activities with peace of mind.

To increase our employees' awareness of compliance, we are conducting compliance education for each job level while working to grasp the level of employee awareness through questionnaire surveys and to identify points for improvement.

In FY2022, drawing on the results of the compliance awareness survey, we worked for more thorough compliance by gaining a greater understanding of the current situation, identifying problems, and conducting training and problem solving based on actual conditions. The Group Compliance Promotion Committee has been established to supervise the Group's efforts toward recognizing and responding to risks that could have a significant impact on Group management and promoting a compliance system that thoroughly complies with laws and corporate ethics. ▶ See page 50 for details.