

Capital and Strengths

The ASKA Pharmaceutical Holdings Group drives business growth by maintaining a diverse capital base. We seek to enhance corporate value and realize sustainable growth by building a virtuous cycle in which initiatives to strengthen manufactured capital, intellectual capital, natural capital, social capital, and human capital contribute to increased financial capital.



Financial Capital

Attributes

Our focus is on strategically building and managing our portfolio, with due consideration for the challenging business climate in the pharmaceutical market in Japan and for R&D risks. Against Medium-Term Management Plan 2025 targets of ¥70 billion for net sales, 8% for the operating profit margin, and 8% for ROE, in FY2024 we achieved net sales of ¥64.1 billion while operating profit margin and ROE have already surpassed our goals. The price-to-book ratio (PBR) has improved from approximately 0.6x at the end of March 2023 to over 1x. In terms of shareholder returns, we have shifted to a performance-linked profit-sharing method with a consolidated dividend payout benchmark ratio of 30%, and in FY2024 we increased our dividend per share to ¥55. We aim to drive profit growth and improve capital efficiency with a view to enhancing shareholder value and maximizing corporate value.

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[Strengthening governance](#)
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Approach to strengthening capital

We prioritize management that is conscious of cost of capital and share price, and are strengthening financial capital with a focus on growth strategies, enhanced shareholder returns, and expanded IR activities. We aim to broaden our earnings base through pharmaceuticals R&D, global business expansion, and M&A, thereby achieving sustainable ROE growth. In addition to maintaining a benchmark dividend payout ratio of 30%, we have introduced a minimum payout level to ensure dividend stability. We are also enhancing IR activities to deepen communication with investors and improve price-to-earnings ratio (PER) and PBR, with the goal of maximizing corporate value. In our upcoming medium-term management plan currently being formulated, we will accelerate our strategy supporting both sustainable growth and capital efficiency improvements, and work to present a clear long-term growth story.



Manufactured Capital

Attributes

Based on efficient production planning and rigorous quality control, the Group has built a manufacturing system that ensures the stable supply of pharmaceuticals and reducing costs. By complying with Good Manufacturing Practice (GMP) standards and implementing systems such as Manufacturing Execution System (MES), Laboratory Information Management System (LIMS), and Quality Assurance System (QAS), we have ensured production history traceability and timely responses to defects. This enables us to supply high-quality products quickly and reliably, thereby contributing to patients' health and peace of mind. We also highly value human resource development. This means that staff with a high level of specialized knowledge and skills are responsible for quality and production management. We also promote sustainable production, using energy-saving equipment and waste recycling in order to protect the environment.

[Related material issues](#)
[Promotion of environmental management/Stable supply of high-quality products and proper information provision/Respect for human rights](#)
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Approach to strengthening capital

In supply chain management, the Group emphasizes building relationships of trust with business partners to maintain and improve product and service quality and ensure a stable supply. The Group signed the United Nations Global Compact in FY2021 and supports its 10 principles, including the protection of human rights, while pursuing sustainable procurement. We use a supplier evaluation system to select business partners in a fair and impartial manner, and plan to continue contributing to the realization of a sustainable society by further enhancing our production system and improving productivity, as well as strengthening collaboration with business partners and maintaining a stable supply.



Intellectual Capital

Attributes

We position our intellectual property activities as one of the essential elements of our business development as a pharmaceutical company, and strategically pursue such activities based on our corporate philosophy of "Contribute toward the improvement of people's health and progress in society through the development of innovative products." We seek to maximize the value of our intellectual property rights by formulating and executing an intellectual property strategy built on the global rollout of activities related to intellectual property, including patent rights, utility model rights, design rights, and trademark rights. We will appropriately protect and manage intellectual property created through R&D activities, and use it proactively to enhance corporate value.

[Related material issues](#)
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Approach to strengthening capital

The Group aims to deliver pharmaceuticals and products that contribute to people's health and animal health. To that end, we examine our own intellectual property and that of other companies, and seek to identify and utilize such assets. We strategically apply for and obtain patents, etc. for intellectual property created during the R&D process, and by protecting and utilizing this intellectual property we are able to increase the value of our products. Drawing on know-how informed by the needs of medical professionals, patients, and livestock producers, we strive to improve product value while also promoting the co-creation of intellectual property through open innovation.



Natural Capital

Attributes

The Group approaches all business activities with the goal of environmental protection and continuous reduction of our environmental footprint. We have established an environmental management structure and comply with environmental laws and regulations and other requirements. ASKA Pharmaceutical's Iwaki Factory has obtained ISO 14001 certification, and ASKA Pharmaceutical regularly holds companywide Environmental Management Meetings to ensure effective environmental management. In terms of climate change initiatives, by FY2023 we had already achieved our medium-term goal of reducing CO₂ emissions by 46% by FY2030 (relative to FY2013), on the way to achieving carbon neutrality by FY2050. We also properly manage water resources, and our major business sites are deemed to have low water stress risk. On the subject of waste, we recycled 87% of the 172 tons of waste generated in FY2024.

[▶ See pages 62–66 for details](#)

Approach to strengthening capital

Guided by our vision of "working towards carbon neutrality by 2050 and contributing to the realization of a decarbonized society," we procure CO₂-free electricity and undertake solar power generation using the PPA model. To help build a recycling-oriented society, we will contribute to the efficient use of resources by reducing waste, promoting reuse, and pursuing resource conservation. With regard to water resources, we will continue managing water withdrawal and contributing to water resource conservation through collaboration with local communities. We have also begun information disclosure in line with the TNFD recommendations. By identifying key nature-related risks and opportunities based on the LEAP* approach, we will work proactively to maintain and conserve biodiversity.

*LEAP: Locate, Evaluate, Assess, Prepare

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[Promotion of environmental management](#)


Social Capital

Attributes

As a company engaged in "life," the ASKA Pharmaceutical Holdings Group contributes to society's healthy development by promoting sustainability in addition to supplying pharmaceuticals. We have identified "contributing to women's health and animal health" as a material issue that is particularly relevant to our Group. By alleviating women's menstrual symptoms in our capacity as a leading company in the Ob/Gyn field, we helped to reduce economic loss due to medical care for such symptoms by ¥81.3 billion in FY2024, and our Health Lab Mint* for Women's health website, which has over 300,000 monthly users, has further strengthened the Group's connection with society. We also seek to improve our R&D capabilities through open innovation and external collaboration.

[▶ See pages 67–70 for details](#)

Approach to strengthening capital

We aspire to be a company that contributes to women's healthcare from prevention to prognosis, and to that end we are working to acquire new drug pipeline candidates and maximize the value of existing products. Through the ASKA Innovation Fund established in 2023, we aim to support the commercialization of healthcare businesses in pharmaceuticals and adjacent markets. The Quality & Safety Assurance Division works to ensure quality, safety and stable supply, while the Sales Division addresses diverse medical needs through a three-pronged approach that combines digital and real-world activities. Respect for human rights is another material management issue we have identified. In this regard, we seek to fulfill our responsibilities to all stakeholders and contribute to the realization of a sustainable society based on standards including the United Nations' *Guiding Principles on Business and Human Rights*.

[Related material issues](#)
[Contributing to women's health and animal health/Stable supply of high-quality products and proper information provision/Respect for human rights](#)


Human Capital

Attributes

The Group regards human resources as its most valuable asset, and we aim to become a "total healthcare company" by aligning our human resources strategy with our management strategy. We support each employee in pursuing autonomous learning and growth, while also fostering a culture that respects diversity. Our employee engagement surveys demonstrate an uptrend in the work engagement and mental toughness scores. We introduced a new human resources system in April 2021, clarifying roles and remuneration and ensuring transparency and fairness in employee evaluations. The ratio of female managers had reached 13.5% by the end of FY2024, and we are promoting diverse work styles as well as health and productivity management, in pursuit of employee wellbeing and a safe and comfortable workplace environment.

[▶ See pages 71–78 for details](#)

Approach to strengthening capital

To maximize our human capital, we set the goal of "developing human resources to realize our growth strategies." We aim to acquire and develop human resources capable of adapting to new businesses and changes in circumstances, and to create a workplace that enables diverse talent to thrive. We encourage the autonomous growth of employees through training programs linked to our personnel system, along with career support and job rotation. In addition to achieving 100% childcare leave utilization among male employees (FY2024), we are actively promoting management-level diversity and proactive employment of people with disabilities. Further, we strive to increase employee engagement by providing opportunities for dialogue with management and seek to support flexible work styles as well as health and productivity management prioritizing physical and mental health. In this manner, we aim to transform our organizational culture into one that promotes innovation, and to achieve sustainable corporate value creation.

[Related material issues](#)
[Development of diverse human resources for enhancing corporate value/Respect for human rights](#)