

Material Issues

(Key material issues ASKA Pharmaceutical Holdings aims to resolve)

Message from the Director in Charge

Pursuing Sustainability in Tandem with Business Development

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As articulated in the corporate philosophy of “Contribute toward the improvement of people’s health and progress in society through the development of innovative products,” the Group seeks to resolve social issues and build a sustainable society through its business. Our business activities are profoundly linked to life and health. As such, we believe that our commitment to the pharmaceutical business (particularly in the field of obstetrics and gynecology), as well as to the animal health business and testing business, represents sustainability in practice and lies at the heart of our ESG (environmental, social, and governance) management.

From the perspective of sustainable corporate growth and social contribution, we have identified six material issues that we think are our most important management priorities. These issues include “Contribution to women’s health and animal health,” which we aim to achieve through our own unique approach to value creation.

The Group is actively pursuing sustainability based on the belief that it is not simply a responsibility, but also a key driver of growth. Creating innovative new drugs that support women’s health and establishing a system for the stable supply of high-quality pharmaceuticals will serve not only as social infrastructure that enables women to live healthy lives, but also as a foundation for the Group’s sustainable business growth. Essentially, we seek to create social value in the healthcare field by leveraging a business structure in which

business and sustainability are closely intertwined. Human resources are the bedrock of our sustainability initiatives. We seek to build a virtuous cycle in which continuous investment in human resources leads to the creation of valuable products that in turn make a positive contribution to healthcare and society. We view respect for human rights as another essential component of ESG management, and to that end we are stepping up efforts to comply with international human rights principles.

As a company that is proactively addressing global environmental issues while acting as a member of the local community, we have a responsibility to protect the environment and reduce our environmental footprint. In working toward achieving a carbon-neutral society, we have established an environmental management structure and begun disclosing information in compliance with international frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), while continuing to reduce our environmental footprint to achieve the goals unanimously agreed upon by society.

We are also paying more attention to natural capital in accordance with the Task Force on Nature-related Financial Disclosures (TNFD) framework, and are committed to preserving biodiversity and sustainably utilizing ecosystem services. Looking ahead, we aim to continue contributing to the realization of a better future through healthcare-focused value creation initiatives unique to the Group.

Basic Policy for Sustainability

The Company has established CSR guiding principles and is working for the ongoing growth of 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**

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

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

 - 1. We respect the human rights of all people affected by our business practices.
 - 2. We respect the diversity of our employees and strive to foster a safe and comfortable corporate culture.
- 4 Contributing to Communities and Society**

 - 1. 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**

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

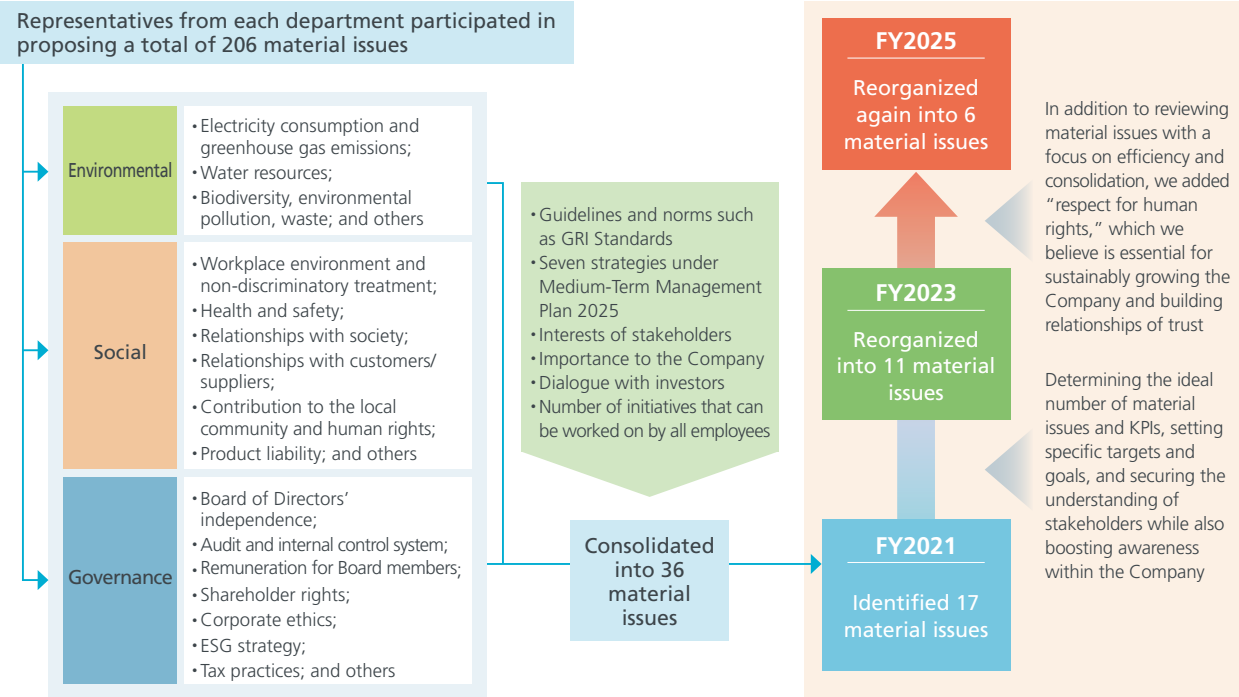
Process of Identifying and Reviewing Material Issues

In the belief that sustainable growth for Group companies hinges on accurate assessment of our current situation and the attendant opportunities and risks, ASKA Pharmaceutical Holdings has identified and continues to review the material issues it believes are particularly important based on their relevance to Company businesses and their potential contribution to society.

From FY2023, the Promotion Managers Committee held discussions aimed at setting specific targets and goals and to secure the understanding of stakeholders while also boosting awareness within the Company. As part of the process of implementation, we took on board many suggested improvements as we continued to review these

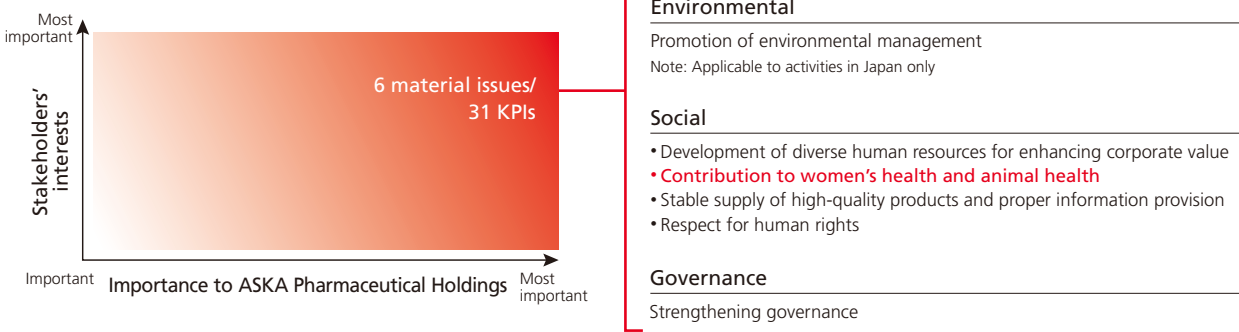
material issues with efficiency and consolidation foremost in our minds. As a result, we were able to reorganize our strategy into 11 material issues and 48 KPIs. Furthermore, in FY2025, we added “respect for human rights,” which we believe is critical to sustainably growing the Company and building relationships of trust, and conducted another reorganization to establish 6 material issues and 31 KPIs.

In particular, we believe that “contribution to women’s health and animal health” is a material issue that enables us to play to our strengths. By tackling this and other material issues as a Group, we believe we can also contribute to the achievement of the UN Sustainable Development Goals (the SDGs).








Materiality Map

Mapping of Material Issues



KPIs for Material Issues and Related Initiatives and Results

KPIs for New Material Issues

ESG	Material Issues	KPIs	FY2024 Initiatives and Results*	SDGs
E	Promotion of environmental management	<div>1. CO₂ emissions reduction: 60% reduction by FY2035 compared with FY2013 Companywide; 60% reduction by FY2030 compared with FY2013 for domestic production sites (Iwaki Factory)</div> <div>2. Total waste reduction and maintenance/improvement of the recycling rate of 90% or higher: Plastic recycling rate of 65% or higher by FY2030</div> <div>3. Environmentally conscious business operations</div> <div>4. Reduction of environmentally harmful emissions (promotion of low-protein feed to help reduce nitrogen load on the environment)</div> <div>5. Promotion of biodiversity</div> <div>6. Thorough supply chain management and preferential procurement of eco-friendly products</div> <div>Note: Applicable to activities in Japan only</div>	<div>1. CO₂ emissions reduction of 53.6% compared with FY2013 Began year-around operation of solar power generation facilities; introduced heat pumps, hydroelectric-derived clean energy, and thermal insulation covers</div> <div>2. Total waste reduction of 6.7% year-on-year; recycling rate of 87% Reduced general waste such as tree debris by 45% through the installation of a crusher</div> <div>3. Submitted the Group's first response to CDP's questionnaire (FY2024), receiving scores of B for Climate Change and B- for Water Security</div> <div>4. Contributed to lowering the level of protein in feeds through the promotion of feed-grade amino acids such as lysine</div> <div>5. Disclosed information in line with the TNFD recommendations</div> <div>6. Began examining environmental requirements for suppliers based on Company-wide value chain mapping</div> <div>▶ See pages 62–66 for details</div>	<div></div> <div></div>
	Development of diverse human resources for enhancing corporate value	<div>1. Promotion of self-directed learning (20 hours per employee per year)</div> <div>2. Promotion of diverse workstyles: remote work, location-specific positions, and shortened working hours; target high/semi-high work engagement rate (40% or higher)</div> <div>3. Promotion of women's participation in the workplace (FY2029 targets): female manager ratio of 20%, female management candidate ratio of 30%</div> <div>4. Work-life balance and diversity initiatives: Work Support Grant; average of 30 or more days of childcare leave taken by male employees</div> <div>5. Annual paid leave utilization rate: 80% or higher (Company-wide average)</div> <div>6. Maintenance of an ICT environment for smooth business operations both in and outside the Group to support flexible work styles and enhance productivity</div> <div>7. Promotion of DX talent development to streamline business processes, enhance overall productivity, and improve employees' work-life balance</div>	<div>1. 22.1 hours of training per employee per year; training expense of ¥126,700 per employee</div> <div>2. Work engagement deviation score of 54.7 (15th among 383 companies overall; 4th among 23 companies in the pharmaceuticals and medical devices industry)</div> <div>3. Continuously held dialogue between management and employees (total 62 sessions for 113 hours)</div> <div>4. Female manager ratio: 13.5%, female management candidate ratio: 20.0%</div> <div>5. Received the Tokyo Women's Empowerment Award (Excellence Award); Selected under FY2024 Nadeshiko Brands "Next Nadeshiko: Companing Supporting Dual Careers and Co-parenting"</div> <div>6. Annual paid leave utilization rate: 75.8%</div> <div>7. Disclosed DX strategies (development of DX promotion staff, enhancement of IT literacy and skills, and strengthening of cybersecurity)</div> <div>8. Recognized as a DX-certified company in August 2025</div> <div>▶ See pages 60, 71–78 for details</div>	<div></div>
	Contribution to women's health and animal health	<div>1. Contribution to healthcare through the dissemination of accurate information and disease awareness activities in specialty fields (Ob/Gyn, thyroid disorders)</div> <div>2. Information sharing initiatives targeting younger generations on sexual education, pregnancy, childbirth, and parenting</div> <div>3. Promotion of animal welfare (animal wellbeing)</div> <div>4. Development and provision of products useful for maintaining the health of companion animals and livestock</div> <div>5. Promotion of academic initiatives related to veterinary pharmaceuticals and associated diseases, particularly reproductive and endocrine disorders</div> <div>6. Advancements in in-house research themes and strengthening of alliance activities</div>	<div>1. Estimated social impact of menstrual symptom relief: ¥81.3 billion (¥48.8 billion through pharmaceuticals + ¥32.5 billion through disease awareness initiatives)</div> <div>2. Created a leaflet to support differential diagnosis of thyroid disorders and menopausal symptoms</div> <div>3. Invested in the femtech field, contributing to women's health through the corporate venture capital (CVC) fund</div> <div>4. Promoted sales of training videos for corporations and organizations on promoting women's participation in the workplace</div> <div>5. Participated in a panel discussion on women's wellbeing at the Shin Shonan Wellbeing Festa 2024</div> <div>6. Launched Mint* Hug, a new platform for parents and caregivers</div> <div>7. Exhibited patient information materials at the Contraception and STI Prevention Seminar (SRH Seminar) for healthcare educators</div> <div>8. Distributed 170,000 copies of the 2025 edition of supplementary high school health and physical education materials to 411 schools</div> <div>9. Introduced a new animal study management system to ensure proper review of animal study plans</div> <div>10. Prepared and distributed academic materials for veterinary professionals (veterinarians and companion animal nurses)</div> <div>11. Launched feline thyroid hormone and cortisol measurement kits that use hair samples</div> <div>▶ See pages 5–10, 37–40, 43–46, and 49–52 for details</div>	<div></div>
	Stable supply of high-quality products and proper information provision	<div>1. Reinforcement of value chain management</div> <div>2. Adherence to all relevant laws and regulations</div> <div>3. Compliance with the Guidelines for Promotional Activities for Prescription Drugs and enhanced education on information-provision tools for medical representatives (MRs)</div> <div>4. Prompt disclosure of up-to-date information through the Group's website</div> <div>5. Promotion of awareness of proper use of veterinary pharmaceuticals among users (veterinarians, veterinary nurses, livestock producers, and companion animal owners)</div>		<div></div>
S	Respect for human rights	<div>1. Initiatives to implement human rights due diligence based on the Human Rights Policy</div> <div>2. Employee education and awareness-raising activities to promote accurate understanding of human rights</div>	<div>1. Disclosed the Group's initiatives in response to the UK and Australian Modern Slavery Acts</div> <div>2. Held seven training sessions on the importance of respect for human rights and compliance in FY2024</div> <div>▶ See pages 69–70 for details</div>	<div></div>
	Strengthening governance	<div>1. Fostering a corporate culture and climate that respects sound business ethics and ensuring appropriate disclosure and explanation of both financial and non-financial information</div> <div>2. Ensuring real equality of shareholders</div> <div>3. Social contribution activities that help address social issues</div> <div>4. Constructive dialogue with stakeholders</div> <div>5. Promotion of Group-wide compliance framework centered on the Group Compliance Promotion Committee (ongoing implementation of measures to prevent serious incidents)</div>	<div>1. Increased the number of independent outside directors to four, and raised the ratio of female members of the Board of Directors to 33.3%</div> <div>2. Initiated discussions on changing the organizational structure to a company with an Audit & Supervisory Committee</div> <div>3. Updated the skill matrix</div> <div>4. Reorganized the Group Nomination Committee and Group Remuneration Committee with three members each, all of whom are outside directors</div> <div>Note: Includes initiatives planned for/undertaken in FY2025</div> <div>▶ See pages 79–94 for details</div>	<div></div>

*As the material issues were reorganized from 11 to 6 in FY2025, the initiatives for FY2024 are presented under the corresponding new material issues.