

Human Resources

Basic Principles

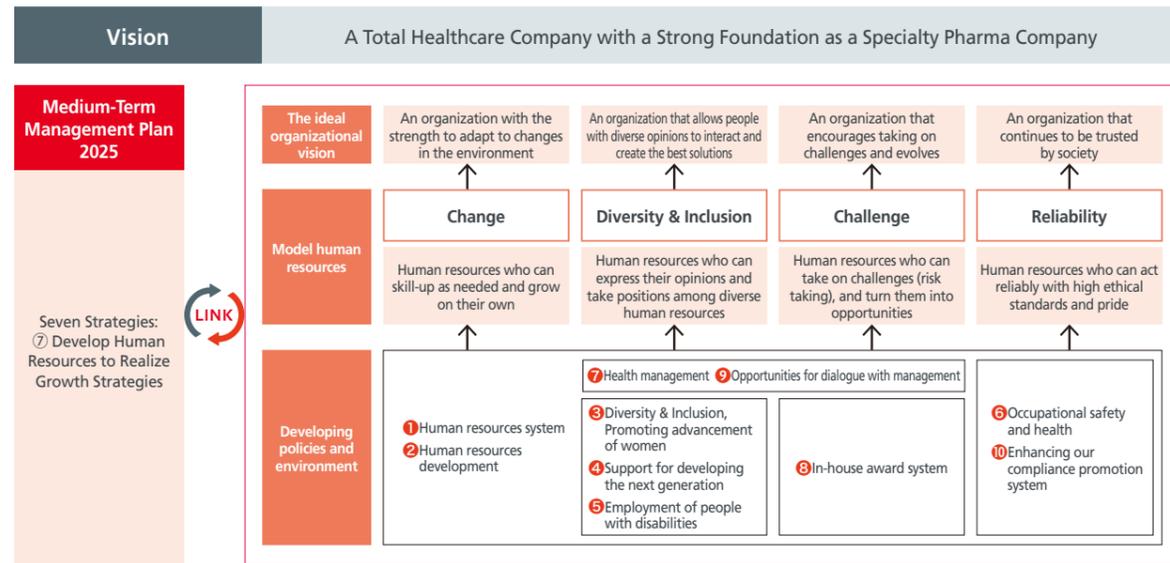
A company must link its management strategy and human resources strategy to achieve sustainable value enhancement. As such, the Group is working to further reform its human resources strategy as it aims to become a total health care company with a strong foundation as a specialty pharma company. Based 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 capital, one of the seven strategies for laying the foundation for realizing the 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 caters to individuals' desire for autonomous learning and supports them in embracing change and pursuing personal growth. We work to improve engagement by deepening mutual trust through dialogue between employees and management. Our aim in doing so is to build an organizational culture that drives innovation by fostering diverse values and an entrepreneurial spirit. 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.

By supporting employees' growth and happiness in this manner, we are contributing to the realization of a sustainable society.



Employee Engagement

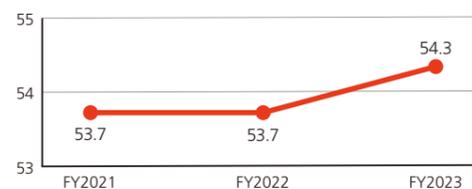
We believe that when employees can experience our corporate philosophy directly, they will align also with our common vision and goals. Through their various roles, they will then independently develop initiatives that promote innovation. Based on this idea, the Group actively creates opportunities for dialogue with management, fosters awareness of diverse values and challenges, and seeks to improve 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. Through our focus on providing opportunities for dialogue between employees and management, the work engagement deviation value is tracking upward, which

is an important step in transitioning to an organizational culture in which employees and management build relationships of mutual trust, working together to drive innovation. We intend to persist with these initiatives with a view to further growing and evolving the organization.

ASKA Pharmaceutical Work Engagement Deviation Values



Note: Deviation values are calculated based on data from 81 companies and organizations participating in the work engagement survey

1 Human resources system

ASKA Pharmaceutical, which plays a central role in the Group, introduced a human resources system in April 2021 aimed at maximizing human capital and realizing the growth strategy set forth in the medium-term management plan that began in FY2021. As measures to vigorously pursue the achievement of the medium-term management plan under this human resources

system, we have further evolved the existing role grading system by clarifying roles and introducing role transition rules and role-based compensation (single-rate). We are constantly optimizing the system, and have established evaluation meetings to ensure that evaluations are transparent and fair, and to develop human resources through feedback.

2 Human resources development

We have put in place training programs linked to this human resources system, empowering all employees to maximize their individual abilities. 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 career design training for female employees (selective training) to foster awareness of the promotion of women's advancement and drive implementation; and talk sessions for promoting gender diversity. Furthermore, based on the idea of 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 consultation with external career consultants, thereby supporting independent career development. In FY2023, we launched a selective training program to develop

the next generation of management leaders who will carry the future of our Group, and in FY2024 we launched a global human resources development program aimed at fostering human resources who can lead globalization at an early stage. We have created an environment that supports all employees in their desire to learn. By such means as offering selective training that employees can take voluntarily and an e-learning system that allows them to participate regardless of time and place, we promote an attitude of autonomous growth and a willingness to take on challenges in response to change.

ASKA Pharmaceutical furthermore helps employees advance their careers in their current posts. In addition, we have introduced strategic job rotation, an in-house recruitment system, an open study abroad program, and a career self-assessment system, all with a view to promoting independent career growth.

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

VOICE



Go Kakiuchi
Section Manager,
Group IT Solution Department
Group Business Management Division
ASKA Pharmaceutical Holdings Co., Ltd.

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.

Human Resources

3 Diversity and Inclusion

The Group believes that it is important to respect diverse values and share opinions 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 value gender diversity highly when it comes to employees in management positions (playing central roles in management). In developing managers and management candidates we are expanding the range of job opportunities, creating a rewarding workplace, promoting diverse and flexible work styles, and enhancing training programs so that all employees can broadly demonstrate their abilities according to their own desires. ASKA Pharmaceutical has set a gender balance target for management roles with a focus on the percentage of female managers by the end of FY2024, and is working toward a workplace environment in which all employees can fully demonstrate their abilities and play an active role. As a result of these efforts, diversity within management roles has been increasing year by year, making solid progress toward the Company target.

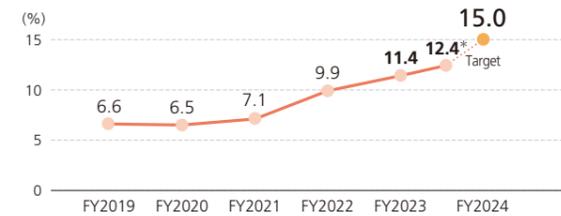
and transitioning to a corporate culture in which all employees can play an active role, we will be able to drive new innovations and continue to enhance our corporate value.

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 Managers among Full-Time Employees of ASKA Pharmaceutical



As of September 30, 2024

Percentage of Female Board Members (Members of the Board of Directors and Audit & Supervisory Board Members) of ASKA Pharmaceutical Holding

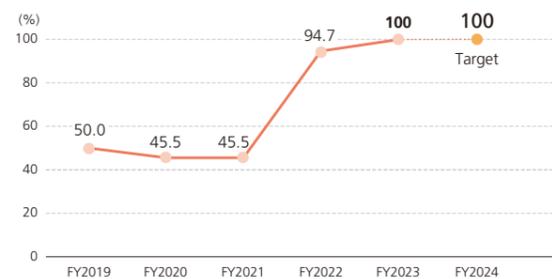
	June 2021	June 2022	June 2023	June 2024
Percentage of women	10.0%	16.7%	16.7%	23.1%

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 it must address, and is promoting efforts to balance work and child rearing. The Group has created an environment in which female employees can raise their children with peace of mind, with 100% returning to work after taking childcare leave. For male employees, we set a target of 100% childcare leave utilization from FY2023, which we are promoting throughout the Group. By the end of FY2023, the rate had reached the target of 100%. Going forward, we will focus also on in-house training in order to improve the number of days taken for childcare leave, such as by correcting assumptions about role sharing based on gender differences (unconscious bias). The entire Group supports employees who are raising children, and all employees actively participate in efforts by society as a whole to

support development of the next generation by deepening their understanding of gender bias correction.

Male Childcare Leave Utilization Rate at ASKA Pharmaceutical



5 Employment of people with disabilities

The Group strives to create a workplace in which people with disabilities can work with vigor, enthusiasm, stability and in accordance with their own wishes and capabilities. ASKA Pharmaceutical has set a target for the employment rate of persons with disabilities in accordance with the Act to Facilitate the Employment of Persons with Disabilities. By working together, we are striving to share 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.

ASKA Pharmaceutical target for the employment rate of persons with disabilities

	FY2022	FY2023	FY2024
Target	2.3%	2.3%	2.5%
Actual	2.3%	2.5%	—

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. To that end, ASKA Pharmaceutical has introduced a rigorous safety and health management system at the Shonan Research Center and Iwaki Factory, and at the head office and each sales office, holding regular Safety and Health Committee meetings. Through such means as monitoring long working hours and conducting workplace safety inspections, the Safety and Health Committee checks for safety and health-related risks. It also implements corrective and preventive measures on a monthly basis.

To prevent accidents and disasters, as well as to minimize damage should such an event occur, each business location has established emergency response procedures and conducts periodic drills.

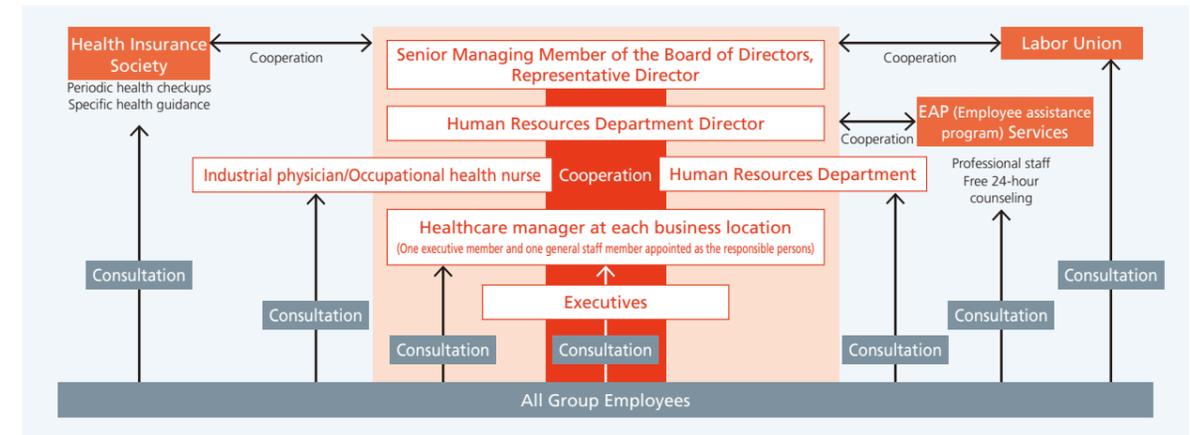
We continue to provide accurate information about safety and health for each employee to internalize and act upon as we strive toward achieving a workplace environment in which employees can work comfortably and with peace of mind. In addition, various safety and health-related discussions held between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

7 Health management

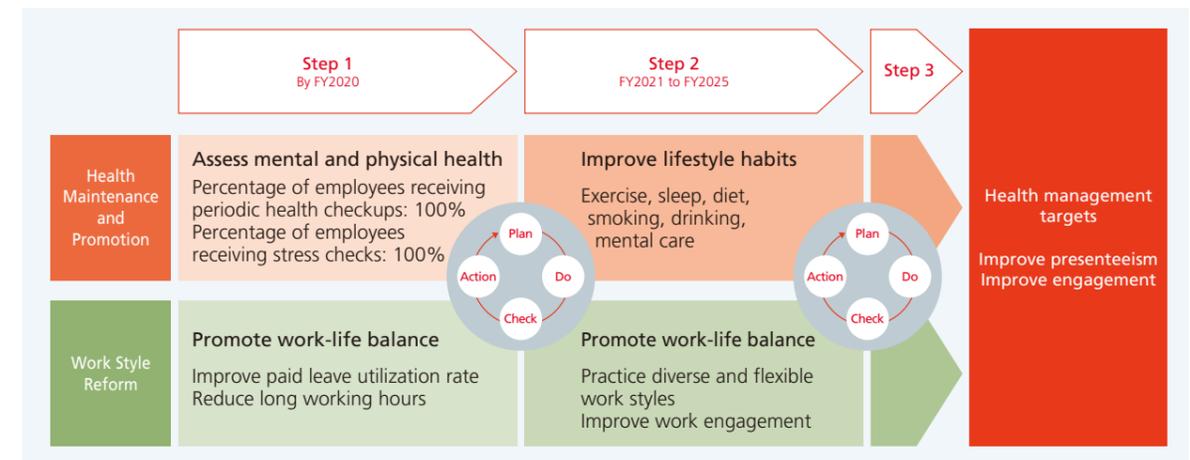
The Group sees human resources as the driving force that advances our business activities based on our corporate philosophy. We consider the mental and physical health of each and every employee to be at the core of our business strategy,

and by pursuing a balance between health management and work style reforms 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. We believe that understanding employees' mental and physical health is the foundation of health management, and to that end 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 in work-life balance based on respect for diverse values, and is working

toward achieving the numerical targets we have set for FY2025.

We are also enhancing our social contribution activities through health-related initiatives by linking the identity that the Group has cultivated to date with health management. Through a continual process of evolving and growing in depth, we will promote health management utilizing various approaches so that employees, organizations, and society as a whole can enjoy health as a common value and share happiness.

Human Resources

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, we introduced a flex-time system for all offices except for discretionary workers and Iwaki factory workers, and in 2020 we introduced a full flex-time system for even greater flexibility. Various other systems have been introduced, such as an hourly-unit annual leave system,

shorter working hours and flex-time, work from home, and remote work, allowing employees to choose work styles that respect their diverse values. The high degree of flexibility afforded by such systems is improving employees' self-management ability and leading to a workplace culture in which employees can grow and challenge themselves.

VOICE



Yusuke Suzuki
Section Manager
Clinical Development
Department
Development Division
ASKA Pharmaceutical Co., Ltd.

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 in 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 employees with awards recognizing their achievements and rewarding their everyday efforts.

⑨ Opportunities for dialogue with management

The Group actively provides opportunities for dialogue between employees and management, aiming to ensure that all employees, including corporate officers, respect each other's diverse values so that opinions are exchanged and the company becomes an organization that creates optimal solutions and innovation. ASKA Pharmaceutical provides regular opportunities for employees to engage in dialogue with top management

(chairman of the Board, vice chairman of the Board, president). The aim in doing so is to reduce the distance between employees and management by enabling top management to hear employees' thoughts and opinions directly and share the company's philosophy and vision, thereby enhancing employee engagement (consisting of vitality, enthusiasm, and immersion) in work.

Dialogue with Management in FY2023

	Number of opportunities for dialogue	Time (hours)
Dialogue between employees and top management	74	110.5

Details of Dialogue with Management in FY2023 (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.	12
	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. 	23
	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 Co., Ltd.

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 in 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 ongoing training for all employees, as well as education for each job level while working to grasp the level of employee awareness through questionnaire surveys and to identify points

for improvement. In FY2023, 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 75 for details