

Compliance

Basic Principles

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 Board Members and employees can engage in corporate activities with peace of mind.

To increase awareness of compliance among employees of the Group, we are conducting ongoing training for all employees and training for each job level while working to grasp the level of employee awareness through questionnaire surveys and to identify points for improvement. In FY2023, we worked to further ensure compliance by conducting training and problem-solving programs based on actual situations (based on our understanding of the current situation) and by identifying problems from the results of the compliance awareness survey.

Whistle-blower System

As a system to reflect the voices of employees in compliance practice, we have established a whistle-blower office (the ASKA Pharmaceutical Holdings' compliance consulting desk) and have promoted awareness of the desk through education and training programs.

In addition to the existing internal and external contact points, we have established a new contact point staffed by ASKA Pharmaceutical Holdings' Audit & Supervisory Board members (the Audit & Supervisory Board member consulting desk) for consultation and reporting of compliance-related matters involving Board Members of the Group (in connection with the enforcement of the revised Whistleblower Protection Act on June 1, 2022). This contact point, which is independent from senior management, is intended to lower the psychological hurdle for Board Members and employees for consultation and reporting of compliance-related matters involving senior management, and to ensure that investigations and corrective measures are carried out in a timely and appropriate manner. Reporting can be also done anonymously, and all cases are handled appropriately. In addition, we have enhanced the whistle-blower system by securing two people to be in charge of the external contact point (corporate lawyer's office).

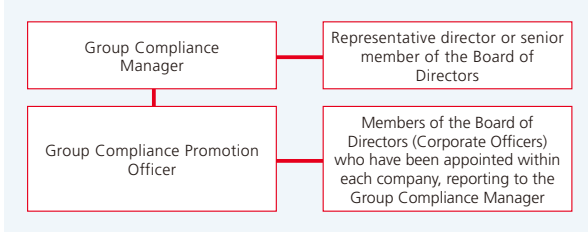
Initiatives of the Group in Regard to Industry-related Norms

Cognizant of the fact that ASKA's corporate activities related to prescription pharmaceuticals are conducted under the public medical insurance system, we fulfill our accountability to society by ensuring transparency in the provision of funds to medical professionals, medical institutions, patient groups, and others. In accordance with the Transparency Guideline for the Relationship between Corporate Activities and Medical Institutions and the Transparency Guideline for the Relationship between Corporate Activities and Patient Groups, in FY2024 we will continue with disclosure of information on FY2023's provision of funds to medical professionals, medical institutions, and patient organizations.

In addition, the Guidelines for Provision of Sales Information on Prescription Drugs (the "Guidelines") were established by the Ministry of Health, Labour and Welfare to promote the proper use of prescription pharmaceuticals. They are aimed at preventing inappropriate promotional activities (such as recommending off-label use, slandering other companies, and providing

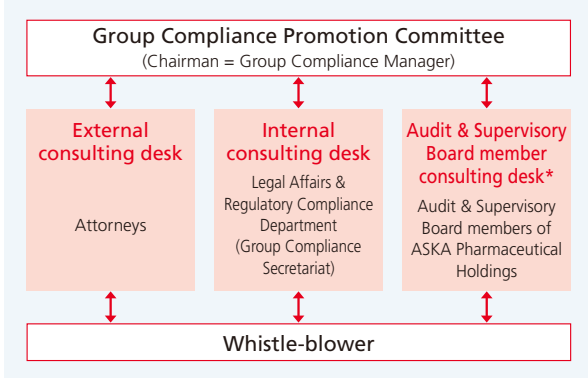
The Group Compliance Promotion Committee has been established to supervise the Group's efforts toward recognizing and responding to risks that could have a significant impact on Group management and to maintain a compliance system that thoroughly complies with laws and corporate ethics.

Group Compliance Promotion Structure



In accordance with the spirit of the Whistleblower Protection Act, we operate this system to protect whistle-blowers as well as to ensure that compliance-related matters are reported, investigated, and corrected in a timely and appropriate manner.

ASKA Pharmaceutical Holdings Structure of the Compliance Consulting Desks



\* Contact point for consultation and reporting of compliance-related matters involving Board Members of the Group

misleading information on efficacy and safety). In addition, from 2019 the Guidelines made it the responsibility of management to establish the internal systems necessary for appropriate sales information provision activities and to educate employees. In FY2023, the department supervising sales information provision activities, as the lead department, reviewed materials used by medical representatives (MRs) to ensure that they are properly prepared, and also checked the promotional activities of MRs and others, and with regard to the behaviors that could have been taken as a violation of the Guidelines, the information was shared with the parties concerned as well as the relevant promotion department to raise awareness and prevent violations. In addition, we continuously remind MRs and others of the importance of compliance with the Guidelines and other industry-related norms during training sessions.

As a life-related company, we will continue to work to further improve our ethics, transparency, and credibility while conducting activities to deepen the understanding of medical institutions and medical professionals.

Code of Practice

As a responsible life-related company that handles pharmaceuticals, ASKA Pharmaceutical recognizes the need to ensure a high level of ethics and transparency in its corporate activities. Based on this recognition, in FY2013 we established the ASKA Pharmaceutical Code of Practice as a code of conduct for all Board Members and employees and their interactions with researchers, medical professionals, patient groups, etc., and we are implementing corporate activities that can be understood by society by ensuring that all Board Members and employees are fully aware of the code.

Risk Management

Basic Policy on Risk Management

In order to deal with risks that may affect the business activities of the Group, we have established the Group Business Risk Management Rules and are implementing a risk management system with classifications based on characteristics and risks. Each department prepares and operates procedure manuals and systematically works to resolve issues through annual risk assessments and the formulation, implementation, and evaluation of countermeasures based on the results of those assessments.

Risk Management System

Every organization within the Group has formulated and implemented a business risk management manual in a bid to avoid risks and minimize damage. If crises actually occur, the Task Force takes action as necessary.

Group Business Risk Management System



Business Continuity Plan (BCP)

In order to ensure a stable supply of pharmaceuticals and other products, we have formulated two types of BCP, one for natural disasters such as large-scale earthquakes and tsunamis, and the other for the spread of infectious diseases such as the novel influenza, and we are working to establish a system that will

Intellectual Property

Intellectual property rights include patent rights, utility model rights, design rights, and trademark rights, which protect creations through intellectual creative activities. We respect the rights of third parties and cooperate with relevant departments to formalize and protect intellectual property rights throughout the Company. In addition to protecting rights related to newly developed products, we maximize value by utilizing intellectual property rights to extend the life cycle of existing products, including new dosage formulations.

Moreover, we are promoting the globalization of our intellectual property activities and have established a system that enables us to collect and utilize intellectual property information overseas. We are also working to strengthen cooperation with our partner companies in terms of intellectual property. With the growing importance of intellectual property, we will further contribute to our business growth through these efforts.

enable us to quickly restore our business activities. Going forward, we will continue to enhance our preparedness for anticipated risks, conduct employee awareness activities, and further improve our crisis management system.

Information Security

The Group recognizes that the appropriate management of information assets is an important management issue and has implemented the following measures to ensure safe and secure management.

- 1. Establishment of information security management system**

The Group has established an information security management system to protect information assets held by the Group and to maintain and improve information security.
- 2. Establishment of internal rules for information security**

The Group has established internal rules for information security in order to appropriately manage information assets.
- 3. Education on information security**

All Board members and employees of the Group are informed of the importance of information security and the proper use of information assets held by the Group.
- 4. Implementation of information security measures**

The Group takes appropriate countermeasures—measures to prevent and correct unauthorized access to, loss, leakage, falsification, and destruction of information assets.
- 5. Compliance with laws and regulations**

The Group shall comply with laws, regulations, and other relevant norms related to information security.
- 6. Maintenance of audit system**

The Group shall strive to ensure information security by establishing an internal audit system to check and evaluate the status of compliance with laws, regulations, and internal rules.