

Table of Material Issues and KPIs

Material Issues	Targets	KPIs	Targets of KPIs (#. Targets of KPI for Sumitomo Pharma non-consolidated)	Fiscal 2024 Results		Change of KPIs from FY2025	Change of KPI targets from FY2025 (#.Targets of KPI for Sumitomo Pharma non-consolidated)
Development of innovative products and healthcare solutions 3 GOOD HEALTH AND WELL-BEING 17 PARTNERSHIPS FOR THE GOALS	Support the betterment of healthcare and fuller lives of people worldwide by continually creating innovative products and healthcare solutions that respond to diverse medical needs, including predictive, preventive, personalized, and patient-participated medicine (i.e., solutions that enable optimization of the conventional therapeutic systems and radical cures), as we always stay close to patients	1. Number of products launched	Target number of products launched from fiscal 2023 to fiscal 2027 - Psychiatry & Neurology: 7 products (including 2 regenerative medicine/cell therapy and 4 non-pharmaceutical solutions) - Oncology: 2 products - Others: 3 products (including 1 non-pharmaceutical solutions)	Cumulative results since fiscal 2023 - Psychiatry & Neurology: 0 products - Oncology: 0 products - Others: 1 product	Results in Fiscal 2024 【Oncology】 - enzomenib / DSP-5336 (Japan/US) : We are conducting Phase 1 and 2 studies for acute myeloid leukemia. A cohort study of concomitant use with other drugs has been initiated. - nuvisertib / TP-3654 (Japan/US) : We are conducting Phase 1 and 2 studies for myelofibrosis. 【Psychiatry & Neurology】 (Regenerative medicine/Cell therapy (collaboration with RACTHERA Co., Ltd.)) - CT1-DAP001(Allogeneic iPS [induced pluripotent stem] cell-derived dopaminergic neural progenitor cells) (Japan) : We are preparing for a regulatory submission in fiscal 2025, based on data from an investigator-initiated study for Parkinson's disease. - CT1-DAP001/DSP-1083 (Allogeneic iPS [induced pluripotent stem] cell-derived dopaminergic neural progenitor cells) (Japan/US) : We are conducting Phase 1 and 2 investigator-initiated studies and a company-sponsored clinical study for Parkinson's disease. - HLCR011 (Allogeneic iPS cell-derived retinal pigment epithelial cells) (Japan) : We are conducting a Phase 1 and 2 studies for retinal pigment epithelium tear. - DSP-3077 (Allogeneic iPS cell-derived retinal sheet) (US): We are conducting Phase 1 and 2 studies for retinitis pigmentosa. - LATUDA® (Japan): We are conducting a Phase 3 study for schizophrenia (New usage: pediatric) . 【Others】 - GEMTESA® (US): We obtained approval for overactive bladder in men with benign prostatic hyperplasia. For other ongoing studies, please see "Development Pipeline."	1. Number of approvals obtained	Number of approvals obtained from fiscal 2025 to fiscal 2027: 5 products
		2. Number of products in the development pipeline	Number of products that have achieved phase transition from fiscal 2023 to fiscal 2027 - Phase 3 transition: 4 products - Phase 2 transition: 6 products - Start of corporate clinical studies for regenerative medicine/cell therapy: 5 products - Start of corporate clinical studies for DTx: 5 products	Cumulative results since fiscal 2023 - Phase 3 transition: 0 products - Phase 2 transition: 0 products - Start of corporate clinical studies for regenerative medicine/cell therapy: 3 products - Start of corporate clinical studies for DTx: 0 products		2. Number of clinical trials	Number of clinical trials from fiscal 2025 to fiscal 2027 - New clinical trials initiated: 3 trials - Clinical trials started for regulatory submission: 3 trials
		3. Work motivation of research & development staff	Use SMP Opinion*1 to maintain/increase their satisfaction*2 with work motivation # *1. Company-wide engagement survey using Qualtrics Employee XM by Qualtrics, Inc. *2. Average score out of 5 points in the research & development departments.	(SMP Opinion was not conducted.)	We conducted the following initiatives at our R&D Division: - We held monthly town hall meetings across the division. - We conducted an R&D headquarters survey. - We organized dialogue sessions between the Head of Division and members at all levels. - We launched a volunteer-driven bottom-up transformation team.		Number of R&D staff submitting research publications, presentations at academic conferences, and patent applications
Stable supply of high-quality pharmaceutical products 3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Continuously work to nurture a quality-oriented culture and, under the appropriate quality assurance and manufacturing and quality management, build a resilient supply chain through cooperation with our plants and business partners, thus realizing the stable supply of highquality products. Work on product design, quality management, and development of efficient processes with the entire product life cycle of diverse modalities in mind, thus providing new value to patients	1. Findings subject to administrative action in regulatory inspections related to our products	0	0	- Our own manufacturing plants: Quality Management and Supply Chain personnel visited the plant to ensure that preparations and appropriate inspection responses are carried out in cooperation with the plant. (Twice) - Our contract manufacturing plants: Quality Management personnel periodically checked the GMP management status, and when the manufacturing plant was inspected, they followed up by visiting the plant as necessary. (29 times)		
		2. Number of product recalls	0 in any year	0	We conducted annual checks, annual stability tests, and risk assessments on all our products.		
		3. Investment in new manufacturing/ quality technologies	Number of new technology investments of ¥10 million or over: at least 5 each year	7	- Related to pharmaceuticals: 0 - Related to regenerative medicine/cell therapy: 7		

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Provision of high-quality product information and promotion of proper use 3GOOD HEALTH AND WELL-BEING 	Provide information on the safety and efficacy of our products based on scientific objectivity and ethics in a way that best suits target customer groups, in an effort to ensure that healthcare professionals, patients, and their families can always use our products with confidence and peace of mind. At the same time, gather information on the safety of our products accountably to ensure the safety of patients	1. Assessment by doctors in focus areas	Rated number one in the focus areas of diabetes and schizophrenia in our own survey conducted by an external organization #	Overall assessment of MRs by doctors - Diabetes: 9th - Schizophrenia: 2nd (As of February 2025)	<Diabetes> - We promoted activities aimed at total diabetes care using TWYMEEG®, Equa®, EquMet®, and METGLUCO®. - We gave academic presentations on diabetes treatment in coordination with external organizations. <Schizophrenia> - We conducted promotional activities for LATUDA® and LONASEN® Tape, addressing patient disease stages and the treatment challenges faced by physicians.		
		2. Ensure appropriateness of sales information provision activities	Number of guidance from the Ministry of Health, Labour and Welfare's monitoring program for sales information provision activities: 0 in any year #	0	No issues were identified in fiscal 2024 activities.		
		3. Education on safety information collection	- At least four times a year for MRs and once a year for all employees to raise employee awareness of safety information collection # - Number of delayed adverse drug reaction reports to regulatory authorities: 0 #	- Number of times of training in collecting safety information actually conducted - For MRs: 7 times - For all employees: Once - Number of delayed adverse drug reaction reports to regulatory authorities: 0			- We conduct MR training at least four times a year and assess comprehension. # - We conduct annual training for all employees to raise awareness and assess comprehension. #
		4. Education on harmful incident concerning pharmaceuticals	Annual educational program for all employees to form and maintain a mindset that does not cause harmful incident concerning pharmaceuticals	We educated all employees about harmful incidents concerning pharmaceuticals.		4. Prevention of harmful incidents concerning pharmaceuticals	- Annual educational program for all employees to form and maintain a mindset that does not cause harmful incidents concerning pharmaceuticals - Number of delayed adverse drug reaction reports to regulatory authorities: 0 #
Improving access to medicines and advocacy 3GOOD HEALTH AND WELL-BEING 17PARTNERSHIPS FOR THE GOALS 	Attempt to improve access to medicines by promoting disease awareness from patient-centered perspectives, which is expected to reduce illness stigma and facilitate early treatment, and by working to lessen a drug lag, which will increase treatment options for patients. Contribute to the betterment of the healthcare system in countries/regions that struggle with equal access to necessary healthcare, by developing healthcare professionals, raising awareness of the public, and making policy recommendations through collaboration with the industry, governments, and NPOs/NGOs	1. Further increase in health literacy of the public, including patients	- Number of public lecture participants by fiscal 2027 cumulative total of 10,000 since fiscal 2023 # - Total annual visits to schizophrenia and bipolar disorder disease awareness website (Kokoro Share) 40% increase over fiscal 2022 by fiscal 2027 #	- Public lectures: 9,989 participants (FY2024: 4,787) - Kokoro Share visits: 35% decrease compared to fiscal 2022	<Public lectures> - We held seven lectures in the area of psychiatric disorders and one lecture about iPS. <Kokoro Share> - We published new content (archive page of public lectures).		
		2. Number of products, and policy recommendations contributing to access to medicines	- Responding to requests for development of unapproved and off label drugs of high medical necessity # - Continued participation in policy recommendations #	- Number of responses to requests for development of unapproved and off-label uses of drugs: 1 - Number of policy recommendations: 19	<Responses to requests for the development of unapproved and off-label drugs> - RETHIO® : We are responding to a request for development for central nervous system lymphoma (including central nervous system infiltration in primary and other lymphoma). <Number of policy recommendations> - Recommendations related to access to medicines: 15 - Recommendations related to infectious diseases: 4		
		3. Number of partnerships contributing to improvement in healthcare access in developing countries	Constantly two or more	Four in total	Continued with the following partnerships: - WELCO Lab - PATH AMR Network - Health support project for mothers and children in Cambodia - Antimicrobial susceptibility surveillance study in Vietnam		

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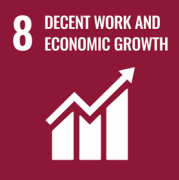
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Expansion of human capital and instillment of corporate culture 	Consider employees' knowledge and potential as "capital" to invest in them and instill corporate culture linked to the provision of value, thus realizing sustained enhancement of corporate value	1. Employee engagement scores	• Maintain/improve engagement scores in SMP Opinion^{*1} # • Lower the percentage of departments whose engagement scores are less than 63%^{*2} # ^{*1}1. Company-wide engagement survey using Qualtrics Employee XM by Qualtrics, Inc. ^{*2}2. Average engagement score of Japanese companies benchmarked by Qualtrics, Inc.	• Engagement score*: 44% *Employee survey on company management	• We conducted a employee survey on company management to assess expectations for the new management team, gather requests regarding management, and evaluate employee engagement. Based on the survey results, we launched working groups through open recruitment to address the identified issues, and initiatives are currently underway.		• Improvement of engagement scores in employee survey on company management
		2. Percentage of female managers	• Increase the percentage to 20% or more by fiscal 2027 #	• 14.8% (13.7%) Figures in parentheses are actual results in fiscal 2023.			
		3. Number of participants in selective training	• 80 every year #	(Suspended in fiscal 2024)	• We suspended the 2024 SMP Academy, which provides a systematic learning experience in essential management skills for leaders and training in business model development and execution in the digital age, due to the company's current circumstances.		• 40 every year #
		4. Number of career consultations	• 200 every year #	• 17	• We conducted career interviews for employees by in-house career consultants with national qualifications. • We suspended career interviews for employees due to the company's current circumstances since August.	Removal of KPIs	
		5. Number of digital experts and data scientists	• 100 citizen data scientists by fiscal 2024 # • 150 citizen developers by fiscal 2027 #	• Citizen data scientists: 114 • Citizen developers: 76	• Citizen data scientists: We conducted open application-based training and achieved the KPI targets as planned and will remove the item from the KPI list from fiscal 2025. • Citizen developers: We promoted talent development through hands-on seminars, rebuilt the community site, held individual consultation sessions, contributed to internal communications to raise awareness, and participated in external networking events.		• 150 citizen developers by fiscal 2027 #
		6. Amount of investment in HR development	• Maintain the amount of investment per person #	(Not for disclosure)	<Company-wide> • We provided development employee training based on the training system chart. • We provided optional training for self-improvement. <Each department> • We implemented a specialized talent development program focusing on expertise.		
		7. Instillment of CHANTO	• Implement measures that contribute to changing the behavior of employees in order to establish the position as GSP #	• We concluded the penetration of CHANTO at the end of fiscal 2024, based on employee survey results indicating sufficient awareness and understanding of CHANTO.		Removal of KPIs	
Respect for human rights 	Identify human rights risks throughout the Group's business activities to prevent and mitigate them while asking business partners and other parties concerned to understand and support such initiatives, thus respecting human rights throughout the value chain	1. Implementation of human rights education and training (including e-learning) for all employees	• Implement education and training at least once a year to instill the human rights policy and raise awareness of human rights	• Training for new employees: Once (business and human rights, in-person) • Training for all employees: Once (forced labor and child labor, e-learning) • Harassment training for all employees: Once (sexual harassment and power harassment, in-person)			
		2. Implementation of human rights due diligence in the value chain, including business activities of each Group company	• Increase in cumulative number of due diligence and outreach to key business partners • Realization of zero occurrence of serious human rights violations	• Number of comprehensive risk assessments carried out for Sumitomo Pharma and our Group Companies (including human rights risk assessments): 2 companies (We conducted detailed risk assessments for 12 companies in fiscal 2023.) • We provided feedback and conducted interviews on the above detailed survey results: 14 companies (including Sumitomo Pharma) • Number of sustainability assessments carried out for business partners (including human rights risk assessments): 30 companies • Number of serious human rights violations: 0			
Promotion of environmental initiatives 	Conserve the global environment, which serves as the foundation for health of people worldwide, by working to prevent environmental pollution, mitigate climate change, and circulate resources, to hand it over to future generations	1. Greenhouse gas (GHG) emissions (Scope 1+2)	• Reduce GHG emissions (Scope 1+2) to zero by fiscal 2050 • Reduce GHG emissions (Scope 1+2) by 42% vs. fiscal 2020 by fiscal 2030	• Reduced by 36% vs. fiscal 2020	• We switched to electricity derived entirely from renewable energy sources for our Tokyo headquarters. • We continued to make planned carbon neutral investments (capital investments that contributed to energy conservation and CO₂ reduction).		
		2. Water withdrawal	• Reduce water withdrawal by 12% vs. fiscal 2018 by fiscal 2030 #	• 644,000 tons (decreased by 24% vs. fiscal 2018: 847 thousand tons)	• We updated our water usage reduction targets, taking into account the downsizing of our active pharmaceutical ingredient (API) manufacturing operations. • We implemented initiatives to reduce water consumption, such as adjusting air conditioning operation, reviewing cleaning processes, and promoting daily water-saving actions.		• Reduce consumption below the FY2020 level (599,000 tons) by fiscal 2030. # *This KPI target has been changed since fiscal 2024.
		3. Recycling rate of waste	• Maintain the recycling rate at 80% or higher and increase the rate to 85% or higher by fiscal 2030 #	• 83%	• We are continuing various initiatives such as converting waste oil into fuel, recycling PTP packaging waste and plastic containers into materials, and monetizing unused research equipment.		
		4. Final disposal rate of waste	• Maintain the final disposal rate below 1% and lower the rate tobelow 0.5% by fiscal 2030 #	• 0.2%	• We changed disposal of non-friable asbestos from landfill to recycling. • We are promoting recycling and carefully select disposal methods and contractors to avoid final disposal as much as possible.		

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Enhancement of corporate governance 	Strive to achieve sustained growth and enhance corporate value by continuously seeking to build a highly effective corporate governance system. In so doing, work to further improve the Board of Directors' functions, protect the interests of minority shareholders, and manage Group Companies appropriately	1. Implementing evaluation of the effectiveness of the Board of Directors and working on priority issues based on the evaluation results	Maintain a good level of quantitative evaluation results in the effectiveness evaluation	We maintained a good level of quantitative evaluation results in the effectiveness evaluation for fiscal 2024.	- The Board of Directors implemented the following major agendas for fiscal 2024, which were identified as a result of the evaluation of effectiveness for fiscal 2023: "Strengthened oversight of North American group companies", "Constructive discussions regarding agendas to be addressed in the medium- to long-term," and "Deepened discussions on human capital." - The Company conducted a questionnaire to all the Directors and Audit & Supervisory Board Members from February to March 2025, and based on the analyzed results of the responses, opinions were exchanged at the meeting of the Board of Directors held in April 2025. - The Company confirmed that there was no major problem with respect to the operation of the Board of Directors in fiscal 2024 and the effectiveness of the Board of Directors of the Company has been ensured in general. - The Company recognized that, although there was a sincere effort to address the key issues for fiscal 2024, there is still room for improvement.		
		2. Strengthening of Group governance	Rebuild a group governance system, including the streamlined North American Group Companies	- We appointed a Sumitomo Pharma board member as President & CEO of Sumitomo Pharma America, Inc. to strengthen coordination and oversight. - We made Sumitomo Pharma Switzerland GmbH, Sumitomo Pharma America, Inc., and Myovant Sciences Ireland Limited our direct subsidiaries. - We enhanced our involvement in North American operations and simplified decision-making processes by streamlining a previously complex capital structure.			
		3. Conducting appropriate transactions between Group Companies with consideration to protecting the interests of minority shareholders	The Supervisory Committee for Conflict of Interests in Transactions between Group Companies meets not only periodically (once a year) but also on an as-needed basis	We held five meetings of the Supervisory Committee for Conflict of Interests in Transactions between Group Companies.	We reorganized our regenerative and cell medicine business, including changes in ownership ratio of S-RACMO Co., Ltd. and the execution of a share transfer agreement for RACTHERA Co., Ltd..		
Strengthening of risk management 	Develop/promote a risk management system capable of appropriately responding to risks that could seriously impact business activities, by building an effective BCP and strengthening information security	1. Implementing risk assessment and implementing appropriate countermeasures based on assessment results	All departments implement risk assessments every fiscal year	All the departments of domestic and overseas Group Companies implemented risk assessments and took measures based on the risk assessment results.			
		2. Rebuilding and implementing of training and drills of business continuity management (BCM) and business continuity plans (BCPs)	Provide education and training at departments with priority operations and update BCP at least once a year #	- We updated the business continuity plans (BCPs) of each division, department, and domestic group company and conducted BCP training. - We reviewed and revised the selection criteria for priority products, and confirmed the status of supplier management. - We operated a disaster portal site "Disaster Preparedness/Risk info" as a bulletin board for information on corporate rules regarding BCM (risk assessment, emergency response, and business continuity), document management, and disaster preparedness/risk to disseminate information while managing manuals and documents. - We developed BCPs for Sumitomo Pharma Asia Pacific Pte. Ltd., Sumitomo Pharma Investment (China) Co., Ltd., and Sumitomo Pharma (Suzhou) Co., Ltd.			
		3. Provision of education and training for proper information management	Provide necessary education and training at least once a year for enhancement of knowledge and awareness concerning information management	- We conducted information management training (group training) for new employees. - We conducted information management training (e-learning) for all officers and employees.			
		4. Events that have a significant impact on business activities	- Number of serious accidents: 0 in any year - Number of serious information leaks and other incidents: 0 in any year - Number of serious information technology security incidents: 0 in any year	- Number of serious accidents: 0 - Number of serious information leaks and other incidents: 0 - Number of serious information technology security incidents: 0			
Pursuing compliance 	Strive to nurture a mindset in everyone that urges them to unflinchingly seek consultation when in doubt about education and training designed to keep high awareness of compliance high or compliance itself and, as a member of the life science industry that requires high ethical standards, conduct transparent and fair corporate activities with a strong commitment to ethical behavior, thus further consolidating trust of stakeholders	1. Implementation of compliance education and training	Provide training designed to enhance the latest knowledge and raise compliance awareness at least once a year	- Grade-specific training: We conducted training for new employees (including mid-career hires) and training for officers who have been promoted. - Theme-based training: We conducted training in the Antimonopoly Act, information management, respect for human rights, export control, systems to adhere to pharmaceutical and medical device regulations, environment and safety, and prevention of insider trading.			
		2. Level of awareness and understanding of the whistle-blowing system	- Awareness: Maintain current level # - Understanding: Increase to the same level as awareness by fiscal 2027 #	(We did not conduct the survey in fiscal 2024.)			
		3. Number of serious compliance violations	0 in any year	0			