

Development of innovative products and healthcare solutions	
Contributing to the development of science	
Targets	
<ul style="list-style-type: none"> <li>Continuous development of pharmaceuticals in areas with high unmet medical needs</li> <li>Development of healthcare solutions to respond to the future healthcare needs centered on areas where synergies with the pharmaceutical business can be expected</li> </ul>	
KPIs	Fiscal 2022 progress
①Progress on main development pipeline <ul style="list-style-type: none"> <li>Targets in Psychiatry &amp; Neurology area               <ul style="list-style-type: none"> <li>ulotaront (SEP-363856): launch in fiscal 2024 (U.S.)</li> <li>SEP-4199: launch in latter half of 2020s)</li> </ul> </li> <li>Targets in Oncology area               <ul style="list-style-type: none"> <li>(Item to be determined): Launch in the late 2020s (Japan and the U.S.)</li> </ul> </li> <li>Targets in Regenerative Medicine/Cell Therapy field               <ul style="list-style-type: none"> <li>Parkinson's disease: launch in fiscal 2024 (Japan)</li> <li>age-related macular degeneration: launch in fiscal 2025 (Japan))</li> </ul> </li> <li>Targets for other areas with high unmet medical needs               <ul style="list-style-type: none"> <li>relugolix: Myovant approval for endometriosis in fiscal 2022 (U.S.)</li> <li>rodatristat ethyl: launch in latter half of 2020s (Japan and U.S.))</li> </ul> </li> <li>Targets for Frontier business               <ul style="list-style-type: none"> <li>commercialization of multiple products target: launch in fiscal 2023-2025 (Japan and U.S.)</li> </ul> </li> </ul>	ulotaront(SEP-363856): Continued Phase 3 (U.S.) for schizophrenia, Continued Phase 2/3 (Japan and China), Started Phase 2/3 (U.S.) for major depression adjuvant therapy, Started Phase 2/3 (Japan and the U.S.) for generalized anxiety disorder SEP-4199: Continued Phase 3 (Japan and U.S.) for Bipolar I depression. Relugolix: Obtained approval for prostate cancer in Europe (May 2022) DSP-7888, DSP-0509, TP-0184, TP-0903: Stopped development Parkinson's disease: Phase 1/2 (investigator-initiated clinical trial) Age-related macular degeneration (AMD): Preparing for corporate clinical studies Approved for endometriosis (August 2022) rodatristat ethyl: Phase2 (U.S.) Launched MELTz® (September 2022) Started test marketing of mental health VR content (November 2022)
②Progress on early-stage development pipeline <ul style="list-style-type: none"> <li>Number of transitions to Phase 2 and Phase 1 in Psychiatry &amp; Neurology area and Oncology area (fiscal 2018-2022 cumulative)</li> </ul>	Psychiatry & Neurology area: Phase 2: 1 drug 1 study, Phase 1: 9 drug 9 studies Oncology area: Phase 2: 1 drug 1 study, Phase 1: 7 drugs 7 studies
③Progress on development of modalities	Advancement of multiple vaccine projects, continuation of our initiatives regarding proteins including antibody drugs (affiliated with JCR Pharma Co., Ltd.), Nucleic acids (affiliated with Luxna Biotech Co., Ltd.) and Peptides (affiliated with FunPep Co., Ltd.)
④Work motivation of research & development staff Use SMP Opinion*1 to maintain/increase their satisfaction*2 with work motivation *1. Company-wide questionnaire using Qualtrics Employee XM by Qualtrics, Inc. *2. Average score out of 5 points in the research & development departments	Authority/discretion: 3.9, CSR: 4.1, Growth opportunities: 3.8, Work appropriateness: 3.9
Work Style Innovation	
Targets	
<ul style="list-style-type: none"> <li>More sophisticated work styles</li> <li>Virtuous cycle in Work-life balance</li> </ul>	
KPIs	Fiscal 2022 progress
①Employee engagement	Engagement scores in SMP Opinion: 68%*1 Percentage of departments with engagement scores under 63%*2: 24% *1. Percentage of positive responses to engagement questions answered on a 5-point scale, *2. Average Engagement Score of Japanese Companies Benchmarked by Qualtrics, Inc.
②Employee Turnover Rate	3-year turnover rate: 1.83% 5-year turnover rate: 1.66% 10-year turnover rate: 1.71%
Diversity & inclusion	
Targets	
<ul style="list-style-type: none"> <li>Promotion of active participation by female employees</li> <li>Promotion of LGBTQ understanding</li> <li>Promotion of active participation by people with disabilities through appropriate placement</li> </ul>	
KPIs	Fiscal 2022 progress
①Percentage of female managers (target for the end of fiscal 2022: maintain at least 10%) Percentage of female senior employees, excluding female managers (target for the end of fiscal 2022: 15%)	Percentage of female managers: 14.4% Percentage of female senior employees, excluding female managers: 14.0%
②Percentage of male employees taking childcare leave (target for the end of fiscal 2022: 100%)	115.1% (5 or more consecutive business days)
③Number of participants in e-learning on LGBTQ	2,771
④Number of Ally activities	4
⑤Percentage of employees with disabilities (target: more than the legally specified employment percentage of 2.3%)	2.58% (As of June 1, 2023)

Training and development of employees	
Targets · Fostering of leaders and training of globally-minded human resources · Fostering a corporate culture that encourages self-disciplined and independent career development	
KPIs	Fiscal 2022 progress
①Number of participants in selective training	SMP Academy 77
②Number of employees with overseas work experience	13(individuals who started working overseas in fiscal 2022)
③Number of participants in programs to enhance English proficiency	e-learning (goFLUENT program) Participants e-learning : 1,591 Private instruction program : 104
④Number of cases and applicants utilizing internal job posting system	Internal posts: 5(15 people) Applicants: 52
⑤Number of career consultations	About 200
Patient support and advocacy	
Targets · Improving disease-related literacy for patients, their families, and society	
KPIs	Fiscal 2022 progress
①Activities from patient perspective through healthcare professionals	Diabetes · Held training on bringing attention to stigmatizing language (all Branch Vice Presidents and Senior Directors) · Collaborated with the Japan Association for Diabetes Education and Care (distribution of material for patients made by the Association, joint press release for the "Project to review words for diabetes" (November 7, 2022), and presentation of a general subject "Advocacy activities in the field of diabetes" at the annual conference)  Psychiatry Area · Promoted schizophrenia patient awareness through the use of materials (continued from FY2021) · In conjunction with World Schizophrenia Awareness Day (May 2022), MRs in charge of the CNS field carried out information provision activities by wearing a silver ribbon badge · Promoted employment support for schizophrenia patients and increased disease awareness and diagnosis rate of bipolar disorder through the use of materials related to "Kokoro Share," with the number of unique visitors exceeding 2 million (as of the end of March 2023)  Neurology Area · Promoted diseases awareness using VR content (released new VR content "Linaria-360" designed to increase awareness on symptoms unique to dementia with Lewy bodies (e.g., visual hallucination, REM sleep behavior disorder), and promoted disease awareness on Parkinson's disease and on dementia with Lewy bodies (daily life experiences for patients and caregivers) (continued from FY2021)) · Provided Parkinson's disease patient education materials (provided "Rehabili Kitchen" (continued from FY2021), terminated the provision of "Rehabili Diary" (December 2022)) · Conducted a press seminar based on "Research on treatment needs of patients with dementia with Lewy bodies as well as their caregivers and physicians" published in 2022*, and promoted awareness on treatments that meet the needs of patients and caregivers * Alzheimer's Research & Therapy. 2022 (Hashimoto et al.)
②Level of understanding and satisfaction of participants in public lectures	Understanding: 93.4%, Satisfaction: 92.5%
③Number of support activities through donations and cooperation with patients' associations	Donated to 10 organizations Supported 1 organization's activity
④Dissemination to raise awareness of diseases through our website	New contents: 2 Kokoro Share: 1 (Added an Employment Consultation Check Sheet) Diabetes My Care Notebook: 1 (Added nutrients/calories to the recipes)
Local community contribution	
Targets · Fulfilling responsibilities and contributing as a member of the community with awareness of harmony with society	
KPIs	Fiscal 2022 progress
①Number of activities to support the development of the next generation and level of understanding and satisfaction of participants	Schools visited: 13, Participating students: 1,117 Lecturers from the Company: 28 in total Understanding: 98.7%, Satisfaction: 97.7%
②Number of donations for social contribution that lead to resolution of social issues(disasters, people with disabilities, the environment, biodiversity, etc.)	5
③Number of charitable activities in local communities	2
Contribution to global health	
Targets · Development of drugs to treat malaria and antimicrobial-resistant (AMR) bacterial infections · Strengthening of public-private collaboration on countermeasures against AMR and appropriate use of antibiotics · Promotion of public awareness-raising activities for health, hygiene, and nutrition	
KPIs	Fiscal 2022 progress
①Progress of development in infectious diseases area - Number of projects - Number of products (number of products launched)	6 projects 0 products (KSP-1007: U.S. Phase 1 completed)
②Number of policy recommendations in infectious diseases area	10 recommendations
③Number of doctors and pharmacists who participated in the AMR countermeasure support program	37
④Number of local residents assisted by maternal and child health programs in developing countries	Cooking class participants: 1,003 Home visits: 1,350

Initiatives to improve access to medicines	
Targets	
<ul style="list-style-type: none"> <li>· Promotion of public awareness-raising activities with the aim of improving medicine-related literacy</li> <li>· Response to requests for the development of unapproved and off-label drugs</li> <li>· Acceleration of provision of drugs at fair prices</li> </ul>	
KPIs	Fiscal 2022 progress
①Number of programs aiming to improve medicine-related literacy	4 programs
②Number of responses to requests for unapproved and off-label drugs	2 products
③Number of policy recommendations by the Company on access to medicines	6 recommendations
Improvement of healthcare infrastructure in developing countries	
Targets	
<ul style="list-style-type: none"> <li>· Support for capacity building of healthcare professionals, development of healthcare networks, etc.</li> <li>· Support for development of pharmaceutical regulations and supply chains in collaboration with local governments and international organizations</li> </ul>	
KPIs	Fiscal 2022 progress
①Number of community care volunteers trained through maternal and child health programs in developing countries	66
②Number of partnerships working to improve healthcare infrastructure in developing countries	5
Measures to address falsified medicines	
Targets	
<ul style="list-style-type: none"> <li>· Prevention of falsified medicines and illicit distribution</li> </ul>	
KPIs	Fiscal 2022 progress
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