



Sumitomo Dainippon
Pharma

Innovation today, healthier tomorrows

ESG Meeting (Discussion with Investors)

November 27, 2019

Sumitomo Dainippon Pharma Co., Ltd.

Disclaimer Regarding Forward-looking Statements

This material contains forecasts, projections, targets, plans, and other forward-looking statements regarding the Group's financial results and other data. Such forward-looking statements are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of preparation of such statements and involve both known and unknown risks and uncertainties.

Accordingly, plans, goals, and other statements may not be realized as described, and actual financial results, success/failure or progress of development, and other projections may differ materially from those presented herein.

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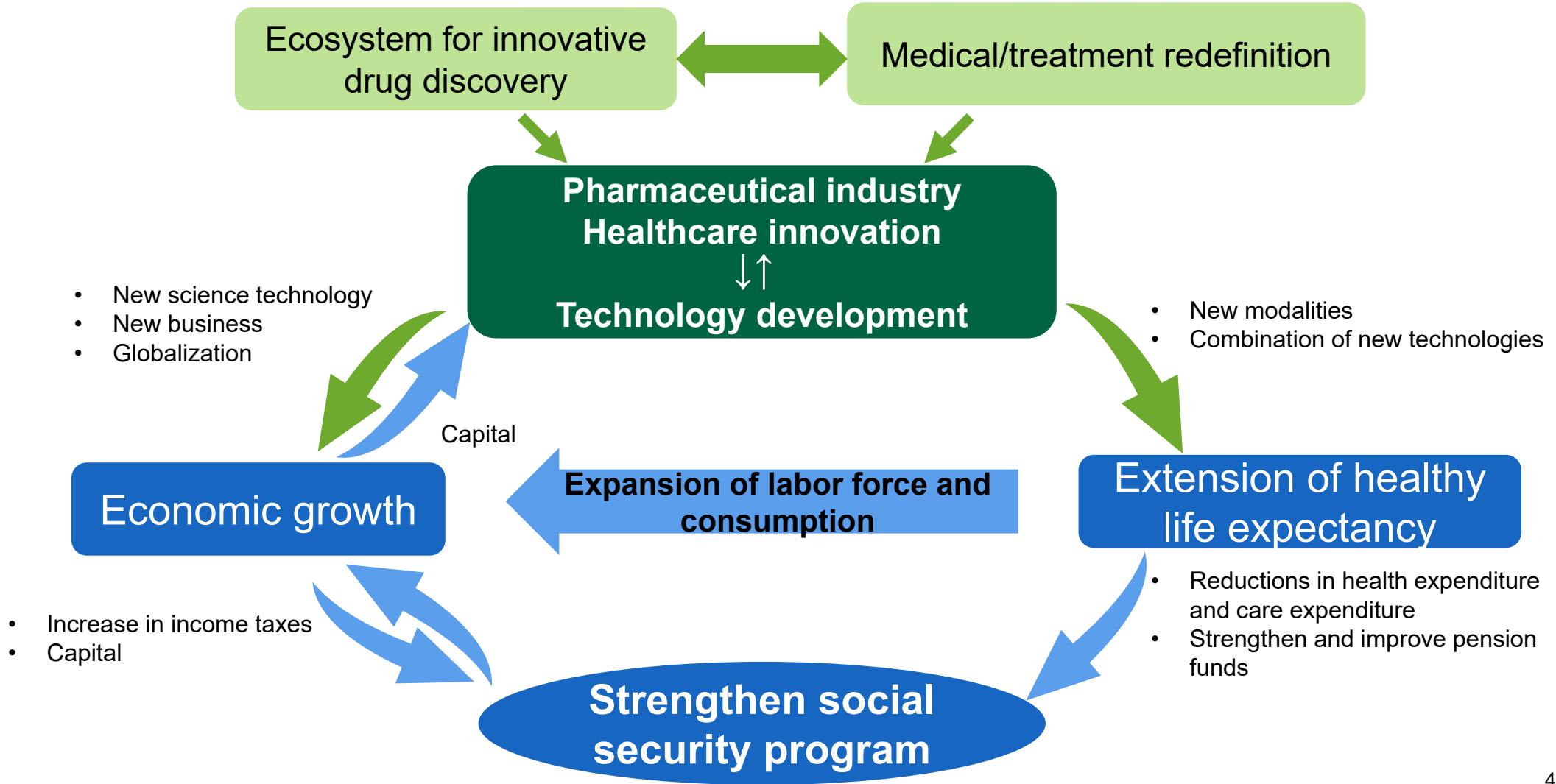
Today's Agenda

- 1. Introduction (Corporate culture and human resources development)**
Masayo Tada Representative Director, Chairman
- 2. Business Model and Materiality**
Hiroshi Nomura Representative Director, President and CEO
- 3. Corporate Governance**
Hiroshi Nomura Representative Director, President and CEO
- 4. Sumitomo Dainippon Pharma viewed from outside directors**
Yutaka Atomi Member, Board of Directors (Outside)
Saeko Arai Member, Board of Directors (Outside)
- 5. Q&As and Comments**

Introduction (Corporate Culture and Human Resources Development)

Masayo Tada
Representative Director, Chairman

Social Issues to be Addressed by Pharmaceutical Industry





Growing into a global company through a merger of the strengths and cultures of two companies

A long-standing company established in the 19th century by pharmaceutical industry leaders with the aspiration of making good quality pharmaceuticals widely available

**Dainippon
Pharmaceutical Co., Ltd.**

Aiming for a pioneering pharmaceutical company with a presence

Creation of Sumitomo Dainippon Pharma Co., Ltd.



A pharmaceuticals company that grew out of a chemicals manufacturer and inherited the business spirit and technology of Sumitomo

Sumitomo Pharmaceuticals Co., Ltd.

Revenue, Operating Profit, ROE

(FY2018)

■ Revenue **¥459.3 Billion**
■ Operating Profit (Core Operating Profit under IFRS) **¥ 77.3 Billion**
● ROE **10.2%**



The North American business expanded through the acquisition of Sunovion and the growth of LATUDA®. ROE of the long term goal is at least 10%.

Introduction

Corporate Culture and Human Resources Development

(Summary of dialogue between Shinichiro Hyogo and Masayo Tada)

Integrated Report
P. 21-24



■ Corporate culture

Nurture corporate culture

Culture common to both companies had before the merger = diligence, integrity, respect for others and trust

Slogans “Change for Challenge!”
 “Seek Something New!”

Promoting to “Nurturing a corporate culture that rises to challenges”

Culture that is capable of rapidly identifying changes in the business environment and proactively addressing those new opportunities

- ✓ Transforming corporate culture with the acquisition of Sunovion, Boston Biomedical and Tolero

MTBP 2022 “CHANTO” (capability to continuously foster and deliver innovation to patients and other customers, while transforming our organization in flexible ways to adapt to global changes)
“Nurturing of our corporate culture and development of human resources to accelerate transformation”

■ Human resources strategy

- Active job rotation
“When transferred to a new department, people grow most in a new environment”
- Introduction of professional personnel system
- Human resources development at “DSP Academy”, etc.
- Discussed human resources issues including work style reform and diversity at the Human Resources Strategy Meeting
100 times over the past ten years
- Introduction of talent management system

* Human Resources Strategy Meeting: Held regularly with all directors and some executive officers added to general managers as necessary



Mr. Shinichiro Hyogo
Chief Analyst & Chief Fund Manager
ESG Department
Asset Management Division
Mitsubishi UFJ Trust and Banking Corporation



Masayo Tada
Representative Director
& Chairman

Review of CSR-based Management Initiatives

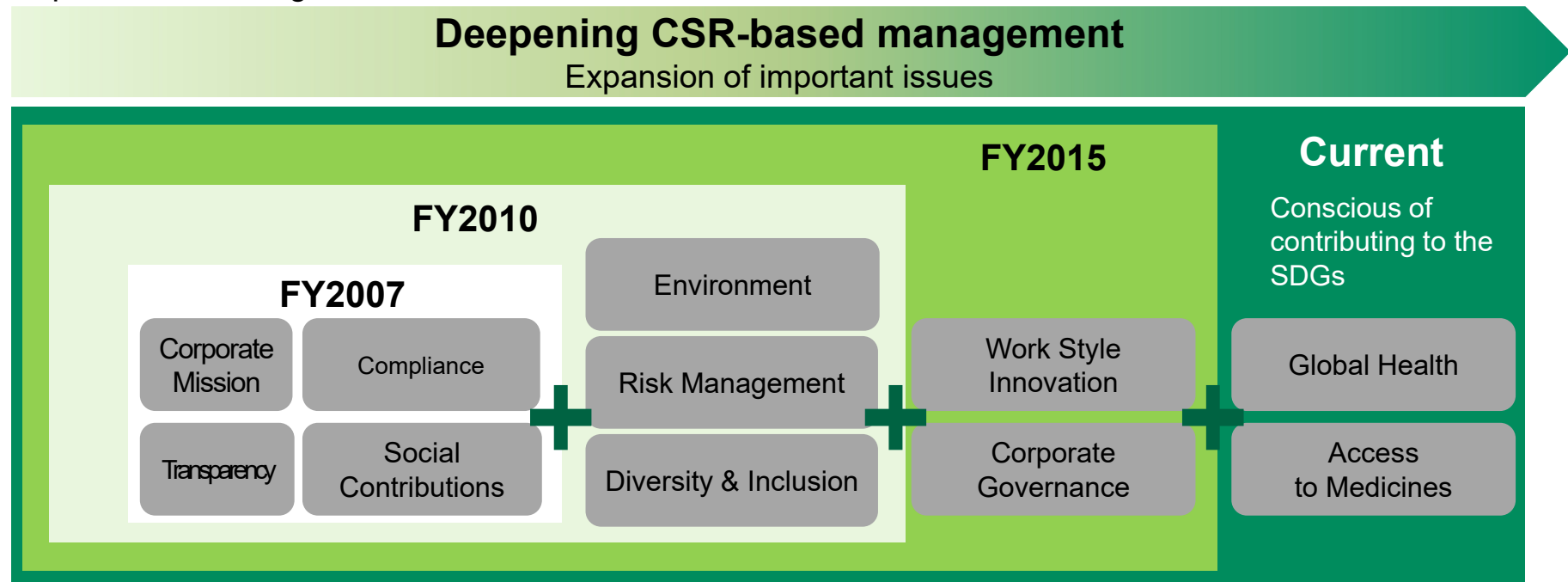
■ Initial CSR-based Management

- Started CSR-Based Management in the first mid-term business plan in **FY2007**

CSR-based Management = Daily implementation to realize the corporate mission and management mission

■ Deepening CSR-based management

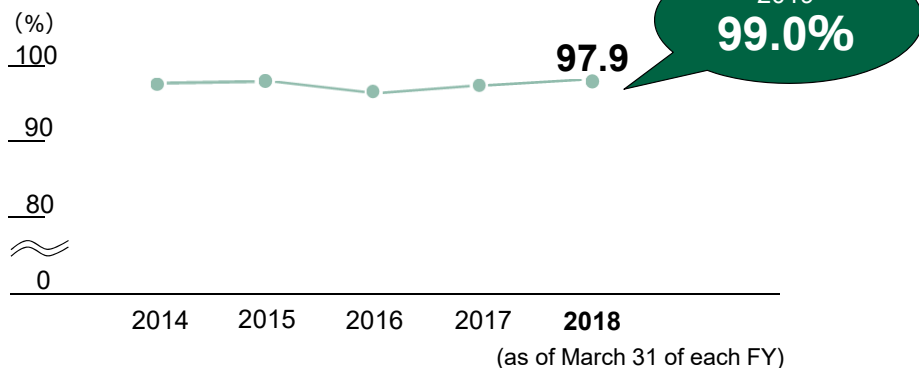
- Positioned CSR-based management as **the most important management issue** while expanding the scope of CSR management



■ Response Rate for Employee Awareness Surveys

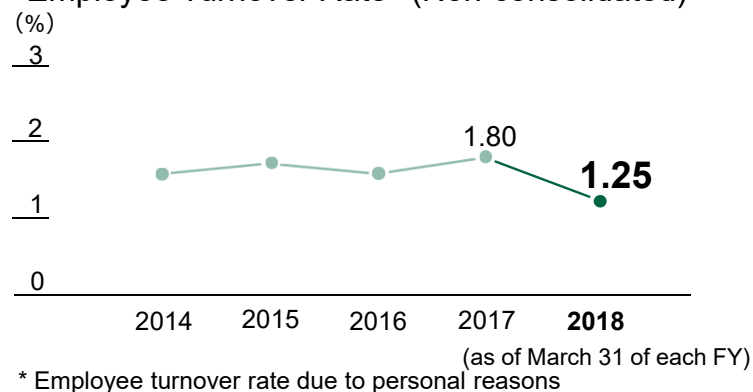
Response Rate

Response Rate for Employee Awareness Surveys
(Non-consolidated)



Employee Turnover Rate (Reference)

Employee Turnover Rate * (Non-consolidated)



2019 in review

- Employee engagement was higher than that of competitors of a comparable scale
- Overall satisfaction was higher than the average among competitors across the board
- Strengths: Everyone is united by future goals and is happy doing what they're doing
- Weaknesses: Concerns over competitive advantages and future outlook, insufficient vertical/horizontal cooperation, dissatisfaction with strategic staffing

Business Model and Materiality

Hiroshi Nomura
Representative Director, President and CEO

Changes in Environment Surrounding Pharma

We believe that it will be an era of diversified healthcare needs requiring not only new drug development, but also contributions to disease prevention and global health

<Society>

- Acceleration of the 4th Industrial Revolution
- Aging society with fewer working population
- Rise of China and other emerging countries, relatively lower positioning of Japan and Europe
- Increasing corporate social responsibilities for contribution to global health

<Healthcare/ Healthcare System>

- Further aging society
- Higher pressure on healthcare costs
- More disease-prevention measures available and more diseases treatable
- Realization of new modalities such as regenerative medicine
- Greater use of big data and AI technologies

<Healthcare Industry>

Solution to unmet medical needs

- Pharmaceutical products remain at the core of solutions
- Digital technologies become available
- Preventive medical care becomes available

We aspire to establish ourselves as a “Global Specialized Player” by 2033 with the ability to meet increasingly diversified healthcare needs

Goal and Vision 2033

Goal

For Longer and Healthier Lives:
We unlock the future with cutting-edge technology and ideas

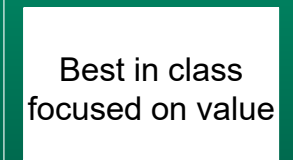
Position we
aspire to
establish in
2033

Global Specialized Player

Pharmaceuticals+Solutions



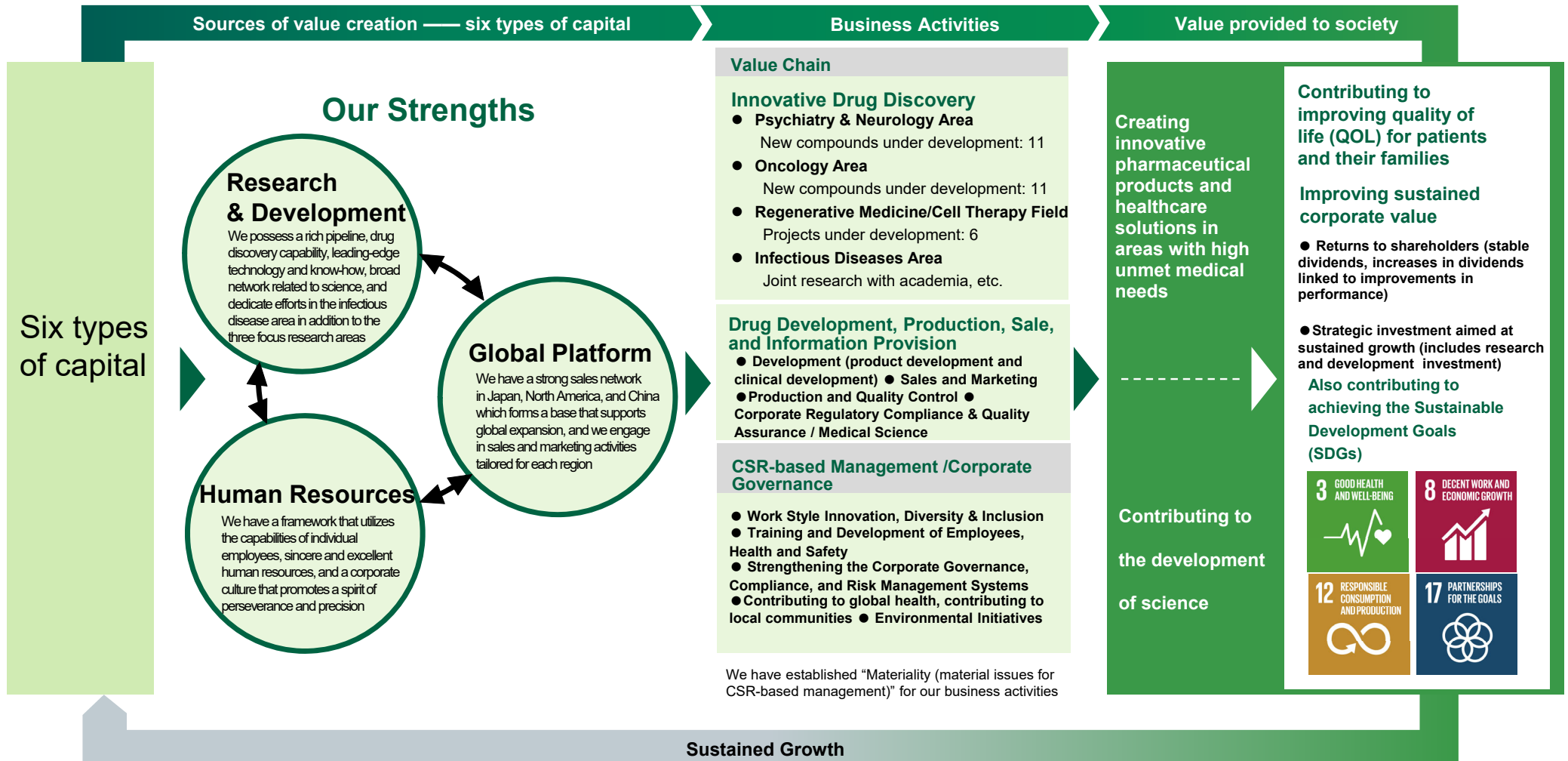
Global leader in 3 areas



Business Model and Materiality

Value Creation Process

Integrated Report
P. 7-8



Strategic Alliance with Roivant Boosts our Strengths

■ R&D

- Richer pipeline: Nine products, including two prospective blockbusters
- Digital platforms (DrugOme, Digital Innovation) to accelerate R&D
 - Increasing R&D productivity
 - For determining PLCM and setting study design

■ Access to capable Human Resources

- Talented Human Resources with high expertise: Management team of the new company and the five subsidiaries
- Digital specialists: Computational Research Team for DrugOme, etc.

■ Progress in digital innovation

- Acquisition of digital platforms/specialists will advance our digital innovation exponentially

- Aim to contribute to global health through the **Infectious Diseases area** and the provision of new health solutions through the launch of **Frontier Business** in addition to advancing drug discovery in **our three focus areas (Psychiatry & Neurology, Oncology, and Regenerative Medicine/Cell Therapy)**
- Enhance our innovation base with new approaches to drug discovery and strive to strengthen our development capabilities to produce concrete achievements

New compounds under development: 11 (as of October 2019)

Opportunities and Risks

Opportunities

- Unmet medical needs are high and the impact on healthy life expectancy is significant
- In addition to our track record of continually creating products, including the blockbuster LATUDA®, we have unique research and development expertise acquired by Sumitomo Dainippon Pharma
- We have strengths in drug discovery platform that utilize cutting-edge technology (in-silico, biomarkers, iPS cells, etc.)

Risks

- Due to lack of biomarkers for diagnosis and efficacy evaluation, research and development in this field is challenging with highly uncertainty
- There are policy trends aimed at reducing medical and pharmaceutical expenses in Japan and the U.S.

Main Development Products

Product Launch Target

| | | |
|---|-------|-----------------------------------|
| lurasidone (Schizophrenia / Bipolar depression) | Japan | FY2020 |
| apomorphine (OFF episodes associated with Parkinson's disease) | U.S. | FY2020 |
| dasotraline (Binge eating disorder (BED)) | U.S. | FY2020 |
| dasotraline (Attention-deficit hyperactivity disorder (ADHD)) | U.S. | Launch target under consideration |
| SEP-363856 (Schizophrenia) | U.S. | FY2023 |

- We are promoting competitive drug discovery research based on unique platforms for drug discovery, developed through the incorporation of cutting-edge technology
- We are aiming to improve the success rate of research and development by selecting suitable drug discovery targets and biomarkers from big data. This includes genome information and imaging
 - Psychiatric disorders :
We aim to optimize treatments through drug discovery based on neural circuit pathology
 - Neurological disorders :
We seek to develop innovative disease-modifying drugs through drug discovery based on molecular pathophysiology
- We design a strategic development plan based on a globally integrated development organization, across Japan and U.S. businesses, with the aim of implementing efficient clinical development and obtaining approval as early as possible

■ FY2019 Events/Objectives

Events/objectives completed as of October 2019 :

- LONASEN[®] Tape: obtained approval for schizophrenia in Japan
- Dasotraline: applied for binge-eating disorder in the U.S.
- Lurasidone hydrochloride: applied for schizophrenia and bipolar depression in Japan

Apomorphine (APL-130277) : Resubmit NDA for OFF episodes associated with Parkinson's disease in the U.S.

- SEP-363856: commenced next-phase studies for schizophrenia
 - Phase 3 study in the U.S.
 - Phase 2 study in Japan

■ Vision 2033

We aim to be an innovator that makes a high quality contribution in specific diseases and categories

New compounds under development: **11** (as of October 2019)

Opportunities and Risks

Opportunities

- Unmet medical needs are high, and rapid scientific advances enable success even for a company on the scale of Sumitomo Dainippon Pharma
- We have been continuing drug discovery and development, focusing on inter-cellular network in the tumor microenvironment
- We have strong collaborative networks within the Group and with academia and biotech companies

Risks

- There is a high degree of difficulty and uncertainty in research and development
- The competition and progress in technological innovation are challenging, and the environment surrounding research and development is changing
- There are policy trends aimed at reducing medical and pharmaceutical expenses in Japan and the U.S.

Main Development Products

Product Launch Target

| | | |
|--|-------|---------|
| napabucasin (Colorectal cancer) | U.S. | FY2021 |
| | Japan | FY2022* |
| alvocidib (Myelodysplastic syndromes(MDS))* | U.S. | FY2023* |
| dubermatinib(TP-0903) (Solid tumors / Hematologic malignancies) | U.S. | FY2023 |
| TP-0184 (Solid tumors) | U.S. | FY2023 |

* Updated in October 28,2019

- We will work on unique seeds and themes through research focused on cell-cell interaction in the tumor microenvironment* with the aim of discovering innovative new drugs
- We will strive for innovative technologies utilizing external collaboration and promote drug discovery and development leveraging big data and digital technologies
- We will also promote network-based drug discovery between Sumitomo Dainippon Pharma, its U.S. subsidiaries, and external institutions with the aim of integrating research and development to move to clinical trials as early as possible
- We steadily promote the development of late stage assets in addition to actively striving for early-stage clinical development

■ FY2019 Events/Objectives

Events/objectives completed as of October 2019 :

- Napabucasin: promote joint international Phase 3 study for colorectal cancer and pancreatic cancer
 - Completed interim analysis in H1 FY2019
 - Colorectal cancer: received recommendation to continue study from independent Data and Safety Monitoring Board (DSMB) as a result of interim analysis in June 2019
 - Pancreatic cancer: received recommendation to terminate study from DSMB as a result of interim analysis in July 2019

■ Vision 2033

We will possess several global products and aim to establish a worldwide “DSP oncology” brand

Projects under development: 6 (as of October 2019)

Opportunities and Risks

Opportunities

- Regenerative medicine/cell therapy is promising as an approach to diseases which cannot be resolved with existing therapeutic agents, and the future market is expected to expand
- We are able to draw on many years of accumulated research and the comprehensive strengths of Sumitomo Dainippon Pharma and Sumitomo Chemical as well as networks with academia and biotech companies
- We are a front runner aiming for the commercialization of iPS cell-derived cell therapy products

Risks

- As Regenerative medicine/cell therapy is a new field, there are no rules in place, including regulatory approval and drug price listing
- Each product requires the establishment of different culturing methods and responses on quality control
- Technological progress is rapid, requiring constant catch up

Main Development Products

Product Launch Target

| | | |
|--|-------|-----------------------------------|
| SB623 (Chronic stroke) | U.S. | Launch target under consideration |
| Allo iPS cell-derived products (Parkinson's disease) | Japan | FY2022* |
| Allo iPS cell-derived products (Age-related macular degeneration (AMD)) | Japan | FY2022* |

* Launch target is based on our goal pending agreement with partners

- We are working to achieve early commercialization through our open innovation-based unique growth model, which pursues advanced industrialization and manufacturing expertise, and cutting-edge science, and are implementing six research and development projects

➤ On-going R&D projects

- Mesenchymal stem cell (MSC)
- Allogenic iPS cell-derived differentiated cell
Dopaminergic neuron progenitor, Retinal pigment epithelium, etc.
- Allogenic iPS cell-derived tissue (3D-Retina)
- Auto / Allo iPS cell-based induced nephron progenitor cells (organ)

- We are also setting our sights on next-generation regenerative medicine (gene therapy, organ regeneration, genome editing, autologous cell therapy, and peripheral services including diagnosis and rehabilitation), including the regeneration of organs, and aim for global expansion (Japan, the U.S., and Asia)

- We will aim to realize financial contributions mainly in Japan and the U.S. during the next MTBP period (FY2023 – 2027)

■ FY2019 Events/Objectives

Events/objectives completed as of October 2019 :

- SB623: Determine development plan for chronic stroke in the U.S.
- Allogenic iPS cell-derived pharmaceuticals (age-related macular degeneration): start sponsor-initiated clinical trials

■ Vision 2033

We will aim for sales revenue in the Regenerative Medicine/Cell Therapy business of around ¥200 billion on a global scale in 2033

Joint research with academia, etc.

Opportunities and Risks

Opportunities

- International momentum for global health is increasing, particularly for anti-microbial resistance (AMR) countermeasures
- Sumitomo Dainippon Pharma has many years of research and development experience, including antibiotics such as MEROPEN® and vaccine adjuvants
- The drug discovery research through international networks that include academia, national research institutes, and foundations has been accelerating

Risks

- Medical standards and insurance are undeveloped in emerging countries

Main Projects

Drug discovery to treat antimicrobial resistance (AMR)

We are promoting joint drug discovery research with Kitasato Institute to treat antimicrobial resistance (AMR) covered by the Japan Agency for Medical Research and Development (AMED)'s CiCLE (Cyclic Innovation for Clinical Empowerment)

Drug discovery of adjuvanted vaccines

We are implementing drug discovery of adjuvanted vaccines by combining TLR7 agonist adjuvant, our foundation technology, with promising antigens from outside. We are working on a malaria vaccine with Ehime University, etc. and a universal influenza vaccination with the National Institute of Infectious Diseases, etc.

■ FY2019 Events/Objectives

Events/objectives completed as of October 2019 :

Promote joint research with academia and others

**Vision of frontier business:
Contribute to “wide-ranging well-being” together
with pharmaceutical products**

- We will build a business platform consisting of key technologies (including ICT and engineering) and networks (including partnership with startups and venture capitals) in areas where we can create synergies with our pharmaceutical business to respond to future needs for healthcare
- We will initiate multiple pilot trials for business seeds and explore commercialization mainly in Japan, the U.S. and China

Main Projects

- Joint research and development agreement with MELTIN MMI

Utilizing bio-signal processing and robotics

- Joint research agreement with Aikomi Co., Ltd. Considering medical equipment to alleviate behavioral and psychological symptoms of dementia

■ FY2019 Events/Objectives

Events/objectives completed as of October 2019 :

Promote current projects and pioneer new themes

Realized after the merger

Corporate culture based on diligence, integrity, respect for others and trust

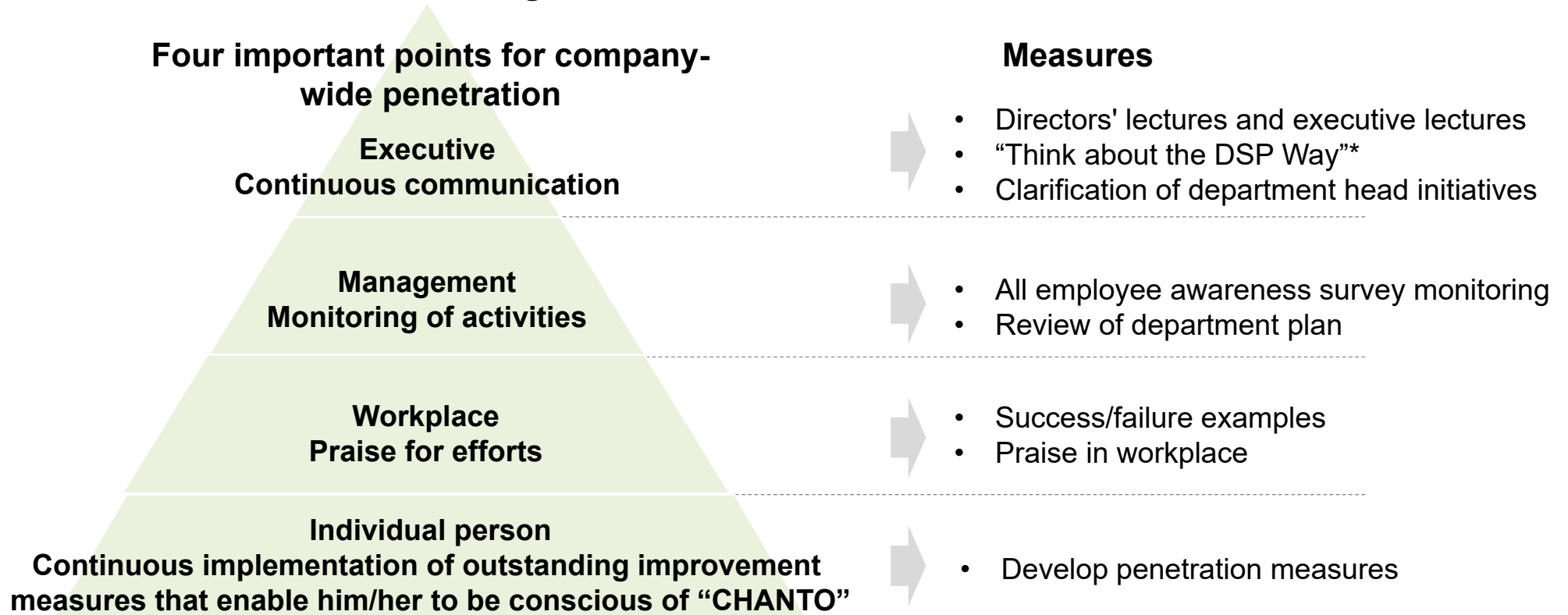
Still inadequate
Cultivation of ambitious corporate culture

Nurture corporate culture and develop human resources to drive innovation

| | | |
|-----------------|--|--|
| <p>1</p> | <p>Encourage “Cultivating an ambitious corporate culture” Professional personnel system</p> | <ul style="list-style-type: none"> ● Provides two career paths: PC and PM ● Executive officers act as judges and conduct performance reviews of PCs ● Conduct multi-faceted diagnosis as an opportunity to look back and grow |
| <p>2</p> | <p>Nurture next-generation leaders DSP Academy</p> | <ul style="list-style-type: none"> ● Selective training programs for young, mid-career and managerial supervisors with potential and prospective employees who are candidates for future management roles ● Plan to have a total 400 employees participate in the five years from 2016 (Participation by 227 employees as of FY2018) ● Management courses to foster development of future managers with Mr. Tada (Representative Director & Chairman) as head |
| <p>3</p> | <p>Visualize capabilities and put the right person in the right position Talent management system</p> | <ul style="list-style-type: none"> ● Nurture and manage next-generation managers who will contribute to competitive advantage ● Create a culture that is conducive to independent career planning and autonomous self-improvement ● Create a environment where by superiors and staff members can draw up career plans matched to individuals |

* PC : Professional Contributor
PM: Professional Manager

Efforts to instill and strengthen “CHANTO”

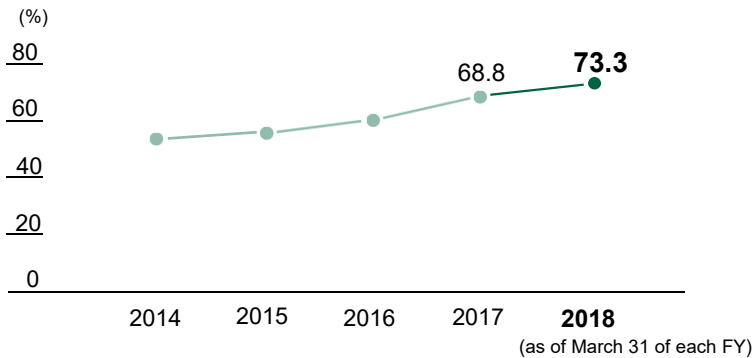


* A two-way communication tool that raises issues related to the company's values and management principles from the management team and exchanges understanding and opinions with employees

Work Style Innovation

- Establish of staggered work hours system
- Office environment reforms
- Implementation of training for officers and employees
- Participation in telework days
- Curb long working hours
- Thoroughly managing work hours
- Encourage of improvement of the usage rate for paid leave

Acquisition Rate of Annual Paid Leave (Non-consolidated)



Training and Development of Employees

- Overseas Training with Open Recruitment

Health, Safety, and Welfare of Employees

- Recognized for the third year in a row under the “Certified Health & Productivity Management Outstanding Organizations 2019 Recognition Program “White 500””
- Promotion of smoking cessation advice



Diversity & Inclusion

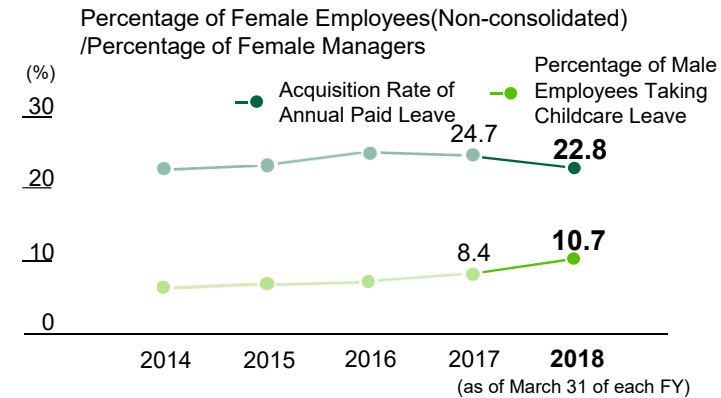
- Achievement of Work-Life Balance
- Support of women’s active participation



Eruboshi

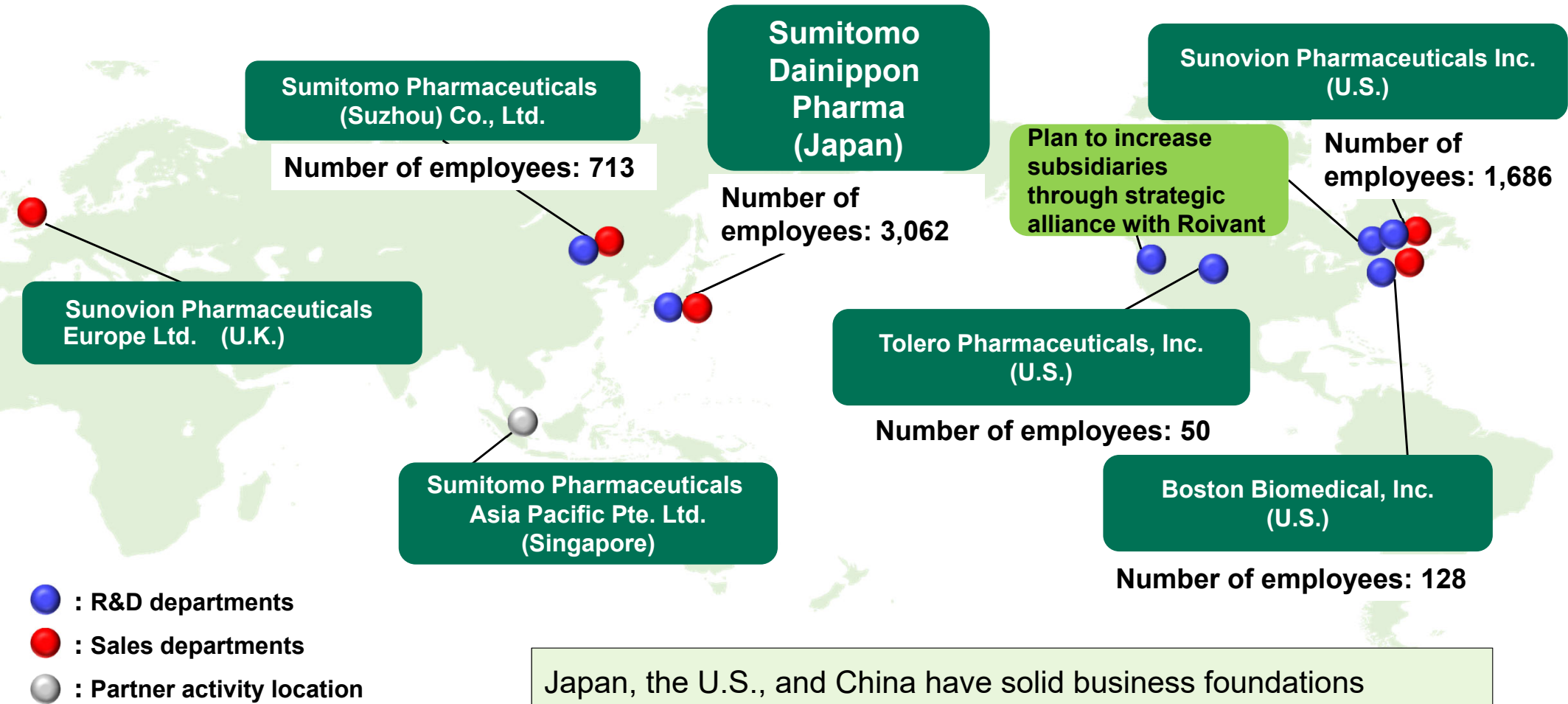


Platinum Kurumin



- LGBT-related initiatives (lectures, manager training, establishment of consultation desk)
- Support of active participation by people with disabilities through appropriate placement (Cocowork Co. Ltd., Interpretation support for hearing impaired)

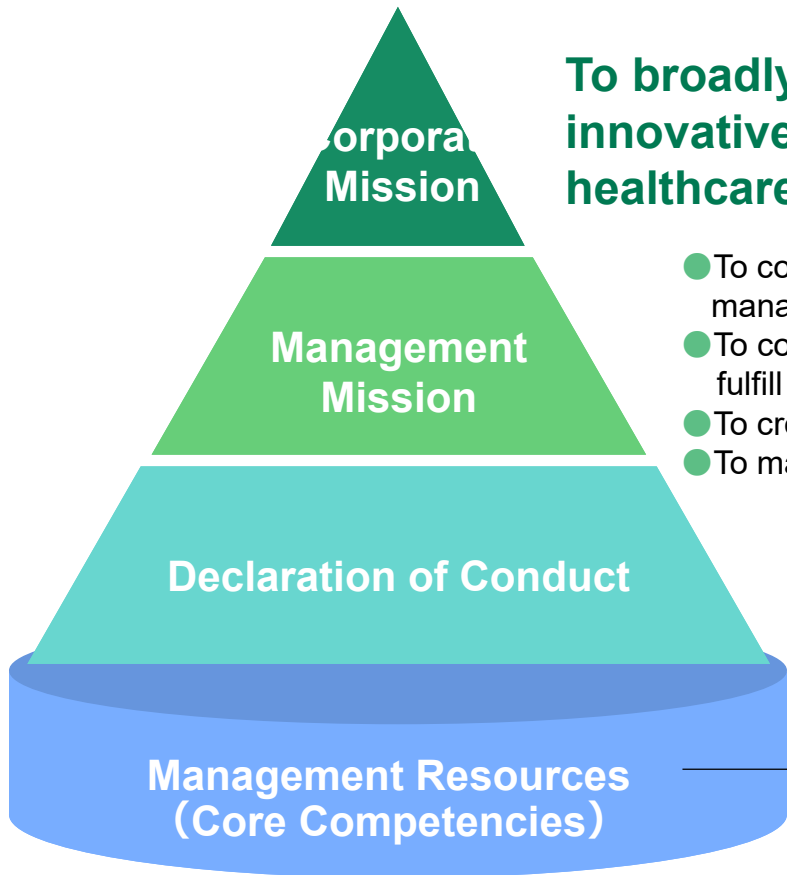




Japan, the U.S., and China have solid business foundations consisting of local HQ, marketing, development, and other functions

Number of employees as of September 30, 2019

Our Mission and Strengths



To broadly contribute to society through value creation based on innovative research and development activities for the betterment of healthcare and fuller lives of people worldwide

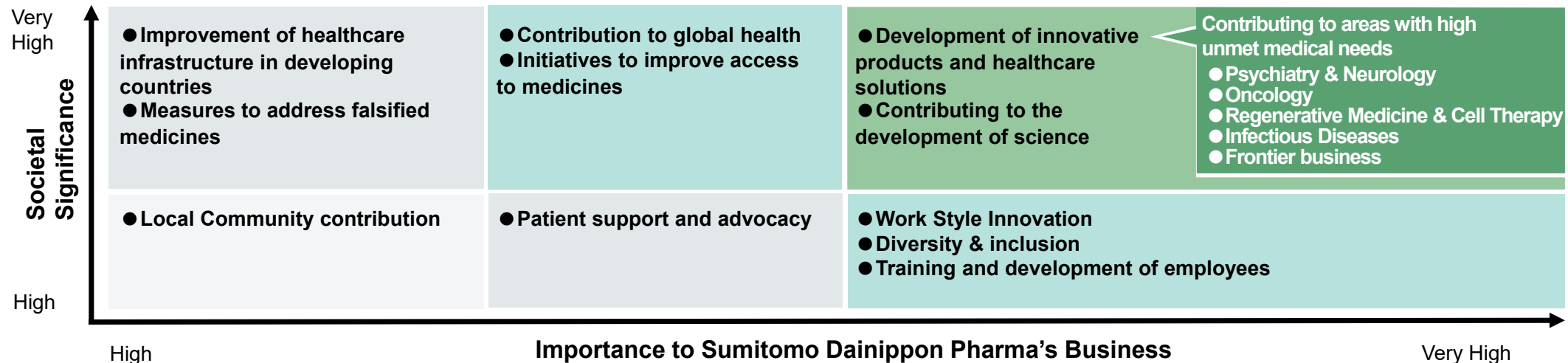
- To contribute to healthcare and people's well-being based upon the principles of patient-oriented management and innovative research
- To continuously strive to maximize corporate value through constant business development and to fulfill shareholder expectations
- To create an environment in which employees can fulfill their potential and increase their creativity
- To maintain the trust of society and to contribute to the realization of a better global environment

- Distinctive **R&D capabilities** in the three focus areas (Psychiatry & Neurology Area, Oncology Area, Regenerative Medicine / Cell Therapy Field)
- **Human resources management** that retains excellent talent and maximizes potential of each employee
- A **platform** supporting global business expansion

Implementation of Corporate Mission = CSR-Based Management

We identified the materiality in July 2018. We have now updated our materiality in light of subsequent social changes, the progress of our initiatives, and the feedback obtained through dialogue with stakeholders in August 2019

Materiality linked to value creation



Materiality that forms the foundation for business continuity

- Corporate governance
- Compliance
- Risk management
- Fair and transparent corporate activities
- Corporate regulatory compliance, quality assurance and stable supply
- CSR procurement (Respecting human rights)
- Health, safety, and welfare of employees
- Environmental initiatives

■ Development of innovative products and healthcare solutions, Contributing to the development of science

- The development of innovative products and healthcare solutions to address unmet medical needs is our business and the source of value creation
- We can also contribute to the development of science through drug discovery and research, product development, and clinical development

■ Training and development of employees, Work Style Innovation, Diversity & inclusion

- A business is composed of its employees
- Upgrading the capabilities of employees, improving labor productivity, and effectively utilizing human resources is essential for our sustained growth

■ Contribution to global health, Initiatives to improve access to medicines

- We engage in drug discovery and research in the areas of malaria and antimicrobial resistant (AMR) infectious diseases
- We also strive to improve access to our products for patients who need them, including responding to requests for development of unapproved and off-label drugs in Japan and public education aimed at improving medicine-related literacy. Such efforts contribute to global health in addition to expanding our business



Contribution to global health
+
Contribution to our business
expansion

As a result of the updates, materiality has been divided into the two categories below

1. Materiality linked to value creation, which is highly unique and vital for the sustained growth of Sumitomo Dainippon Pharma

Classified and prioritized in terms of their "Societal Significance (based on the expectations of various stakeholders and social demand)" and "Importance to Sumitomo Dainippon Pharma's Business"

2. Materiality that forms the foundation for business continuity, which is essential for the continuation of our business activities

Although we have listed materiality that forms the foundation for business continuity separately from the map for materiality linked to value creation, we treat corporate governance and compliance as particularly key issues

Moreover, we sorted the following issues and improved the terminology used

- Quality assurance, Product safety, Responsibility for drug induced suffering ➡ Sorted into Corporate regulatory compliance, quality assurance
- Climate change initiatives, Preventing environmental accidents, Biodiversity, Effective use of water resources, Prevention of air pollution, Reduction of waste ➡ Sorted into Environmental initiatives

For details, see the comparison of materiality changes table in appendix

Home visit by a maternal and child health volunteer



Main Initiatives in FY2018

- Promote to joint drug discovery research of vaccines (malaria and influenza)
- Researcher support (supporting the Japan Epilepsy Research Foundation, etc.)
- Participation in Access Accelerated

Effort to improve access to medicines through such means as pharmaceutical regulatory easing targeting 20 low- to middle-income countries in Africa and Asia and 90 Accelerated Access programs were promoted at individual companies targeting 99 countries

● Initiatives for Safe Delivery and Sound Child Growth

- Trained 15 Community Care volunteers for Mothers and New-borns (CCMN)
- Visited the homes of 91 antenatal women and 63 postnatal women
- Held practical cooking workshop for preparing highly nutritious baby food three times with participation by 93 local women

● Initiatives Aimed at Appropriate Use of Antibiotics and Countermeasures to Antimicrobial Resistance (AMR)

Commenced a drug susceptibility study targeting Vietnam aimed at the appropriate use of antibiotics and countermeasures to antimicrobial resistance (AMR) in June 2019

● Initiatives for Unapproved and Off-label Drugs

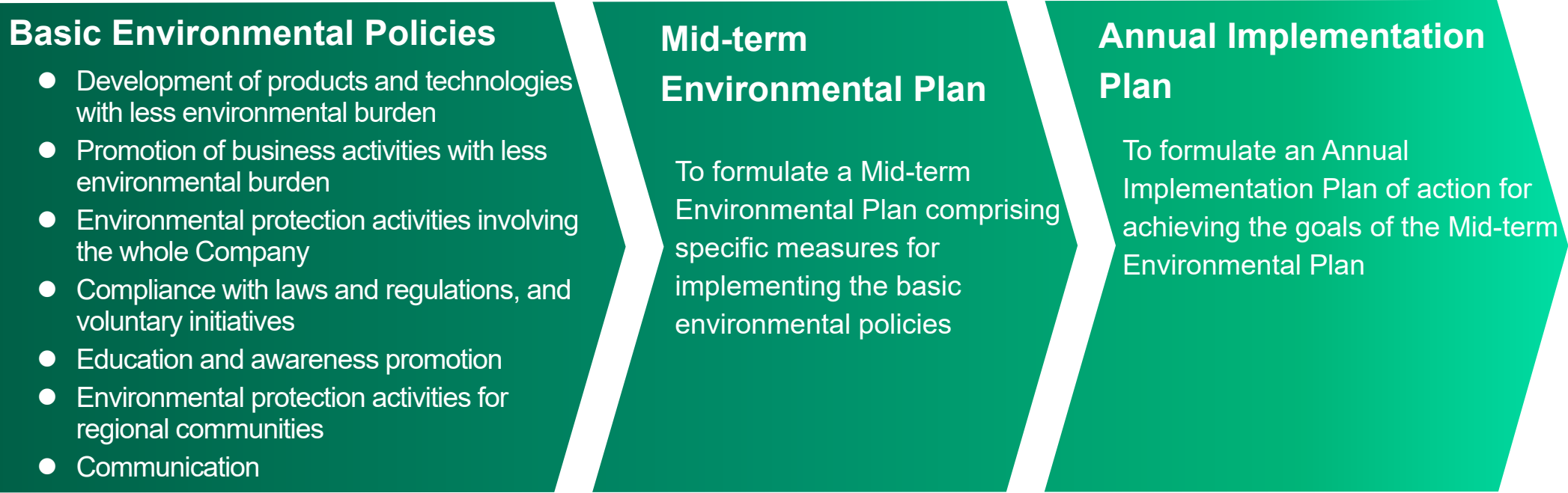
Developed an intravenous drip infusion indicated for conditioning treatment prior to autologous hematopoietic stem cell transplantation for pediatric malignant solid tumors for which obtained approval in March 2019 and launched in May 2019

● Initiatives to Improve Medicine-related Literacy

- Provide to “Kusuri-no-shiori,” “Instructional Leaflets,” and guidance for patients using our pharmaceuticals
- Health information site and by holding public lectures (27 lectures in FY2018)



● **Environmental Management**



- Hold Environmental and Safety Committee with covers the entire company twice yearly
- Committee Secretariat regularly conducts environmental and safety audits at company sites and group companies in Japan
- Acquired ISO 14001 certification at both of two plants (Suzuka Plant and Oita Plant)

● Building a Low-carbon Society

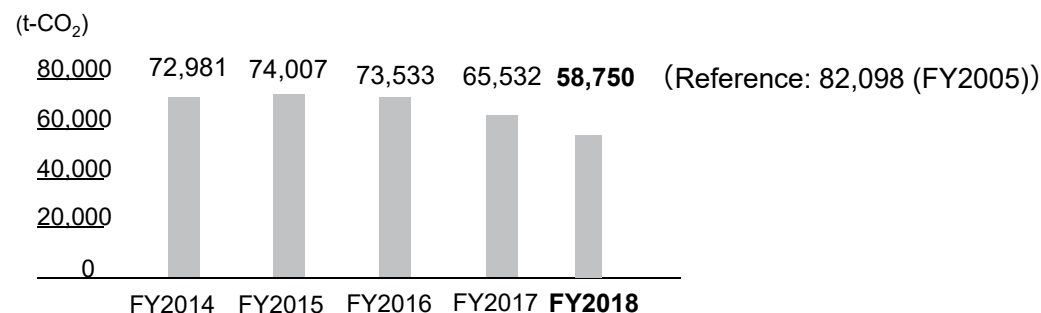
Goals

- We have set a target of reducing CO₂ emissions by 23% by FY2020, compared to FY2005. As of FY2018, we had reduced emissions by 28%
- We will reduce CO₂ emissions by at least 30% compared to FY2017 by FY2030, and we are reviewing specific reduction rates with the aim of acquiring SBT (Science Based Targets) certification by FY2020

Major measures

- In recent years, systematically promoted LED lighting, calculated greenhouse gas emissions (Scope 3) throughout the supply chain
- Shifted to a two-factory system at the end of March 2019 and contributed to reducing CO₂ emissions in FY2018 (greater contribution expected in FY2019)

CO₂ emissions graph (Scope 1 + 2)



Scope 3 CO₂ Emissions by Category: Total 289,841t-CO₂

| | Category | Methods of Calculation and Emissions Intensity, etc. | FY2018 Emissions (t-CO ₂) | Boundary |
|----|--|--|---------------------------------------|---|
| 1 | Purchased goods and services | Calculated by multiplying the purchase price of raw materials and purchased products by the emissions intensity in Japanese Ministry of the Environment database | 236,002 | production sites on a non-consolidated basis |
| 2 | Capital goods | Calculated by multiplying the acquisition price of the fixed asset by the emissions intensity in Japanese Ministry of the Environment database | 31,345 | consolidated basis, including overseas subsidiaries |
| 3 | Fuel- and energy-related activities not included in Scope 1 or Scope 2 | Calculated by multiplying energy consumption by the emissions intensity in Japanese Ministry of the Environment database or Carbon Footprint database | 9,822 | non-consolidated basis |
| 6 | Business travel | Calculated by multiplying business travel expenses paid by the emissions intensity in Japanese Ministry of the Environment database | 2,646 | non-consolidated basis |
| 11 | Use of sold products | Calculated by multiplying HFC amount in pharmaceutical MDIs (metered dose inhalers) sold by GWP | 5,731 | non-consolidated basis |
| — | Total of categories other than above (4,5,7,9, 12 and 13) | — | 6,874 | non-consolidated basis |

Japanese Ministry of the Environment database: The database on emissions unit values for accounting of greenhouse gas emissions, etc., by organizations throughout the supply chain (Ver. 2.6)

Carbon Footprint Database: The Carbon Footprint Communication Program, basic database, Ver. 1.01

Corporate Governance

Hiroshi Nomura
Representative Director, President and CEO

Strengthen governance for sustainable growth

● Governance reform: progression of initiatives

| | FY2008–2010 | FY2011 | FY 2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--|---|--------|---------|--------|--------|--|--------|--------|--------|
| Outside Directors (number of Directors) | | | | 1 (8) | 2 (8) | | | 3 (8) | |
| Outside Audit & Supervisory Board Members (number of Audit & Supervisory Board Members) | 3 (5) | | | | | | | | |
| Supervisory function | Company with an Audit & Supervisory Board | | | | | Nomination and Compensation Committee | | | |
| Effectiveness | | | | | | Evaluation of effectiveness of Board of Directors | | | |
| | | | | | | Regular meetings of Outside Directors and Outside Audit & Supervisory Board Members | | | |
| Policy | Declaration of Conduct | | | | | | | | |
| | Compliance Standards | | | | | | | | |
| | | | | | | Basic Policy on Corporate Governance | | | |
| | | | | | | DSP Group Risk Management Policy | | | |
| Human Resources Development | | | | | | DSP Academy, a selective training program that includes the Management Course to foster future managers, established | | | |

■ Objectives

Aim to improve the effectiveness of the Board of Directors for enhancing corporate governance of the Company: (i) recognizing any differences between the ideal status of the roles and duties, etc. of the Board of Directors of the Company that are set forth in the Basic Policy and the actual circumstances; (ii) regularly and repeatedly engaging in agenda-finding and improvement activities; and (iii) continuously improving the functions of the Board of Directors

<FY2018 evaluation of the effectiveness of the Board of Directors>

■ Major Survey Categories

1. Composition of the Board of Directors
2. Roles and duties of the Board of Directors
3. Status of the operations of the Board of Directors
4. Functions of the Nomination and Compensation Committee
5. Support system for Outside Directors and Outside Audit & Supervisory Board Members
6. Roles of Independent Outside Directors
7. Roles of Audit & Supervisory Board Members and the expectations for the Audit & Supervisory Board Members
8. Relationship with stakeholders
9. Improvements over last fiscal year

■ Evaluation results overview

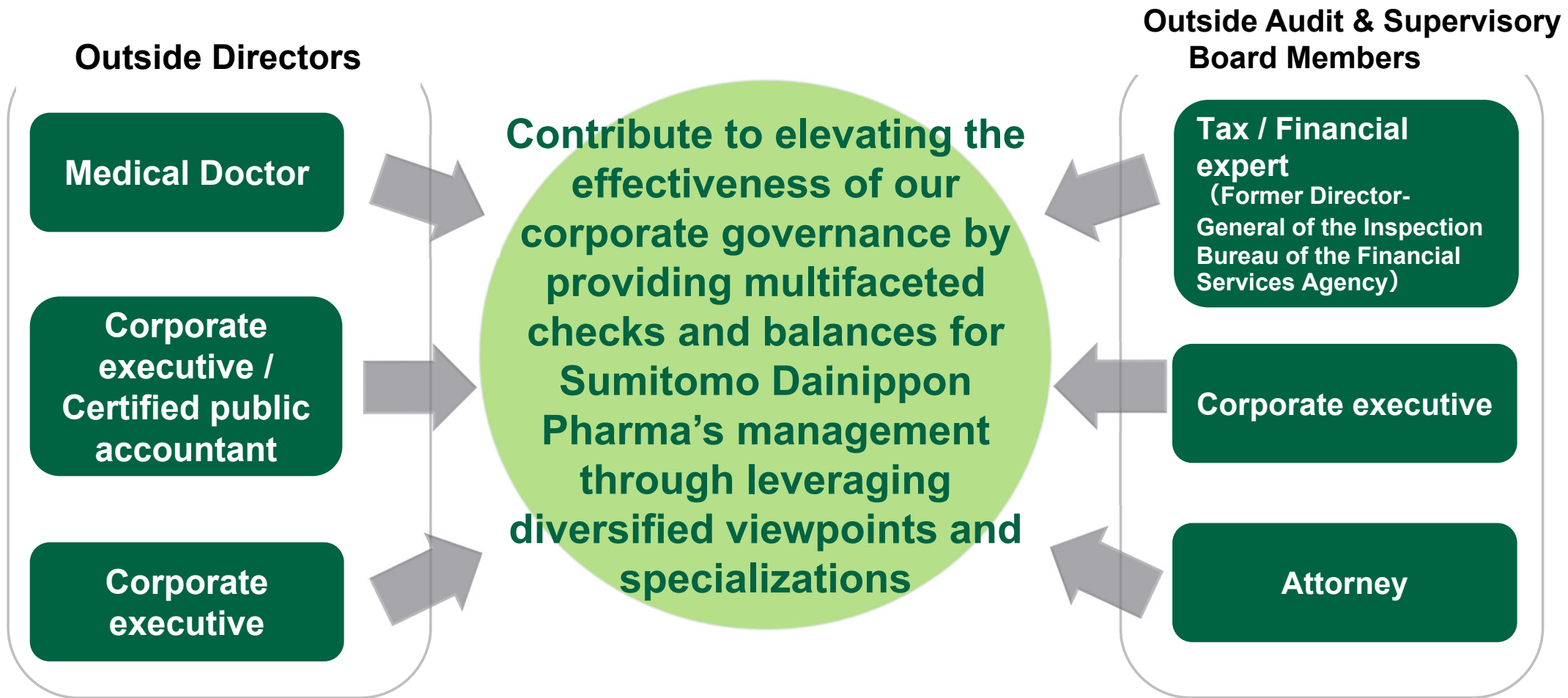
- Overall, the Board of Directors demonstrates effectiveness
- The appropriate progress was seen as to the handling of the agenda identified in FY2017

■ External evaluation results overview

- the process of evaluation of the effectiveness of the Board of Directors of the Company is appropriate, and the evaluation results of the Company that the effectiveness of the Board of Directors has been ensured in general is appropriate

■ FY2019 major issues

- Further stimulation of deliberation by the Board of Directors
- Enhancement of follow-up activities after resolutions are made by the Board of Directors
- Enhancement of reports to the Board of Directors regarding opinions, etc. from shareholders, investors and other related persons



Three of the eight directors are independent outside directors

Outside Directors



Yutaka Atomi

- 1970: Intern Doctor at the First Department of Surgery of the Faculty of Medicine of the University of Tokyo
- 1988: Visiting Researcher at the Department of Surgery of the University of California, San Francisco
- 1992: Professor at the First Department of Surgery of the School of Medicine of Kyorin University
- 2004: Dean of the School of Medicine of Kyorin University
- 2010: President of Kyorin University
- 2013: Outside Audit & Supervisory Board Member of the Company
- 2017: Outside Member of the Board of Directors of the Company (to the present)
- 2018: President Emeritus of Kyorin University (to the present)
- 2019: Outside Audit & Supervisory Board Member of sanki engineering Co., Ltd. (to the present)

Reasons for Appointment

Yutaka Atomi has considerable experience and expertise as a medical doctor. He has been appointed as an Outside Director in the hope that he will be able to contribute to the management of the Company with his experience and expertise.



Saeko Arai

- 1987: Joined Eiwa Audit Corporation (currently, KPMG AZSA LLC)
- 2002: Established Gratia, Inc. (currently, Acuray, Inc.) and assumed the position of President thereof (to the present)
- 2017: Outside Audit & Supervisory Board Member of teamS Inc. (to the present)
- 2017: Outside Audit & Supervisory Board Member of AEON Credit Service Co., Ltd. (to the present)
- 2018: Professor at the Faculty of Global Business of Showa Women's University (to the present)
- 2018: Outside Member of the Board of Directors of Tokyu Fudosan Holdings Corporation
- 2018: Outside Member of the Board of Directors of the Company (to the present)
- 2019: Professor at the Faculty of Business Administration of Hakuoh University (to the present)

Reasons for Appointment

Saeko Arai has extensive experience as a corporate executive, having engaged in business management at multiple companies, and expertise as a certified public accountant. She has been appointed as an Outside Director in the hope that she will be able to contribute to the management of the Company with her experience and expertise.



Nobuhiro Endo

- 1981: Joined NEC Corporation
- 2006: Senior Vice President and Executive General Manager of the Mobile Network Operations Unit of NEC Corporation
- 2009: Executive Vice President of NEC Corporation
- 2009: Executive Vice President and Member of the Board of NEC Corporation
- 2010: President (Representative Director) of NEC Corporation
- 2016: Chairman of the Board (Representative Director) of NEC Corporation
- 2016: Outside Director of JAPAN POST INSURANCE Co., Ltd.
- 2017: Outside Director of Seiko Holdings Corporation
- 2018: Outside Director of Japan Exchange Group, Inc. (to the present)
- 2019: Outside Member of the Board of Directors of the Company (to the present) Director and Chairman of the Board of NEC Corporation (to the present) Outside director of Tokio Marine Holdings, Inc. (to the present)

Reasons for Appointment

Nobuhiro Endo has a wide range of knowledge and extensive experience which he has acquired in the course of his long career as a corporate executive at a company conducting ICT business, etc. at a global level. He has been appointed as an Outside Director in the hope that he will be able to contribute to the management of the Group using his knowledge and experience.

Outside Audit & Supervisory Board Members



Kazuto Nishikawa

- 1971: Joined the Ministry of Finance
- 2001: Director-General of the Inspection Bureau of the Financial Services Agency
- 2013: Outside Audit & Supervisory Board Member of the Company (to the present)
- 2014: Nonmember Inspector of the Hyogo Prefectural Credit Federation of Agricultural Cooperatives (to the present)

Reasons for Appointment

Kazuto Nishikawa has considerable experience and expertise as an expert in the fields of tax affairs and finance, having served as the Regional Commissioner of the Tokyo Regional Taxation Bureau and the Director-General of the Inspection Bureau of the Financial Services Agency. He has been appointed as an Outside Audit & Supervisory Board Member in the hope that he will be able to contribute to the auditing of the Company using his experience and expertise.



Junsuke Fujii

- 1976: Joined Sumitomo Bank (currently, Sumitomo Mitsui Banking Corporation)
- 2009: Director and Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation
- 2015: Director and Chairman of The Japan Research Institute, Limited
- 2016: Outside Audit & Supervisory Board Member of House Foods Group Inc. (to the present)
- 2016: Outside Audit & Supervisory Board Member of The Royal Hotel, Limited (to the present)
- 2017: Outside Audit & Supervisory Board Member of the Company (to the present)

Reasons for Appointment

Junsuke Fujii has considerable experience and a wide range of knowledge as a corporate executive, having served as an officer at Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Financial Group, Inc. and The Japan Research Institute, Limited. He has been appointed as an Outside Audit & Supervisory Board Member in the hope that he will be able to contribute to the auditing of the Company using his experience and knowledge.



Yoshio Iteya

- 1983: Admitted to the Bar (Japan)
- 1989: Admitted to the Bar (New York)
- 1992: Partner at Mori Hamada & Matsumoto (to the present)
- 2000: Lecturer at the Graduate School of International Corporate Strategy of Hitotsubashi University (currently, the Graduate School of Law of Hitotsubashi University) (to the present)
- 2004: Adjunct Professor at Hitotsubashi University School of Law (to the present)
- 2018: Outside Audit & Supervisory Board Member of the Company (to the present)

Reasons for Appointment

Yoshio Iteya has extensive experience and expertise as an attorney. He has been appointed as an Outside Audit & Supervisory Board Member in the hope that he will be able to contribute to the auditing of the Company using his experience and expertise.

Sumitomo Dainippon Pharma viewed from outside directors

Yutaka Atomi
Saeko Arai

Member, Board of Directors (Outside)
Member, Board of Directors (Outside)




















Appendix

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Appendix: Business Model and Materiality


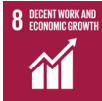




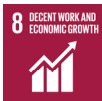






Definitions of Material Issues (1)

| Materiality linked to value creation | Key reason | Initiatives | Corresponding SDGs |
|---|--|--|---|
| Development of innovative products and healthcare solutions | Our business itself and a source of value creation | Sustainable development of solutions centered on pharmaceuticals, product development (CMC*), and clinical development in areas with high unmet medical needs (Psychiatry & Neurology, Oncology, Regenerative Medicine & Cell Therapy, Infectious Diseases, Frontier business) |    |
| Contributing to the development of science | Science is a source of value creation, leading to our sustainable growth and realization of a sustainable society | Development of new prevention and treatment possibilities by elucidating disease mechanisms, realizing new modalities such as regenerative medicine, and supporting research through the Japan Epilepsy Research Foundation |    |
| Contribution to global health | Resolve social issues centered on health conditions in developing countries and thereby expand our business | Development of drugs to treat malaria, neglected tropical diseases, and antimicrobial-resistant (AMR) bacterial infections, along with public awareness-raising activities for health, hygiene, and nutrition |       |
| Initiatives to improve access to medicines | Resolve unmet medical needs and expand our business | To respond to requests for the development of unapproved and off-label drugs, to provide drugs at fair prices, and to raise public awareness with the aim of improving medicine-related literacy |    |
| Improvement of healthcare infrastructure in developing countries | Development of medical infrastructure is the foundation for realizing UHC, which will lead to future expansion of our business | Support for development of regulations and supply chains in collaboration with local governments and international organizations, capacity building of healthcare professionals, and development of healthcare networks |   |
| Measures to address falsified medicines | Solutions to various social issues and reliability of our products | Prevention of falsifying of medicines, detection of falsified medicines and illicit distribution, and measures to minimize health damage from falsified medicines |   |

* CMC: Chemistry, Manufacturing and Control

Appendix: Business Model and Materiality

Definitions of Material Issues (2)

| Materiality linked to value creation | Key reason | Initiatives | Corresponding SDGs |
|--|---|--|---|
| Work Style Innovation | The business is made up of employees and they are essential to our sustainable growth | Improving labor productivity, improving work-life balance, and utilizing digital technology |   |
| Diversity & inclusion | The business is made up of employees and they are essential to our sustainable growth | Leveraging individual capabilities regardless of gender, age and other attributes, supporting career development of female employees, and promoting the active participation of persons with disabilities, including use of special subsidiaries |    |
| Training and development of employees | The business is made up of employees and they are essential to our sustainable growth | Accelerating human resources development through talent management system, facilitating company-wide education program to enhance individual capabilities, and fostering leaders (DSP Academy) |    |
| Patient support and advocacy | Indispensable for our business of addressing unmet medical needs | Information sharing and communication support for patients and their families, protection of patient rights related to treatment and life, and advocacy activities |   |
| Local Community contribution | Activities conducted as a member of the community deepen employees' understanding of society and lead to our sustainable growth | To support activities that respect local cultures and traditions, participate in cleanup and other community activities, support the development of the next generation, and support the arts and sports activities of people with disabilities |    |

Appendix: Business Model and Materiality

Definitions of Material Issues (3)

| Materiality that forms the foundation for business continuity | Initiatives | Corresponding SDGs |
|---|---|--|
| Corporate governance | To establish highly effective corporate governance and auditing systems, to ensure the independence of outside directors, to develop an internal control system, and to ensure the autonomy of management |  |
| Compliance | To comply with all laws and regulations, to abide by Declaration of Conduct and Compliance Standard, to implement compliance education, to ensure hotlines, and to prevent corruption |  |
| Risk management | Risk assessment; formulation, implementation and evaluation of countermeasures; information security; formulation of business continuity plans (BCP); development of systems for anticipated risks; and training and seminars |  |
| Fair and transparent corporate activities | Proactive disclosure of information, the maintenance of appropriate relationships with healthcare professionals and patient groups, stakeholder engagement, and respect for intellectual property |     |
| Corporate regulatory compliance, quality assurance and stable supply | Quality assurance, regulatory affairs, ensuring data integrity and appropriateness, pharmacovigilance, integrated management and appropriate provision of safety information, promotion of proper use, education related to drug-induced suffering, stable supply of products, training in anticipation of recall, and strengthening of global supply chain |   |
| Environmental initiatives | Climate change initiatives (reducing CO ₂ emissions and monitoring supply chain emissions), effective use of resources and energy, preventing environmental accidents, biodiversity, prevention of air pollution, reduction of waste, and environmental communications |        |
| CSR procurement (Respecting human rights) | Solving social issues throughout the supply chain, practicing procurement ethics, and eliminating forced and child labor at business partners |     |
| Health, safety, and welfare of employees | Promotion of employee health and mental health, prevention of long working hours, occupational health and safety activities, prevention of occupational accidents, and health and safety risk assessment |   |

Appendix: Business Model and Materiality

Comparison of Materiality Changes



| Past materiality (August 2018 version) | New materiality (August 2019 version) |
|---|--|
| Development of innovative products | Change to “Development of innovative products and healthcare solutions” |
| Quality assurance, safety, responsibility for drug-induced suffering | Organized as "Corporate regulatory compliance, quality assurance" |
| Respecting human rights, CSR procurement | Organized as "CSR procurement (Respecting human rights)" |
| Stakeholder engagement | Included in “Fair and transparent corporate activities” |
| Utilizing external resources | Included in “Development of innovative products and healthcare solutions” |
| Support for patients and their families | Change to “Patient support and advocacy” |
| Fair pricing | Included in “Initiatives to improve access to medicines” |
| Development of innovation beyond medicine | Included in “Frontier business” of “Development of innovative products and healthcare solutions” |
| Proactive disclosure | Included in “Fair and transparent corporate activities” |
| Information security | Included in “Risk management” |
| Support education of the next generation, development of local communities | Organized as "Local Community contribution" |
| Climate change initiatives, preventing environmental accidents, Biodiversity, effective use of water resources, prevention of air pollution, reduction of waste | Organized as "Environmental initiatives" |



Promoting creation of employee-friendly workplaces



Main Initiatives in FY2018

- **Established a staggered work hours system**
- **Office environment reforms (introduction of unassigned desk space at some business sites, including Osaka Head Office and Tokyo Head Office)**
- **Implementation of training for officers and employees**
- **Participation in telework days**
- **Curb long working hours**
 - Started Work Style Innovation Meetings at each work site for taking inventories of work tasks and reassessing work styles
- **Thoroughly managing work hours**
- **Encouraged improvement of the usage rate for paid leave**
 - Achieved a 70% utilization rate for paid leave in fiscal 2018
 - Encouraged employees to consistently take their paid leave
- **Promoted smoking cessation advice**
 - Made all Sumitomo Dainippon Pharma work sites in Japan completely no-smoking (closed smoking areas) as of March 31, 2019



An employee who took part in the open recruitment overseas training program (Front row, second from the right, in India)

Number of participants in the DSP Academy*
* Number of participants from FY2016 to FY2018

227



■ Training and Development of Employees

Main Initiatives in FY2018



● DSP Academy for Training Selected Employees

- Established the DSP Academy in July 2016, which is a career grade-specific training program
- In the five years from fiscal 2016, 400 students are expected to complete the program

● Overseas Training with Open Recruitment

- Started in FY2017
- Dispatched eight employees in the three-year period until April 2019

● Talent Management for Strategically Placing Employees and Promoting Human Resources Development

- Adopted a talent management system in April 2018

■ Health, Safety, and Welfare of Employees

Main Initiatives in FY2018



● Recognized for the third year in a row under the “Certified Health & Productivity Management Outstanding Organizations 2019 Recognition Program ‘White 500’”

- Formulated our Declaration of Health Innovation in October 2017
- Made all of our work sites in Japan completely no-smoking (closed smoking areas) as of March 31, 2019

Main Initiatives in FY2018

● Achieving Work-Life Balance

- Worked to create an environment of meaningful work, where both men and women enjoy a positive balance between their jobs and private lives
- Implemented support measures for returning to work, and pursuing a career, after child-care leave

● Supporting Women’s Active Participation

- Accounted for 10.7% of managerial staff at Sumitomo Dainippon Pharma, achieving the goal set in 2016 at least 18 months ahead of schedule
- Held training for managers, addressing the long-term inclusion and development of female employees
- Held training for female employees, aiming at developing them into managerial staff

● Supporting Active Participation by People with Disabilities through Appropriate Placement

- Cocowork Co. Ltd., was established to support independence of persons with mental disabilities by cultivating leafy vegetables, etc. in solar-powered Hydroponic in July 2018
- Introduced a communication support application and provide sign language interaction at internal sessions for hearing-impaired employees

● Enhancing understanding of LGBT

- Held LGBT Training for all officers and managers



Expanding areas in which women actively participate



Eruboshi



Platinum Kurumin





Sunovion employees who participated in the NAMI Walk in Boston



Website of the Japan Epilepsy Research Foundation
<https://www.epi-fj.jp/>



Main Initiatives in FY2018

● Implementing Support through Donations

Donation to “The Support Network for NANBYO, Children of Japan”, “Future Code”, “Nobel”, and “NPO Florence”

● Supporting the Japan Epilepsy Research Foundation

- Research grants: 12
- Overseas study grants: 2
- Grant for Inviting Overseas Researchers: 1

● Advancing patient advocacy in the U.S.

- Continued to support the National Alliance on Mental Illness (NAMI) walks across the U.S., while also expanding Be Vocal, partnership between five leading mental health advocacy organizations and aim to bring mental health to the forefront by spotlighting real people living with mental health conditions and showcasing their unique stories
- Involved with Moving Day, a walk to support The Parkinson’s Foundation mission in the U.S., and implemented initiatives to support Epilepsy Awareness and COPD Awareness Months

Main Initiatives in FY2018

● Providing Learning Opportunities Leveraging Our Strengths as a Pharmaceutical Company

- Provide visiting lectures at junior high and high schools as part of activities for supporting the next generation since FY2012
- Using an original program on bioethics and incorporating the particular perspective that a biology-related corporation

● Publishing the SUKOYAKA Compass Website

- Published as our website aimed at the children who will be forging the future since FY2012
- “Kusuri-no-i-ro-ha” introduces information about medicine that we think we know but actually don’t such as what medicine what medicine is, how medicine works, and the process for producing medicines
- “O-kusuri Q&A” explains things like how to use medicines in a Q&A format
- “Kusuri no Jiyu Kenkyu Guide” provides a guide to methods of independent research on medicines and ways of organizing research
- “Kusuri no Shigoto Zukan,” which introduces work at a pharmaceutical company and the work of a pharmacist
- “Kusuri no Chosen,” which introduces the cutting-edge research at Sumitomo Dainippon Pharma



SUKOYAKA Compass
<https://www.ds-pharma.co.jp/sukoyaka/>

No. of employees teaching courses in visiting lectures

51

Schools using DSP visiting lectures / No. of attendees

20 schools

1,800 attendees



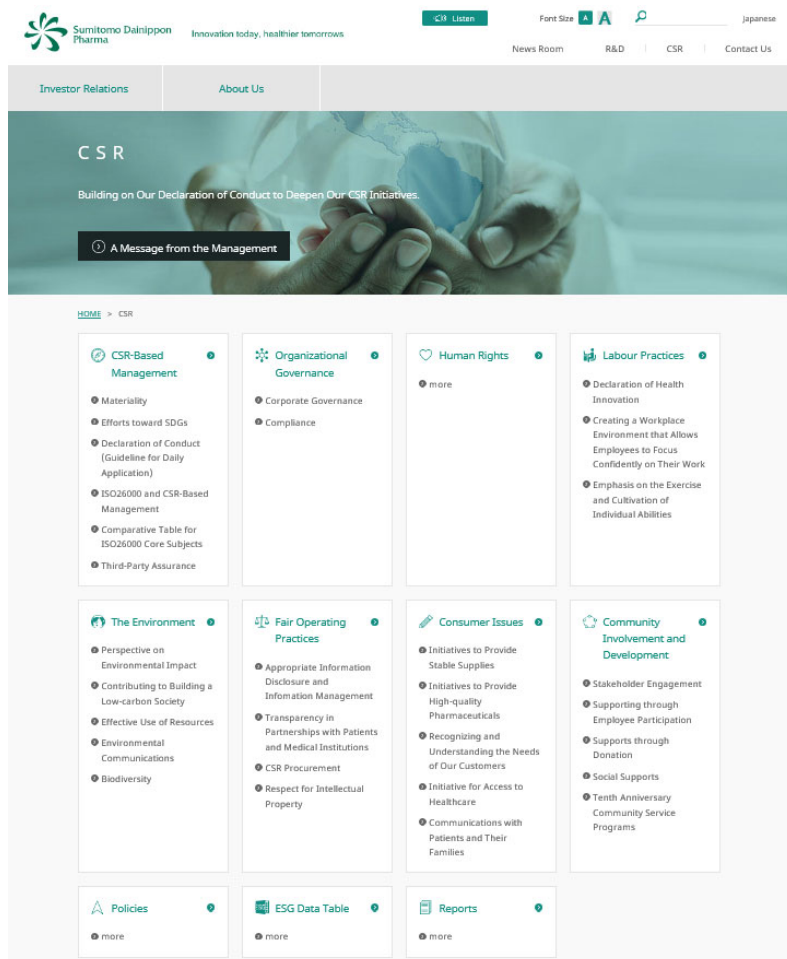
Scoppi, the navigator on SUKOYAKA Compass

Appendix: CSR

Website : CSR Pages



Corporate site CSR pages (<https://www.ds-pharma.com/csr/>)



● Contents

- Message (President and CEO, management)
- CSR-Based Management (materiality, efforts toward SDGs, etc.)
- Organizational Governance
- Human Rights (respecting human rights, initiatives to prevent harassment, etc.)
- Labor Practices (declaration of health innovation, creating a workplace, cultivation of individual abilities, etc.)
- Environment (measures to address global warming, biodiversity, etc.)
- Fair Operating Practices (appropriate information disclosure and information management, CSR procurement, etc.)
- Consumer Issues (initiative for access to healthcare, etc.)
- Community Involvement and Development (stakeholder engagement, donation, etc.)
- ESG Data Table
- External Evaluation etc.

Our Initiatives Related to SDGs (1) (Posted on Our Website)



- TABLE FOR TWO (four facilities in Japan)
- Donation to food aid to area affected by earthquake (Haiti)
- Donation to needy households in area affected by the Great East Japan Earthquake (Ishinomaki, Miyagi Pref., Japan)
- Donation to cafeterias for children in area affected by the Great East Japan Earthquake (Ishinomaki, Miyagi Pref., Japan)



- TABLE FOR TWO (four facilities in Japan)
- Initiatives for safe delivery and sound child growth (Cambodia)
- Donation to food aid to area affected by earthquake (Haiti)
- Donation to cafeterias for children in area affected by the Great East Japan Earthquake (Ishinomaki, Miyagi Pref., Japan)



- Pharmaceutical business (psychiatry & neurology, oncology, regenerative medicine/cell therapy, infectious diseases, etc.) and exploring the Frontier business
- Initiatives aimed at appropriate use of antibiotics and countermeasures to antimicrobial resistance (AMR)
- Participation in GHIT Fund to develop medicines for malaria and other infectious diseases
- Participation in Access Accelerated to improve access to medicines for non-communicable diseases (NCDs) in developing countries
- Work Style Innovation (Japan)
- Operation of Product Information Center (Japan)
- Operation of health and medical information website (Japan)
- Initiatives for safe delivery and sound child growth (Cambodia)
- Donation to training of Child Life Specialists (Japan)
- Donation to training of Mental Health Peer Support Specialists (Japan)
- Health management (welfare of employees and promoting mental health, Japan)

* Four facilities : Osaka Head Office, Tokyo Head Office, Central Research Laboratories, Suzuka Plant

Our Initiatives Related to SDGs (2) (Posted on Our Website)



- TABLE FOR TWO (four facilities in Japan)
- Initiatives for safe delivery and sound child growth (Cambodia)
- Providing collaborative classes about bioethics (Japan)
- Operation of SUKOYAKA Compass website for children (Japan)
- Donation to training of Child Life Specialists (Japan)
- Donation to training of Mental Health Peer Support Specialists (Japan)
- Support for research activities through the Japan Epilepsy Research Foundation (Japan)
- Promotion of “COOL CHOICE” initiatives (Japan)



- Initiatives for safe delivery and sound child growth (Cambodia)
- Supporting women’s active participation (Japan)
- Encouraging men to participate in child care (Japan)
- Participation in IkuBoss Alliance (Japan)
- LGBT-friendly facility (Osaka Head Office, Japan)

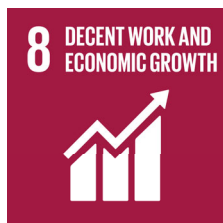


- Donation to sanitation infrastructure (Burkina Faso)
- Water use reduction by effectively using water resources
- Wastewater management at research centers, plants and facilities
- Initiatives for biodiversity (Kishiwada, Osaka Pref.; Iwanuma, Miyagi Pref.; Japan)



- Effective use of energy
- Effective use of resources
- Utilization of solar power generating systems (two research centers in Japan)
- Utilization of fuel-efficient vehicles and promotion of “Eco-Driving” (Japan)

Our Initiatives Related to SDGs (3) (Posted on Our Website)



- Work Style Innovation (Japan)
- Achieving work-life balance (Japan)
- CSR procurement
- Supporting active participation by people with disabilities through appropriate placement (Japan)
- Health and productivity management (welfare of employees and promoting mental health, Japan)



- Sustainable manufacturing, logistics and procurement
- Utilizing external resources
- Collaboration with external institutions through PRISM open innovation program (Japan)
- Participation in GHIT Fund to develop medicine for malaria and other infectious diseases



- Supporting active participation by people with disabilities through appropriate placement (Japan)
- Addressing inequality in access to healthcare
- Initiatives to improve access to medicines
- Support for development of healthcare infrastructure and capacity building in developing countries
- Participation in Access Accelerated to improve access to medicines for NCDs in developing countries
- Capacity-building project for mother and newborns (Cambodia)
- TABLE FOR TWO (four facilities in Japan)



- Initiatives for recycling-based society
- Risk mitigation of environmental accidents
- Reduction of environmental impact through products' lifecycles
- Product development considering the impact of climate change and water risks
- Collaboration with Sumitomo Chemical and supply chains (Scope 3)

Our Initiatives Related to SDGs (4) (Posted on Our Website)



- Stable product supply and quality assurance
- Addressing product safety and side effects
- Providing and collecting product information (healthcare professionals)
- Initiatives to improve medicine-related literacy
- Initiatives aimed at appropriate use of antibiotics and countermeasures to antimicrobial resistance (AMR)
- Initiatives for recycling-based society
- Risk mitigation of natural disasters



- Reduction of environmental impact through products' lifecycles
- Initiatives to reduce CO₂ emissions
- Environmental preservation management (green product development, green facilities design)
- Product development considering the impact of climate change and water risks
- Collaboration with Sumitomo Chemical, Sumitomo Dainippon Pharma's subsidiaries, and supply chains (Scope3, SBT)
- Utilization of solar power generating systems (two research centers in Japan)
- Utilization of fuel-efficient vehicles and promotion of "Eco-Driving" (Japan)
- Promotion of "COOL CHOICE" initiatives (Japan)
- Donation to Keidanren Nature Conservation Fund (Japan)



- Initiative for biodiversity (Kishiwada, Osaka Pref., Japan)
- Risk mitigation of environmental accidents
- Reduction of environmental impact through products' lifecycles
- Product development considering the impact of climate change and water risks
- Wastewater management at research centers, plants and facilities

Our Initiatives Related to SDGs (5) (Posted on Our Website)



- Initiatives for biodiversity (Kishiwada, Osaka Pref., Japan)
- Donation to preservation of endangered medical herbs (Iwanuma, Miyagi Pref., Japan)
- Tree-planting activities (China)
- Donation to Keidanren Nature Conservation Fund (Japan)



- Fair and transparent business management
- Promoting corporate governance
- Ensuring compliance
- CSR procurement



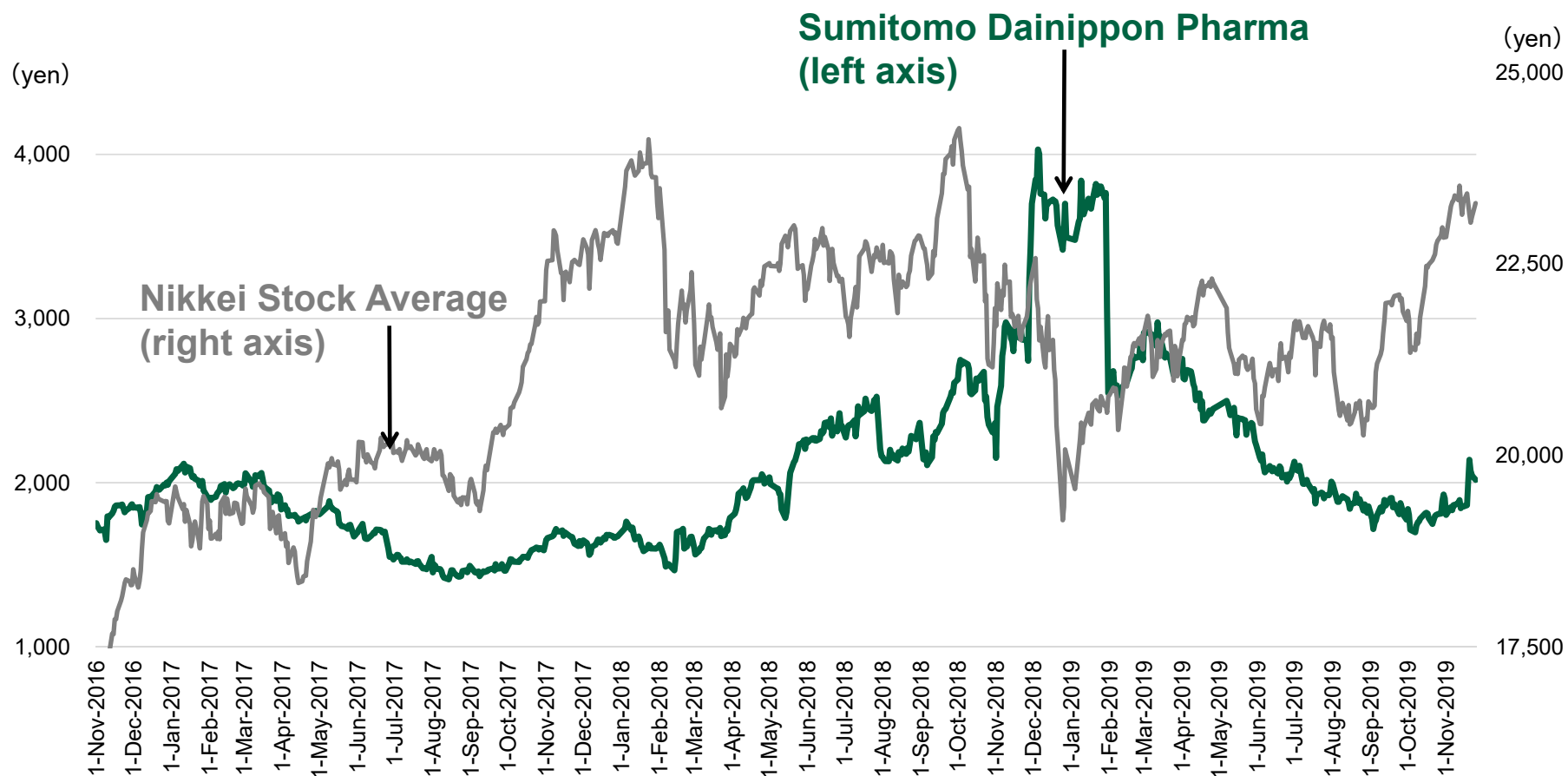
Partnership activities for sustainable development

- Industry-academia-government collaborative R&D (academic institutions, biotech companies, AMED, GHIT Fund, etc.)
- Access Accelerated • IFPMA • JPMA • People's Hope Japan
- CDP • TABLE FOR TWO • Future Code • Malaria No More Japan • Other

Stock Prices Chart



Appendix (as of November 26, 2019) Stock price: ¥2,071





Sumitomo Dainippon
Pharma

Innovation today, healthier tomorrows