

Topics for value creation

| Strategic pillar | Materiality | Definition | Opportunity | Threat | KGI |
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| Provide pharmaceuticals for unmet medical needs | Creation of innovative drugs | Continue to create innovative drugs that create and deliver Life-changing value through proactive investment in research (including open innovation activities) based on a medium- to long-term perspective, while maintaining an appropriate balance with short-term profitability. | <ul style="list-style-type: none"> • Raison d'etre as a Japan-based Global Specialty Pharmaceutical company. • Enhance the corporate value by creating new value. • Expansion of an area of Kyowa Kirin's strengths. • Increase in collaborative research and opportunities for development. | <ul style="list-style-type: none"> • Decrease in reason for Kyowa Kirin's existence. • Unachieved the 2030 Vision. • Loss of opportunities to create new value. • Decrease in opportunities for collaborative research. | <ul style="list-style-type: none"> • Number of creation of innovative drug as Life-changing value (#of approval). • Sales of each Life-changing value drug. |
| | Maximize product value | Maximize value by identifying the true value of created drugs, promoting the expansion of indications and addition of dosage forms, and taking into account synergies among products. | <ul style="list-style-type: none"> • Expanding indications / formulations: Increase drug value by reducing time, improving efficiency in development testing / manufacturing, and addressing medical needs. • Expanding countries and regions where our drugs are available: Increase impact of value provided with reduced financial burden (insurance reimbursement) for people facing illness. | <ul style="list-style-type: none"> • Increase in burden on people facing illness due to not maximizing the product value. • Decrease in economic value. | |
| | Pipeline enrichment | Based on portfolio analysis, enhance the pipeline around focus areas by leveraging increasing development efficiencies and partnering opportunities. | <ul style="list-style-type: none"> • Increase in raison d'etre in focus areas as Japan-based Global Specialty Pharmaceutical (increase the value provides to patients) • Increase in the corporate value through efficient and effective use of corporate capital. | <ul style="list-style-type: none"> • Decrease in raison d'etre in areas of Kyowa Kirin's strengths. • Decrease in competitiveness against competitors. | |
| Address patient-centric healthcare needs | Access to medicine | Commit to activities in accordance with KKC Group Policy for Access to Medicines (especially improved access to medicines), seeing it as our mission to listen to voice of people living with disease, create medicines that satisfy unmet medical needs, and deliver them to as many patients as possible, as quickly as possible. | <ul style="list-style-type: none"> • Increase in raison d'être of Kyowa Kirin. • Increase in corporate recognition and credibility by maintaining and strengthening relationships with patient advocacy groups in each region. | <ul style="list-style-type: none"> • Decrease in raison d'être of Kyowa Kirin as a company that creates Life-changing value. • Loss of opportunities for market expansion due to lack of opportunities to listen to voice of people living with disease and lack of public understanding of the disease. | <ul style="list-style-type: none"> • Number of countries and regions where the focused area drugs are available, and number (or percentage) of patients provided the drugs. • Provide new value that beyond medicine. |
| | Create healthcare solutions beyond medicine | Create new value that beyond medicine by promoting initiatives for healthcare solutions that beyond medicine based on insights from patients and leveraging synergies within the Kirin Group. | <ul style="list-style-type: none"> • Providing new value. • Expansion into new markets. | <ul style="list-style-type: none"> • Loss of opportunities to create Life-changing value and innovation. | |

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| Strengthen our talent and infrastructure to realize Life-changing value | Talent portfolio | Develop an organizations and a portfolio of human resources that promote value creation that leads to the continuous creation of Life-changing value and promote human resource management that leverages diversity to achieve this goal. | <ul style="list-style-type: none"> •Strengthen the foundation for creating innovation and global business development •Securing diverse human resources and strengthening the ability to respond to change. | <ul style="list-style-type: none"> •Outflow of human resources due to inability to envision growth of business and personal. •Decrease in labor productivity due to low motivation and deteriorating mental and physical health. | •Strengthen the foundation to realize Life-changing value. |
| | Corporate culture | Foster a corporate culture of "overcoming barriers / KABEGOE" appropriate for Japan-based Global Specialty Pharmaceutical company to continuously create Life-changing value. | •Realization of the 2030 Vision, sustainable growth and development as a Japan-based Global Specialty Pharmaceutical company. | •Loss of trust from society and decrease in competitiveness due to reverting back to the corporate culture that needs to be changed (lack of dialogue, silo mentality, and mindset of somebody else's problem). | |
| | Digital transformation | Provide new value by leveraging data obtained from the entire value chain, from research and development to post-marketing, and by promoting co-creation with various stakeholders including people facing illness. | •Expanding business opportunities through process transformation and efficiency improvement by DX. | •Competitive disadvantage due to lower productivity, delayed response to external environment, etc. | |

Topics for value enhancement

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| Retain the trust of society | Quality assurance and a supply of products | Establish and appropriately operate a system and procedures to ensure the continued quality assurance and stable supply of products supplied by the company. | <ul style="list-style-type: none"> • Gaining the trust as a pharmaceutical manufacturer from stakeholders (medical professionals, patients, and government) • Ensure global sales expansion/business development. | <ul style="list-style-type: none"> • Loss of trust in Kyowa Kirin among stakeholders (medical professionals, patients, government) • Loss of sales opportunities (loss of confidence and transition to other companies' products) • Decrease in certainty of new approvals due to stricter inspections by the authorities. • Loss of partnering and licensing opportunities, including manufacturing rights. • Decrease in health, safety, and motivation and outflow of human resources due to increased workload of employees. | • Zero limited or suspended product supplies due to our own reason. |
| | Reducing environmental impact | Proactively work to protect the global environment for future generations by taking into consideration the environmental impact of our supply chain throughout the entire life cycle of our products, from the research and development stage through manufacturing, sales, use, and disposal. | <ul style="list-style-type: none"> • Enhancing trust in Kyowa Kirin through contributions to future generations. • Maintain business activities through proper management of physical/transitional risks and opportunities. | <ul style="list-style-type: none"> • New costs arising from stricter regulations (including carbon tax) • Increase in disasters and health hazards due to extreme weather events and the resulting impact on business activities. | • Net zero GHG emissions for the entire value chain. |
| Strengthen human resources and infrastructure to realize Life-changing value :Management infrastructure | Corporate governance | Realize a corporate governance structure that enables us to effectively and efficiently achieve sustainable growth and enhance corporate value over the medium to long term through the realization of the 2030 Vision based on our management philosophy and values. | <ul style="list-style-type: none"> • Gaining the trust of stakeholders and increase corporate value. • Obtaining a stable business foundation. | • Loss of trust and decrease in corporate value. | • Strengthen our management foundation |
| | Ethics and transparency | Comply with domestic and international laws and regulations, internal and external rules and regulations, and social norms, and act in a manner that fulfills our legal responsibilities and the ethical responsibilities demanded by society. Also, disclose information to stakeholders in a proper, appropriate, and fair manner. *Including "Ensuring patient safety and appropriate use of medicines", "Employee health and safety", "Respecting human rights", "Responsible marketing and advertising" "Responsible research and development" "Tax compliance" "Anti-bribery and corruption" and "Privacy and information security". | <ul style="list-style-type: none"> • Gaining the trust of stakeholders and increase corporate value. • Obtaining a stable business foundation. | <ul style="list-style-type: none"> • Restriction or suspension of business activities (research and development, production and sales activities, etc.) • Loss of trust. | |
| | Reinforce risk management | Take appropriate risks necessary and take actions to protect the Kyowa Kirin Group and its stakeholders from threats. | <ul style="list-style-type: none"> • Enhance corporate value through appropriate risk-taking. • Obtaining a stable business foundation. | <ul style="list-style-type: none"> • Restriction or suspension of business activities (research and development, production and sales activities, etc.) • Loss of trust. | |