

KPIs and FY2023 results

Category	Material Issues	Key initiatives	KPIs	Fiscal 2023 Results (as of March 31, 2024)	
Material issues related to business activities	<b>Development and provision of products useful to society</b> Development of innovative products (drugs, foods) We contribute to the health and medical care of people around the world by providing ethical drugs and other high-quality, innovative pharmaceutical products developed by the Company or through partnerships.	<b>Drug discovery initiatives and promotion of clinical development projects</b> Number of items in the research and development pipeline and progress Number of NDAs submitted/ number of NDAs approved	Number of items in the research and development pipeline and progress Number of NDAs submitted/ number of NDAs approved	· Domestic development (in-house): 8 themes, 2 new products, and 1 application · Overseas development (out-licensing): 5 themes, NDA for 1 theme	
		<b>Promotion of licensing activities and overseas development</b> Number of countries where new drugs are launched via partnering Number of products and number of countries where they are launched	Number of countries where new drugs are launched via partnering Number of products and number of countries where they are launched	6 products, 61 countries	
		<b>Development of therapeutic and care foods</b> Number of new therapeutic and care food products launched	Number of new therapeutic and care food products launched	Discussing joint development with partners based on product profile targets set in light of market research	
		<b>Contribution to scientific technology</b> We contribute toward better health and welfare by making patents and dissertations for innovative technology created through pharmaceutical research, and by open innovation with academic institutions and other entities.	· Joint research with academia and other pharmaceutical companies · Participation in consortiums sponsored by the Japan Pharmaceutical Manufacturers Association	Progress of open innovation	Participating in AMED-sponsored industry-academia collaboration projects to develop a next-generation AI system for drug discovery and to build an innovative screening platform for DNA-encoded libraries (DELs)
		<b>Donation to the Kanzawa Medical Research Foundation for provision of research grants</b> Continued provision of research grants	Continued provision of research grants	Donated to Kanzawa Medical Research Foundation	
		<b>Quality control and steady supply and procurement</b> We build manufacturing and quality control systems that comply with the latest laws, regulations, and guidelines, procure environmentally friendly materials, and work to provide a steady supply of products in recognition of the fact that our products are a part of people's lives.	· Formulation and implementation of the "Stable Supply Manual" · COVID-19-related countermeasures · Implementation of the Kissei Pharmaceutical Quality System	Implementation of management review and improvement to instructions Number of months of inventor (by product) Progress toward developing a system to ensure a steady supply of high-quality pharmaceutical products · Regular review of the "Stable Supply Manual" · Continuous capital investment to ensure stable production · Implementation of rank-based training at plants · Implementation of regular assessment of procurement risks for each raw material and product	· Management team conducted a management review, provided feedback on the results · Introduced a quality event management system · Secured adequate inventory, despite limited shipping for some products · Conducted regular review and revision of the Stable Supply Manual · Investigated the construction of a new building for formulations to strengthen production system · Implemented a rank-based training on pharmaceutical quality systems, GMP basics, and pharmaceutical approval matters · Established procedures for confirming business partner status in the event of a disaster · Conducted regular risk assessments and implemented countermeasures related to raw materials, bearing in mind global situations and other factors
	<b>Steady supply of high-quality products</b>	· Product recalls · Zero recalls of pharmaceutical products · Complaint rate of 7.0 ppm (parts per million) or less for food products	Product recalls · Zero recalls of pharmaceutical products · Complaint rate of 7.0 ppm (parts per million) or less for food products	· Pharmaceutical products recalls: 0 · Nutrition Division complaint rate: 1.32ppm	
	<b>Communication with medical professionals and patients</b> Promote proper product usage (drugs, foods) We provide accurate information backed by science, understanding that offering proper information and promoting proper usage is essential for demonstrating the maximum value of our products.	<b>Creation of a sales system for rare disease treatments</b> Progress of activities for the Rare Diseases Project	Progress of activities for the Rare Diseases Project	Provided information on TAVNEOS® and promoted the market launch of TAVALISSE® in conjunction with the Rare Disease Project and branch offices	
		<b>Promotion of activities to provide appropriate medical information</b> · Number of products introduced via AI Detail [Number of products in AI Detail database] · Immediate provision of safety information via the safety information provision system	Provision of appropriate science-based information (zero instances of inappropriate provision of information that led to serious improper use or misuse)	· No issues identified in the monitoring of sales information provision activities for prescription drugs · Number of monitoring and material reviews: 1,742,525 (instances of inappropriate provision of information that led to serious improper use or misuse: 0)	
		<b>Construction of an efficient and effective system to provide information utilizing digital tools</b>	Construction of an efficient and effective system to provide information utilizing digital tools	· Strengthened communication with medical professionals through the provision of details via email · Began operations of the KISSEI Safety Link safety information system	
		<b>Operation of the medicine consultation window</b> Provision of information from the patient's perspective	Provision of information from the patient's perspective	Responses to telephone inquiries from patients: 342	
		<b>Improvement customer satisfaction and provision of patient support</b> We contribute to medical treatment by offering the solutions that medical professionals and patients really need.	<b>Operation of a patient-oriented website</b> Website production from the patient's perspective	Website production from the patient's perspective	· Enhanced existing patient-oriented website with 14 additional articles. · Number of facilities registered in searchable database for medical institutions offering treatment for ANCA-associated vasculitis: 150 (39 facilities added in fiscal 2023)
Improvement customer satisfaction and provision of patient support We contribute to medical treatment by offering the solutions that medical professionals and patients really need.		Operation of a patient-oriented website Website production from the patient's perspective	Website production from the patient's perspective	· Enhanced existing patient-oriented website with 14 additional articles. · Number of facilities registered in searchable database for medical institutions offering treatment for ANCA-associated vasculitis: 150 (39 facilities added in fiscal 2023)	

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Strengthening and enhancement of governance	<b>Strengthening governance</b> We have positioned strengthening corporate governance as an important management issue for the continued improvement of corporate value, and we are working to create a system that can address changes inside and outside the Company quickly and flexibly.	<b>Formulation and implementation of the Kissei Basic Policy on Corporate Governance</b>	Appropriate responses to Japan's revised Corporate Governance Code	Complied with all principles required by Japan's revised Corporate Governance Code and disclosed them in the Corporate Governance Report	
		• Appointment in a female director • Increase in the number of outside directors • Introduction of executive officer system	Improvement of Board of Directors' functions through dialogue with stakeholders and evaluations of the effectiveness of the Board of Directors	• Evaluated the effectiveness of the Board of Directors and disclosed the results in our Corporate Governance Report • Female directors: 1 (out of 12 directors in total) • Outside directors: 1/3 or higher (four of 12 directors in total) • Established the Sustainability Promotion Committee (reorganization of the former SDGs Promotion Committee)	
	<b>Risk management</b> We promote the smooth execution of corporate activities by properly managing risks that may hinder the realization of our Management Philosophy and the completion of our management plans and mounting an appropriate response to any risks that manifest.	<b>Creation of a risk management system</b>	Appropriate review of risk management items and examination and implementation of appropriate countermeasures	The Risk Management Committee evaluated and confirmed the response status of 318 total risk items as reviewed by each department, and reported to the Board of Directors that they were being appropriately managed.	
		<b>Development and update of disaster and pandemic countermeasures (BCPs: Business Continuity Planning)</b>	Development and operation of business continuity management (BCM) and business continuity plans (BCPs)	Implementing awareness-raising, education, training, etc. in accordance with the BCM Basic Policy and the BCM manual	
	<b>Compliance</b> We practice compliance when conducting corporate activities, understanding that this is fundamental to the sound development of the Company and earning stakeholder trust.	<b>Implementation of compliance program</b>	Number of times compliance training was implemented (once every six months or more for each division)	Compliance Education conducted 1,255 times across 152 departments	
		<b>Establishment of a whistleblowing and consultation system (Kissei Hotline)</b>	Implementation of compliance questionnaire (response rate of 95% or higher)	• Compliance Status Questionnaire response (implemented annually) • Survey response rate: 93.1%	
		<b>Consideration given to animal welfare when conducting experimentation on animals</b>	Number of major compliance violations (zero incidents)	Number of major compliance violations: 0	
		Status of company initiatives related to experimentation on animals	• Renewed accreditation (AAALAC International, etc.) via third party evaluation organizations • Convened the Animal Experimentation Committee: 8 times in total • Self-check conducted by the Animal Experimentation Committee: 6 times in total • Regular clinical observations of all animals in the safety laboratories conducted by the veterinary care team: 12 times (more than once per month) • Revised animal experimentation policies and regulations: 12 items in total		
	Creation of a fulfilling workplace environment	<b>Human resource cultivation</b> We respect the individuality of each employee and provide a variety of opportunities for employees to develop their skills, focusing on individual abilities and aptitudes in an effort to develop human resources who can contribute to the development of the Company and society.	<b>Implementation of rank-based training and job specific education</b>	Implementation of rank-based training and job specific education	<b>[Rank-Based Training]</b> • Education for new employees: 39 participants (joined the Company in April of fiscal 2023) • Education for new division directors: 14 participants (appointed in or after June 2022) • Education for mid-level managers: 16 participants (line managers with 3-4 years experience) • Education for new managers: 29 participants • Basic education for management: 35 participants <b>[Job-Specific Training]</b> • Participants in the Research Division's Human Resources Development Program: 206 Research and Drug Manufacturing Division employees) • Pharmaceutical English training for the development of global human resources (elective): 7 participants from the Clinical Development Division, 9 participants from the Quality, Safety and Regulatory Affairs Division • MR development education: 23 participants from the Sales and Marketing Division
				Implementation of DX-based education for human resource development	DX human resource development e-learning coursework participants: 247 people
<b>Support for self-development</b>		Rate of participation in correspondence courses	48.70%		
<b>Establishment of an interview system for skill and career development</b>		Implementation of interview system for skill and career development	Interview-based skill and career development: 211 participants (employees who were promoted in fiscal 2023, executives who reached retirement age, etc.)		
<b>Diversity and gender equality</b> We are striving to improve the Company's working environment in terms of hiring practices, working styles, our human resource system, and other aspects to ensure that a wide range of employees can demonstrate a variety of abilities, based on the idea that when employees with different modes of thinking and value systems can recognize and inspire each other, they can add dynamism and creativity to a company.		<b>Initiatives to cultivate the next generation (Platinum Kurumin, etc.)</b>	Percentage of female employees who take childcare leave (75% or higher annually, in line with Platinum Kurumin certification standard)	Women: 100%	
		<b>Initiatives to promote the success of women</b>	Percentage of male employees who take childcare leave (30% or higher annually, in line with Platinum Kurumin certification standard)	Men: 62.0%	
		<b>Prevention of discrimination and harassment</b>	Ratio of average length of employment for female employees to average length of employment for male employees (70% or higher)	81.60%	
<b>Recruitment of people with disabilities</b>		Recruitment of people with disabilities (2.3% or higher)	2.67%		
<b>Enhancement of workplace environment</b> We will create worthwhile workplace environment that gives employees a strong sense of motivation as work-style reforms and the response to COVID-19 bring major changes to working conditions.		• Recognition under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) • Promotion of work-life balance	• Percentage of employees who took stress checks • Percentage of employees who use commemorative leave (100% per year)	• Recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) • Percentage of employees who took stress checks: 97.2% • Percentage of employees who took commemorative leave: 99.3%	
<b>Occupational health and safety initiatives and maintaining employee health</b>		Number of work-related accidents	Number of work-related accidents: 2 incidents (including 2 that required leave), analyzed the causes of each incident and implemented measures to prevent recurrence		
Environmental initiatives	<b>Waste management and resource recycling</b> We work to promote the conservation of a sustainable environment through the effective use of resources, preventing pollution and reducing environmental impact.	<b>Maintenance of environmental management systems</b>	ISO 14001 recertification and maintenance	Maintained ISO 14001 certification (deemed to maintain compliance)	
		<b>Implementation of environment conservation activities</b>	Waste reduction, improvement of recycling rate, and final disposal rate reduction (improve rate 1% every fiscal year)	• Amount of waste: decreased 2.5% year on year • Recycling rate: 91.2% (decreased 0.3% year on year) • Final disposal rate: 3.0% (improved 1.2% year on year)	
		<b>Priority purchasing of green products</b>	Improvement of ratio of green products purchased	34.51%	
	<b>Initiatives toward biodiversity</b> We take care to ensure that our business activities do not adversely affect biodiversity and ecosystems and take action accordingly.	<b>Proper management of research and clinical trials that involve genetically modified organisms</b>	Implementation status of proper research and clinical trials based on internal regulations, procedure manuals, and other guidance	• Number of Genetic Recombination Experiment Safety Committee meetings: 2 • Genetically Modified Organisms Clinical Trial Safety Committee: Not applicable • Number of violations of laws / regulation: 0 • Number of deviations from procedural manuals: 3 • Number of accidents: 0 • Operational rule revisions: 1 time (changes to committee members and deputy safety officer) • Provided education and training for new staff, and provided regular education for researchers and purchasing staff	
		<b>Appropriate management of chemical substances</b>	Appropriate management of hazardous chemical substances (including PRTR-listed substances)	Managed appropriately	
	<b>Climate change countermeasures</b> We promote environmental management that acknowledges that climate change is a risk factor, with the goal of sustainable growth for society and the Company, and in accordance with the Japan's Carbon Neutrality Declaration.	• Continued reduction of CO <sub>2</sub> emissions • Promotion of energy-saving measures and climate change countermeasures	Reduced CO <sub>2</sub> emissions • Fiscal2030 target: 46% reduction compared with fiscal 2013 (Scope 1 and 2)	• Introduced a greater volume of Shinshu Green Electricity in areas under Chubu Electric Power Co. Ltd., jurisdiction; introduced Yorisou renewable energy in areas under the jurisdiction of Tohoku Electricity Power Co., Ltd. • Fiscal 2023 CO <sub>2</sub> emissions: 11,245 tons (39% reduction compared with fiscal 2013)	
			Rate of renewable energy utilization • Fiscal 2030 target: 74% or more of total electricity consumption	Fiscal 2023 Ratio of renewable energy use: 77%	
		Assessment of risks and opportunities associated with climate change	• Disclosed information in accordance with the TCFD recommendations • CDP questionnaire score for fiscal 2023: Bsocial		
		<b>Participate in social contribution activities</b> We contribute to the sustainable development of society as a fundamental/ essential part of our corporate activities. Moreover, we actively participate in social contribution activities and endeavor to realize our Management Philosophy as a corporate citizen and a member of society.	• Contribution to culture, the arts, and sports • Donations to child welfare facilities and assistance for natural disasters	Number of sponsorships and donations that contribute to society and local communities	Number of sponsorships / donations: 49 Sponsored cultural events, the arts, and sports, provided sponsorship and donations to child welfare facilities and other organizations that contribute to local communities and society, provided support for recovery from natural disasters, etc.
	<b>Participation in local cleanup activities and offering of factory and research institute tours</b>	Number of social contribution activities by region	Cleaning activities around the company, river cleanup, environmental law training with local students, etc.		