

Risk Management

■ Business activity risk management

The Company has formulated Risk Management Rules and created a system for preventing risks from materializing in the overall Group's business activities, including overseas affiliates, and for minimizing loss in the event a risk does materialize.

In addition, in order to promote effective risk management, risks are managed by categorizing them according to their characteristics into "risks in management strategy," which are intrinsic to management decision-making, "material risks," which are managed across organizational units because they affect the overall Group, and "general risks," which are addressed on the responsibility of individual divisions.

The Risk Management Committee, chaired by the Chief Executive Officer, is the body responsible for overseeing and promoting risk management for the Group overall. It deliberates on and decides risk management policies, monitors risk management and makes improvements as they are needed.

As a concrete initiative for promoting risk management, the Group conducts risk assessments each year and thereby works to raise its risk sensitivity. The results are fed back to individual divisions to further reinforce risk management.

Risk management based on risk categories

Risks in Management Strategy

Overall category overseen by Corporate Strategic Planning Department

Examples: Risks related to M&A and alliances
Risks related to new business; etc.

Material Risks

(Risks Requiring Cross-Organization Management)

Risk reduction measures devised and promoted by lead management divisions
Overall category overseen by Internal Control Office

Examples: Risks related to pharmaceutical-related laws and ordinances
Risks related to large-scale disasters
Risks related to information management
Risks related to general laws and ordinances; etc.

General Risks

(Risks Specific to Individual Divisions)

Each division devises and promotes risk reduction measures.

■ Crisis management

The Group is taking measures to prepare for the possibility of a major earthquake in the Nankai Trough and an

earthquake directly under the Tokyo metropolitan area. It has revised its regulations for crisis management, including disaster response, and strengthened its system so that pharmaceuticals continue to be stably supplied to patients even in a major disaster. The Group is also working to further improve practical capabilities through business continuity, safety confirmation and communication drills and other training.

Further, the Group maintains and regularly updates manuals on tsunami, pandemics, terrorism, conflicts and other types of incidents based on the various characteristics of its sites inside and outside Japan in order to faithfully fulfill its overarching mission of providing stable supplies of pharmaceutical products.

■ Information security

In order to accommodate overseas business expansion and the increasing complexity of IT infrastructure and to consistently utilize information and IT technologies, the Group is enhancing regulations and strengthening network security at overseas sites, strengthening security when using cloud services, and reinforcing its crisis management system for when security incidents occur.

Enhancing Global Governance

Megumi Ohtaki

Executive Officer,
Chief Compliance Officer



With the diversity of selectable modalities in the pharmaceuticals industry further accelerating due to the advance of globalization and rapid evolution of innovative science and technology, there has been increasing uncertainty in the environment surrounding the Group's management. In such an environment, full governance globally needs to be achieved for the Group to work for sustained growth and to raise corporate value while maintaining the fairness and transparency of corporate activities and to realize its corporate philosophy, "We contribute to the healthier lives of people around the world through the creation of pharmaceuticals."

All executives and employees involved in the Group are committed to acting on the basis of the Corporate Behavior Charter while maintaining awareness of the Group's ideals. The Company intends to further enhance corporate governance to prevent information from being divided by the organizational unit or region, continue working for sustainability, and endeavor to sincerely contribute to local communities and the health of people around the world in order to thereby uphold the interests of stakeholders.