

Sustainability Report

2025

MARUZEN PHARMACEUTICALS CO., LTD.

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

TABLE OF CONTENTS

Table of Contents	02	1. Organizational Governance	23	5. Fair Operating Practices	71
Edit Policy	03	1) Corporate Governance	24	1) Prevention of Corruption	72
Company Information	03	2) Compliance	26	2) Sustainable Procurement	75
History	04	3) Risk Management	28	3) Supply Chain Management	77
				4) Respect for Property Rights	79
Top Message	05	2. Human Rights	31	6. Consumer Issues	80
Company Philosophy	06	1) Respect for Human Rights	32	1) Quality Assurance	81
		2) Diversity & Inclusion	36	2) Product Development	83
PURPOSE (Significance of the existence of Maruzen Pharmaceuticals)	06	3. Labor Practices	41	3) Access to Product Information	88
Management Philosophy	07			7. Community Involvement and Development	91
Management Vision (What We Want to Be in 2030)	07	1) Work-Life Balance	42		
Company Policy	07	2) Occupational Health and Safety	46	1) Community Involvement	92
		3) Human Resource Development	51	2) Social Investment	94
Maruzen Pharmaceuticals Sustainability	08	4. Environment	54		
Medium-Term Management Plan	08				
Maruzen Pharmaceuticals Sustainability	09	1) Environmental Management	55		
Basic Sustainability Policy	11	2) Energy Consumption and Greenhouse Gases	58		
Supporting the UN Global Compact	11	3) Water	65		
Ethics Policy/Code of Conduct	12	4) Waste	67		
Human Rights Policy	14	5) Biodiversity	70		
Environmental Policy	15				
Sustainable Procurement Policy	15				
Supplier Code of Conduct	16				
Quality Policy	17				
Communication with Stakeholders	17				
Declaration of SDGs	18				
Identification of Materialities (Important Theme/Important Issue)	19				
Materiality (Important Theme/Important Issue)	20				
Sustainability information platform	21				
Penetration of Sustainability/CSR Awareness	22				

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Edit Policy

Maruzen has created “Sustainability Report 2025” as a tool for communicating with stakeholders. We will communicate with our stakeholders and continue to fulfill our accountability.

Organization covered by the report

MARUZEN PHARMACEUTICALS CO., LTD.

Target period

Focusing on the activities in FY2024 (April 1, 2024, to March 31, 2025), some initiatives from before and reports on recent activities are also included.

Timing of issuance / Frequency

September 2025 (Japanese version / English version) / Issued once a year

Referenced guidelines, etc.

This report was written with reference to ISO26000 (Guide to Social Responsibility), the GRI Sustainability Reporting Standards, and the Ten Principles of the United Nations (UN) Global Compact.

Sustainability information platform

Sedex (Supplier Ethical Data Exchange) 、EcoVadis、CDP

Inquiries about sustainability

<https://www.maruzenpcy.co.jp/form/>

Company Information

Trade Name	Maruzen Pharmaceuticals Co., Ltd.
Founded	September 5, 1938
Corporation Established	July 13, 1949
Paid Capital	98 million yen
Annual Turnover	16.3 billion yen/March FY2025
Number of Employees	457 (including 27 temporary employees)/as of March 31, 2025
Business Line	Manufacture and distribution of pharmaceuticals, herb extracts for pharmaceuticals, quasi-drugs, cosmetics, food additives, foods, and health foods
Headquarters Factory	14703-10 Mukaihigashi-Cho Onomichi-City, Hiroshima
Shin Onomichi Factory	1-140 Shinhongo Hongo Minogo-Cho Onomichi-City, Hiroshima
Miyoshi Factory	870-32 Minamihatajiki-Cho Miyoshi-City, Hiroshima
Kui Farm	10645-15 Ipponmatsu Azoubara Kui-Cho Mihara-City, Hiroshima
Research Center	1089-8 Sagata Shinnichi-Cho Fukuyama-City, Hiroshima
Tokyo Branch	2-6-7 Ebisunishi Shibuya-Ku, Tokyo
Osaka Branch	Shiono Nissei Building 6F, 2-6-6 Doshomachi Chuou-Ku, Osaka
Thailand Liaison Office	No.388 Exchange Tower, 29th Floor, Unit 2901 - 2904, Sukhumvit Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Thailand
Subsidiary Companies	Longev Co., Ltd., Maruzen Pharmaceuticals (Shanghai) Co., Ltd.

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

History

1938	Maruzen Shokai is established and begins production of licorice extract.	1985	Completion of Miyoshi Plant, blessed with water resources and a favorable location
1942	Korean Licorice Industry established under wartime control.	1989	LUPLAN established in Finlay, Australia, for the cultivation of licorice.
1949	Maruzen Kasei Co., Ltd. is established (70-year history begins).	1991	Merger agreement is signed to unify the two Maruzen companies.
1950	Began production of licorice extract for the first time in the postwar period.	1994	Promote CP business
1952	Moved to Mukojima Higashimura (current Headquarters Factory)	2000	Establishment of the Research Center
1958	Succeeded in producing high-purity glycyrrhizic acid	2001	Establishment of Special Sales Department Entry into health food OEM business
1959	Started manufacturing and sales of pharmaceutical products at Maruzen Kasei Co. Started delivery of Licorice Extract No.2	2005	Shin Onomichi Factory completed.
1963	Establishment of the former Maruzen Pharmaceuticals Co., Ltd. Onomichi Factory No. 1 completed (later Onomichi West Factory).	2007	Establishment of Maruzen Pharmaceuticals (Shanghai) Co., Ltd. Establishment of Kui Farm
1965	Received approval from the Minister of Health and Welfare for the production of Dipotassium glycyrrhizate.	2016	Maruzen Cosmetics Ingredients Seminar held for the first time Black Ginger's Food with Functional Claims Notification Accepted
1977	Maruzen Kasei starts stevia extraction.		
1979	Former Maruzen Seiyaku obtains cosmetics manufacturing license.		
1980	Former Maruzen Seiyaku obtains quasi-drug manufacturing license.		
1982	Started oyster extraction as a pilot project for technology transfer from the Hiroshima Prefectural Food Industry Research Institute.		
1983	Produced the first crude drug extract, an extract of senburi, produced by the former Maruzen Pharmaceutical Co.		

Top Message

Toward a Society Full of Smiles

Maruzen Pharmaceuticals Co., Ltd. is situated on the island of Mukaishima in the Setouchi Inland Sea; an area renowned for its calm waters, picturesque mountain views and traditional local culture.

Maruzen Pharmaceuticals Co., Ltd. exists in harmony with this idyllic environment, local people and culture. Since the founding of Maruzen, over three quarters of a century, we have devoted ourselves to our ideals.

Our journey began with researching practical applications of licorice and with originality in our approach; Maruzen Pharmaceuticals Co., Ltd. is continuing to find applications in many spheres.

In keeping with our original company philosophy, extraction of active constituents from nature's plants; is always at the heart of our enterprise.

By placing emphasis on extraction technology, we are able to set trends, respond to the needs of our customers and achieve our goals.

We believe that the results of our continued study of extraction techniques were solely the result of our efforts to respond to the development themes and needs of today's companies.

We believe that our desire to make Maruzen Pharmaceutical a better company, and our honest wish to do so now, will become the shape of the company.

To continue the history of Maruzen Pharmaceuticals into tomorrow, we must cultivate new technologies, nurture our wisdom, and move forward faithfully and boldly.

I believe that a healthy society is one in which people can live happily in the present and have bright dreams for the future.

Each and every employee has the joy of working with compassion for people and the earth as their livelihood.

To nurture a company means to fulfill our responsibility to the future.

I believe that we can contribute to the creation of a healthy society.



President

Yasuhiro Aguirashi

Ethics Policy/Code of Conduct

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/conduct.pdf>

Company Philosophy

PURPOSE

(Significance of the existence of Maruzen Pharmaceuticals)

We will connect the blessings of nature and contribute to creating a society where people can stay beautiful and healthy.

Toward a Society Full of Smiles

Maruzen Pharmaceuticals Co., Ltd. is situated on the island of Mukaishima in the Setouchi Inland Sea, an area renowned for its calm waters, picturesque mountain views, and traditional local culture. Maruzen Pharmaceuticals Co., Ltd. exists in harmony with this idyllic environment, local people, and culture.

Since the founding of Maruzen Pharmaceuticals Co., Ltd. over three quarters of a century ago, we have devoted ourselves to a proposal-based sales approach. Our journey began with researching the practical applications of licorice, and with originality in our approach, Maruzen Pharmaceuticals Co., Ltd. is continuing to find applications in many spheres. Keeping with our original company philosophy, extraction of the active constituents from nature's plants is always at the heart of our enterprise.

By placing emphasis on extraction technology, we are able to set trends, respond to the needs of our customers, and achieve our goals. We believe that the results of our continued study of extraction techniques are solely the result of our efforts to respond to the development themes and needs of today's companies.

We believe that our desire to make Maruzen Pharmaceuticals Co., Ltd. a better company, and our honest wish to do so now, will shape the company.

To continue the history of Maruzen Pharmaceuticals Co., Ltd. into tomorrow, we must cultivate new technologies, nurture our wisdom, and move forward faithfully and boldly.

I believe that a healthy society is one in which people can live happily in the present and have bright dreams for the future. Each and every employee has the joy of working with compassion for people and the earth as their livelihood. To nurture a company means to fulfill our responsibility to the future. I believe that we can contribute to the creation of a healthy society.

Committed to the dream fostered over 80 years

Since 1938, Maruzen Pharmaceuticals Co., Ltd. has always focused its activities on discovering and extracting the active ingredients from nature's plants. From our initial step of selecting the right extraction method, we are always pursuing safe and high-efficacy ingredients. We not only have the goal of providing safe ingredients but also work with the ideal of giving back to nature and protecting the global environment.

It is our belief that irrespective of the era, responding to the demands of consumers and providing service leads to customer satisfaction, and this is our motivation. We hope this approach will get us your future support and cooperation.

At Maruzen Pharmaceuticals Co., Ltd., our mission is "to offer you the vitality of nature to enhance health, beauty, and humanity." The sense of joy that comes from achieving this mission leads us to understand the distinct purpose of our business and development activities.

From here on, we would like to move forward by concentrating on the extraction and purification of active ingredients.

In the field of pharmaceuticals, cosmetics, food additives, and others, we would like to continue to offer the blessing of nature while existing in harmony with "people, society, business, and nature."

Our tagline is "Connecting the Blessings of Nature."

Maruzen Pharmaceuticals has grown into a bulk manufacturer by providing high-quality raw materials. We are currently working on several initiatives, including developing products in collaboration with customers, proposing next-generation product concepts, and conducting cultivation trials of plants to be used as raw materials at the request of our customers.

In 2012, we established the tagline "Transporting the Blessings of Nature." On our 70th anniversary, we reviewed our corporate domain and came to see a vision for the next generation that goes beyond the traditional framework of "transporting," which is delivering the blessings of nature to various people and places, but instead "connects" the blessings of nature to new values.

On July 13, 2019, when we celebrated our 70th anniversary, we updated the tagline to "Connecting the Blessings of Nature," with the intention of firmly connecting the value we can provide through various means to our customers, society, and the future, and contributing to societal development. We incorporated the images of plant leaves, representing the blessings of nature, into the design to express the foundation and origin of our business.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Management Philosophy

Human happiness is strongly linked to gratitude.

The purpose of life is to challenge possibilities.

Maruzen Pharmaceuticals’ mission is to “serve.”

Maruzen Pharmaceuticals’ shared understanding is the pursuit of wealth.

Established: July 14, 1979

Management Vision (What We Want to Be in 2030)

- 1. To embark on a new path, mastering the art of extraction
- 2. To new business areas and to the world
- 3. To a company where people can thrive

Medium-term management plan: April 2024 to March 2030

Company Policy

- 1. With sincerity

Let’s put our heart into even our smallest acts. Heartfelt work and products have life. They are appealing. They are fascinating.
- 2. A beautiful workplace

People with similar aspirations can work together in one workplace. It is truly a strange coincidence.
Let's help each other and create a beautiful workplace.
- 3. Put yourself in someone else’s shoes.

When working, let’s put ourselves in the shoes of people who buy our products, for the sake of people who will come later and for those who will use our products later. Those who are not considerate to others will perish.
- 4. In your respective positions

Some use their brain, some use a pen, and some use their physical strength; each has their own position and their own struggles. Don’t be overconfident. Don’t envy others.
- 5. Be strict with yourself.

The workplace is where you work and get paid for working. But that’s not just it. It is also a place where you train yourself. It is a place where you can find joy in the midst of hardship.

Established: October 1969

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Maruzen Pharmaceuticals Sustainability

Medium-Term Management Plan

Planning period

63rd to 68th/April 2024 to March 2030

1. Purpose

To prepare our 100th anniversary in 2049, we will identify “materiality” in CSR, inherit the ongoing issues from the current Medium-Term Management Plan (58th to 62nd), add the 2030 Target for the sustainability of important issues, and formulate a basic action plan and numerical plan.

2. Medium-Term Plan Philosophy

Contribute to society through the happiness of employees

3. What We Want to Be in 2030

- (1) To embark on a new path, mastering the art of extraction
 - 1) We have been actively conducting research and innovation based on the core technologies of our existing business, extraction, purification, separation, and analysis, and have introduced new production technologies, such as fermentation and synthesis. Thus, we have a stable management base.
 - 2) We have contributed to beauty and health through the development and provision of evidence-based, reliable food and cosmetic ingredients.
 - 3) By adhering to the principle of putting customers first, we have earned the trust of customers as a first-call supplier. We sincerely engage with our customers and provide them with thorough support in creating value.
 - 4) A production system that makes the most of the characteristics of each factory has been established.
- (2) To new business areas and to the world
 - 1) With a stable management base, we have expanded our core business upstream and downstream, collaborated with other companies, addressed social issues, and expanded into related new businesses.
 - 2) To secure production bases overseas, we have further strengthened our relationships with overseas manufacturing partners. We now have cooperative factories where we have invested capital and personnel and are looking to build fully-owned factories in the future.
 - 3) As we are establishing a system in place that can respond to internationalization and take the initiative rather than follow suit, we have developed human resources in each department and are in a position to seize various business opportunities.
 - 4) For raw materials, we have shifted from “buying” to “growing,” established an ethical procurement network, managed the supply chain, and have a sustainable and stable raw material procurement and supply system in place for our products.
- (3) To a company where people can thrive
 - 1) We are a company where we respect diversity, accept each other, are all energetic and vibrant, feel that we are contributing to society through work, respect human rights, and do not engage in discrimination or harassment.

- 2) A company-wide review of our locations has been completed, and we have created a safe and highly functional work environment where we can demonstrate our abilities according to our lifestyles and work in good health and with peace of mind.
- 3) We promote initiatives that take into consideration the environmental impact of our business activities, aiming to reduce greenhouse gas emissions by 50% by 2030, striving to conserve the global environment, and contributing to the revitalization of society through continued healthy business operations.
- 4) As a company that originated in Onomichi, we value our founding principles and are strengthening our ties with the local community.

4. Management Goals (68th/FY2029)

1. Net turnover	19.1 billion yen (17.5 billion yen for our products)
2. Annual turnover per capita	41 million yen
3. Ordinary profit	2.3 billion yen/ordinary profit rate of 12% or more
4. Ordinary profit per capita	4.9 million yen

5. Key Measures

[Reduction of Environmental Loads]

Infrastructure improvement/reduction of energy consumption/reduction of greenhouse gas emissions/reduction of water usage and management of drainage water/reduction of waste generation/development of environmentally friendly products/expansion of certifications (ISO14001)

[Building and promotion of overseas strategies]

Expansion of certifications (ISO9001, FSSC22000)/compliance with overseas regulations/overseas expansion of black ginger

[Promotion of high added value]

Introduction of new functional materials/promotion of the bioscience business/understanding of customer needs

[Raw material procurement and raw material strategy]

Compliance with ABS and CBD under the Convention on Biological Diversity/establishment of a stable supply system/promotion of raw material cultivation/construction of a supply chain/review of the licorice strategy

[Establishment of an efficient production system]

Utilization of outsourced manufacturing/efficient capital investment/introduction of separation technology

[Inventory optimization]

Product organization (inefficient/unprofitable product line)/inventory reduction

[Improved work efficiency]

Promotion of Digital Transformation (DX)/database creation of various information

[Improvement of personnel system]

Securing human resources/utilizing human resources/improving education and training systems

Maruzen Pharmaceuticals Sustainability

In February 2022, Maruzen Pharmaceuticals supported the international standard ISO26000 to promote sustainability management and formulated 7 core themes: “organizational governance,” “human rights,” “labor practices,” “environment,” “fair operating practices,” “customer issues,” and “community involvement and development” as the Basic Sustainability Policy.

“ISO26000” 7 core subjects and their respective challenges



1. Organizational governance

2. Human rights

- [1] Due diligence
- [2] Human rights risk situations
- [3] Avoidance of complicity
- [4] Resolving grievances
- [5] Discrimination and vulnerable groups
- [6] Civil and political rights
- [7] Economic, social and cultural rights
- [8] Fundamental principles and rights at work

3. Labour practices

- [1] Employment and employment relationships
- [2] Conditions of work and social protection
- [3] Social dialogue
- [4] Health and safety at work
- [5] Human development and training in the workplace

4. The environment

- [1] Prevention of pollution
- [2] Sustainable resource use
- [3] Climate change mitigation and adaptation
- [4] Protection of the environment, biodiversity and restoration of natural habitats

5. Fair operating practices

- [1] Anti-corruption
- [2] Responsible political involvement
- [3] Fair competition
- [4] Promoting social responsibility in the value chain
- [5] Respect for property rights

6. Consumer issues

- [1] Fair marketing, factual and unbiased information and fair contractual practices
- [2] Protecting consumers' health and safety
- [3] Sustainable consumption
- [4] Consumer service, support, and complaint and dispute resolution
- [5] Consumer data protection and privacy
- [6] Access to essential services
- [7] Education and awareness

7. Community involvement and development

- [1] Community involvement
- [2] Education and culture
- [3] Employment creation and skills development
- [4] Technology development and access
- [5] Wealth and income creation
- [6] Health
- [7] Social investment

*Source: “Japanese version ISO26000:2010 Guide to social responsibility”

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

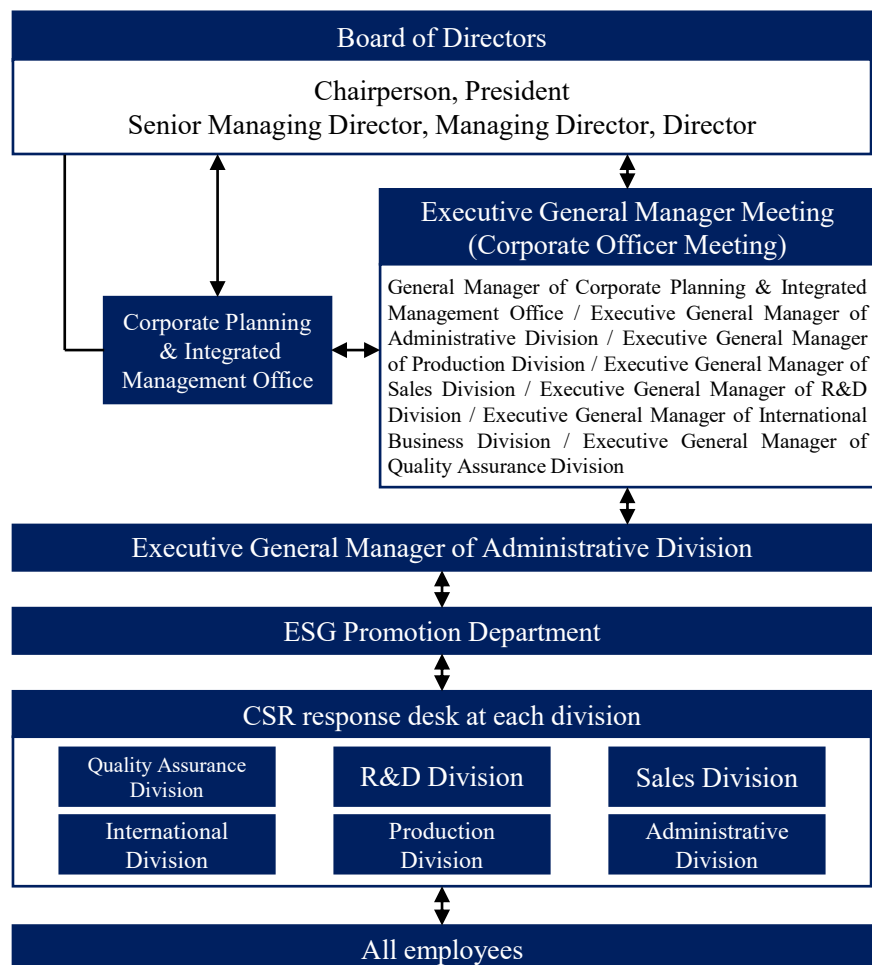
Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

Maruzen Pharmaceuticals Sustainability

Sustainability promotion system



Maruzen Pharmaceuticals has established a system whereby sustainability-related important matters are raised as agenda items for deliberation at monthly meetings of the Board of Directors and the Executive General Manager Meetings (Corporate Officer Meetings), as needed.

Our company philosophy, purpose, and various sustainability-related policies are approved by the Board of Directors, and materiality, which is an important sustainability issue, is approved at the Executive General Manager Meeting (Corporate Officer Meeting) and reported to the Board of Directors.

The ESG Promotion Department responds to requests and questionnaires regarding sustainability from stakeholders, such as business partners, banks, and affiliated organizations, by collecting information on the status of internal initiatives through the CSR contact points in each division.

Important sustainability issues are incorporated as key issues in the medium-term management plan. The annual plans formulated based on the basic action plan and quantitative plans are reviewed quarterly and reported to the Management Committee and the Board of Directors at the Executive General Manager Meeting (Corporate Officer Meeting).

Basic Sustainability Policy

Maruzen Pharmaceuticals has established a “Basic Sustainability Policy” and will pursue sustainable growth and contribution to society. We will build good relationships with stakeholders, increase profitability through our business activities while addressing social issues, and fulfill our social responsibilities as a good corporate citizen.

1. Organizational Governance

We strictly adhere to corporate ethics and conduct business activities in compliance with laws and regulations. We also conduct transparent management with an organizational structure that allows for prompt decision-making.

2. Human Rights

We respect the human rights of all people affected by our activities.

3. Labor Practices

We respect the diversity of our employees and strive to foster a corporate culture that is safe, rewarding, and easy to work in.

4. Environment

We strive to reduce environmental loads and contribute to the realization of a sustainable society in harmony with nature.

5. Fair Operating Practices

We engage in fair, transparent, and free competition and appropriate transactions while respecting the relationship of trust with customers. We also carry out sustainable procurement activities in consideration of the social environment.

6. Consumer Issues

We stably provide the blessings (usefulness) from nature as high-quality products that are safe, secure, and satisfying to our customers using our unique technology.

7. Community Involvement and Development

As a good corporate citizen, we actively communicate with local communities and society and make social contributions.

Established: March 14, 2022

Supporting the UN Global Compact

Maruzen Pharmaceuticals has signed in favor of the “UN Global Compact (herein referred to as the UNGC),” an international framework for sustainable development, and was registered as a participating company on October 23, 2023.

We also joined the “Global Compact Network Japan,” which consists of Japanese companies that have signed the UNGC.

The UNGC is the world’s largest sustainability initiative that brings together the UN and the private sector (companies and organizations) to build a healthy global society.

Companies and organizations signing the UNGC are required to agree to the Ten Principles of “protection of human rights,” “elimination of unfair labor practices,” “environmental response,” and “anti-corruption,” and to continue their efforts toward their achievement.

Maruzen Pharmaceuticals will implement UNGC’s Ten Principles through all its business activities in cooperation with global society as a good corporate citizen contributing to society with the top commitment to support UNGC’s Ten Principles concerning human rights, labor, environment, and anti-corruption.



The Ten Principles of the UN Global Compact

Human Rights	Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2:	make sure that they are not complicit in human rights abuses.
Labour	Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4:	the elimination of all forms of forced and compulsory labour;
	Principle 5:	the effective abolition of child labour; and
	Principle 6:	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7:	Businesses should support a precautionary approach to environmental challenges;
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and
	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

Ethics Policy/Code of Conduct

Ethics Policy and Code of Conduct

Maruzen has established an “Ethics Policy” and a “Code of Conduct” and is working on promoting compliance management.

The “Ethics Policy” put together our basic philosophy for business ethics and compliance with laws and regulations, and the “Code of Conduct” demonstrates the actions and decision criteria to be taken by all officers and employees based on this policy. By sharing and practicing these ideas internally, we will aim to become a company trusted by customers and society.

Ethics Policy

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means. To achieve this goal, we have formulated an “Ethics Policy,” and will understand and comply with laws and regulations, social rules, and their spirit, while respecting social ethics and fulfilling our social responsibilities.

- Attitude toward Customers
 - We strive to supply products that meet customer needs and solve social issues.
 - We strive for ethical procurement in the supply chain.
 - We strive for information security.
- Responsivity to Society
 - We conduct fair corporate activities while strictly complying with laws, and we disclose information appropriately.
 - We conduct business activities that are socially and environmentally friendly to contribute to the realization of a sustainable society.
 - We respond to social diversity and promote communication activities with local communities.
- Developing a workplace that is easy to work in
 - We promote activities that respect the human rights of all employees.
 - We support skill improvement and strive to ensure that employees can maximize their abilities.
 - We create a safe and comfortable work environment and improve productivity.

Code of Conduct

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

The “Code of Conduct” demonstrates the actions and decision criteria to be taken by all officers and employees based on the “Ethics Policy.”

Considering that solving the environmental and social issues facing the world is becoming more important, we will work on our daily business activities with responsibility for all of you involved in the business, the future global environment, and society.

1. Contribution to Society
 - Our mission is to contribute to society and to strive for sustainable development.
 - We will respect important values such as fairness, transparency, integrity, and reliability.
 - From material exploration to product development, we will use analytical technology and cutting-edge evaluation technology to respond to customer feedback, and strive to develop products that help solve social issues.
 - We will strive to provide products and services with the highest priority on safety and security so that we can contribute to the improvement of customer satisfaction.
 - In the event of an accident or defective product, we will take measures such as information disclosure and safety measures.
 - We will focus on contribution to local communities and promote communication activities.
 - We will actively participate in volunteer activities and social contribution activities.
2. Fair Company Activities
 - We will comply with all laws and regulations related to business and social norms established in each country and region.
 - We do not have any relationship with people who are involved in illegal activities such as antisocial forces or money laundering.
 - We will comply with the Antimonopoly Act and other related laws and regulations, and conduct fair and equitable transactions.

Ethics Policy/Code of Conduct

- We will not engage in any act that conflicts with the interests of the company.
- We will maintain fair relationships with business partners, politicians, governments, and other business-related parties, and will not provide or accept inappropriate benefits such as corruption, bribery, or fraud.

3. Information Security and Protection of Personal Information, Confidential Information, and Intellectual Property Rights

- We will take measures to protect information from threats on computer networks and from negligence due to human factors, and will conduct checks regularly.
- We will appropriately manage all personal information of customers, third parties, employees, and others obtained through our business activities and also manage information on transactions and technical information.
- We will not infringe on the intellectual property rights of others.

4. Consideration of the Environment

- Bearing in mind that our business activities will place a burden on the environment, we will comply with relevant laws and regulations in consideration of environmental conservation.
- We will evaluate the impact of products on the environment from the research and development (R&D) stage and strive to provide products and services that are environmentally friendly.
- To use resources sustainably, we will periodically improve the utilization efficiency of resources necessary for business activities, such as energy, water, and raw materials.
- We will strive to conserve energy throughout our business activities, promote the use of renewable energy, and reduce greenhouse gas emissions.
- We will thoroughly control chemical substances and strive to prevent contamination of air, water, soil, etc.
- We will promote the reduction of the use of hazardous substances, the reduction of waste, the optimization of disposal, and the effective use of waste.
- We will respect biodiversity and conduct business activities with consideration for biodiversity.
- We will conduct procurement activities that take environmental conservation into consideration to achieve sustainable procurement.

5. Respect for Human Rights and Diversity

- We will respect the human rights and diversity of individuals.
- We will respect basic human rights and will not discriminate on the basis of nationality, region of origin, language, race, ethnicity, religion, ideology, age, disability, gender, gender identity, sexual orientation, employment status, marital status, pregnancy, or other reasons, nor will we engage in any act that damages the dignity of individuals.
- We will not accept any form of modern slavery or any forced labor.
- We will prevent employment that impairs the morals, health, and safety of children, and abolish child labor under the working age.
- We will not engage in any form of harassment or words that cause mental or physical distress.
- We will carry out procurement activities with social consideration to achieve sustainable procurement.

6. Labor Practices and Human Resource Development

- We will comply with laws and regulations concerning working hours and wages applicable to our business activities.
- We will put the health and safety of employees first, and strive to create a healthy and easy-to-work environment and ensure its safety.
- We will strive to promote work-life balance to enrich the work and private life of employees and their families.
- We will comply with laws and regulations concerning freedom of association and collective bargaining, and we will respect the rights of employees.
- We will provide educational opportunities to our employees and support their capability development and self-fulfillment, taking into account each individual's aptitude and values.
- We will introduce a personnel system that is fair, just, and transparent and leads to increased motivation based on results and capabilities.

Established: January 19, 2024

Ethics Policy/Code of Conduct

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/conduct.pdf>

Human Rights Policy

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

To achieve this, we have formulated a “Human Rights Policy,” and we will promote activities to respect human rights, which are the fundamental rights that all people are born with, and permanently realize them.

1. Basic Philosophy

Maruzen Pharmaceuticals supports the International Bill of Human Rights (the “Universal Declaration of Human Rights,” the “International Covenant on Economic, Social and Cultural Rights,” and the International Covenant on Civil and Political Rights”) and the International Labor Organization (ILO Declaration) and respects human rights as defined. In addition, we support the “UN Guiding Principles on Business and Human Rights” and fulfill our responsibility toward respecting human rights by taking initiatives based on the above principles.

2. Fulfilling Responsibility to Respect Human Rights

Maruzen Pharmaceuticals strives not to violate any human rights. If we discover that Maruzen Pharmaceuticals’ business activities have a negative impact on human rights, we will take appropriate measures to correct them and fulfill our responsibility of respecting human rights.

3. Scope of Application

This policy applies to all officers and employees of Maruzen Pharmaceuticals. We will also ask all business partners and suppliers involved in Maruzen Pharmaceuticals’ products and services to understand and support this policy, and encourage them to strive to respect human rights.

4. Applicable Laws and Regulations

Maruzen Pharmaceuticals will comply with laws and regulations in each country where its business activities take place. If there is any conflict between the laws and regulations of each country and the internationally accepted human rights norms, we will pursue methods to respect the international human rights norms.

5. Implementation of Human Rights Due Diligence

Maruzen Pharmaceuticals will establish a system for human rights due diligence and implement it on an ongoing basis.

We will identify the negative impacts on human rights that Maruzen Pharmaceuticals’ business activities have on society, and work to prevent and reduce them.

6. Remedy

If it becomes clear that Maruzen Pharmaceuticals’ business activities have caused a negative impact on human rights, or if Maruzen Pharmaceuticals’ involvement through business partners, etc., has been revealed, we will work to remedy the situation through appropriate procedures.

7. Dialog and Discussion

Maruzen Pharmaceuticals will engage in dialog and consultation with stakeholders and independent external experts in the course of implementing this policy.

8. Education and Training

Maruzen Pharmaceuticals will provide appropriate training and education to all officers and employees to ensure that this policy is incorporated into all of Maruzen Pharmaceuticals’ business activities and implemented effectively.

9. Disclosure of Information

Maruzen Pharmaceuticals will report on its efforts to respect human rights and the progress of human rights due diligence.

10. Person in Charge

Maruzen Pharmaceuticals will clarify who is responsible for the implementation of this policy and will oversee the implementation.

Established: February 9, 2022
President

Yasuhiko Agirashi

Human Rights Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/human-rights.pdf>

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Environmental Policy

Maruzen Pharmaceuticals recognizes that it is our responsibility to pass on the irreplaceable earth and limited resources to the next generation to lead healthy and prosperous lives, and will actively promote business activities that are in harmony with the environment.

1. We fully understand the impact on the environment in all processes from production to disposal, and we promote environmentally friendly product development and manufacturing technology.
2. We will establish and improve our environmental management system to promote and thoroughly implement environmental conservation activities.
3. We will promote the efficient and sustainable use of energy, water, raw materials, etc., used for our business activities, with consideration given to reducing greenhouse gas emissions and environmental load.
4. We will work on resource and energy saving by reducing and recycling waste in our business activities.
5. As a member of the local community, we will promote business activities in consideration of biodiversity, and we will actively participate in environmental conservation activities and support employees' voluntary activities.
6. To promote environmental conservation activities, we will establish an internal system to ensure that employees are thoroughly informed of the system and that their awareness is increased.
7. We commit ourselves to comply with the laws and regulations of the relevant environment and other requirements agreed by our company.

Established: February 9, 2022

Environmental Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/environment.pdf>

Sustainable Procurement Policy

With the support and cooperation of all suppliers, Maruzen Pharmaceutical aims to contribute to the realization of a sustainable society and conducts the procurement activities that take social and environmental aspects into consideration.

1. Quality-oriented
We will comply with our company's quality policy and procure raw materials that prioritize quality, safety, and security.
2. Fairness and Impartiality
In the selection of suppliers, we conduct a comprehensive evaluation from the perspectives of quality, price, delivery date, transaction conditions, technology reserved, service capability, degree of cooperation, secure procurement, CSR initiatives, etc. In addition, competitive quotations from two or more suppliers are used in principle, and we will provide fair entry opportunities.
3. Legal Compliance and Ethics
We will comply with the common sense of society, related laws and regulations, and various company regulations including ethics, and conduct fair and sensible procurement activities. We also have no personal interest in any supplier.
4. Collaboration
Based on good communication with suppliers, we aim for the sound development of society by building mutual understanding and trusting relationships.
5. Human Rights
We never support forced labor, child labor, discrimination or inhumane treatment. We will respect basic human rights and promote procurement activities that respect labor conditions, health and safety.
6. Environment
In order to maintain business that is useful for a human-friendly world and to preserve the global environment, we will comply with relevant laws and regulations and practice procurement activities that coexist with the assets of "people, society, companies, and nature".
7. Maintenance of information security
We will strictly manage confidential information and personal information related to procurement activities in compliance with relevant laws and regulations.

Established: December 9, 2020
Revised: February 9, 2022

Sustainable Procurement Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/policy.pdf>

Supplier Code of Conduct

1.Ensuring Quality and Safety

- (1) We will strive to provide products and services that place the highest priority on safety.
- (2) In the event of an accident or defective product, we will take measures such as information disclosure and safety measures.

2.Compliance with laws, regulations, and social norms

- (1) We will comply with laws and regulations related to business and social norms established in each country and region.
- (2) We will maintain fair relationships with business partners, politicians, governments, and other business related parties, and will not provide or accept inappropriate benefits such as corruption, bribery or fraud.
- (3) We do not have any relationship with people who are involved in illegal activities such as antisocial forces or money laundering.
- (4) We will comply with the Antimonopoly Act and other related laws and regulations, and conduct fair and equitable transactions.
- (5) We will not engage in any act that conflicts with the interests of the Company.

3.Respect for human rights

- (1) We will respect the human rights and diversity of individuals.
- (2) We will respect basic human rights and will not discriminate on the basis of nationality, region of origin, language, race, ethnicity, religion, ideology, age, disability, gender, gender identity, sexual orientation, employment status, marital status, pregnancy, or other reasons, nor will we engage in any act that damages the dignity of individuals.
- (3) We will not accept any form of modern slavery.
- (4) We will not tolerate any kind of forced or compulsory labor.
- (5) We will prevent employment that impairs the morals, health, and safety of children, and abolish child labor under the working age.
- (6) We will comply with laws and regulations concerning freedom of association and collective bargaining, and respect workers' rights to organize and bargain collectively.

- (7) We will comply with laws and regulations concerning working hours and wages applicable to our business activities.
- (8) We will not engage in any form of harassment or words that cause mental or physical distress.

4.Consideration for the environment

- (1) Bearing in mind that our business activities will place a burden on the environment, we will comply with relevant laws and regulations in consideration of environmental conservation.
- (2) In order to use resources sustainably, we will periodically improve the utilization efficiency of resources necessary for business activities, such as energy, water, and raw materials.
- (3) We will promote the reduction of waste, the optimization of disposal, and the effective use of waste.
- (4) We will strive to conserve energy throughout our business activities, promote the use of renewable energy, and reduce greenhouse gas emissions.
- (5) We will strive to prevent contamination of the air, water, soil, etc.
- (6) We will respect biodiversity and conduct business activities with consideration for biodiversity.

5. Information Security and Protection of Personal Information, Confidential Information, and Intellectual Property Rights

- (1) We will take measures to protect information from threats on computer networks and from negligence due to human factors, and check regularly.
- (2) We will appropriately manage all personal information of customers, third parties, employees, and others obtained through our business activities, as well as information on transactions and technical information.
- (3) We will not infringe on the intellectual property rights of others.

Established: February 9, 2022

Supplier Code of Conduct

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/supplier.pdf>

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Quality Policy

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

To achieve this, we have established a “quality policy” and are working to “improve customer satisfaction” and “improve the company’s trust.”

1. With the hope of achieving people’s health and beauty, we will explore the methods of extraction and provide products that meet the needs and trust of our customers both in Japan and overseas.
2. With our mission to provide customers with “safe and secure” products in a “stable” manner, we will work to ensure and improve quality.
3. We comply with applicable laws and regulatory requirements and respond to social requirements.
4. We will operate a quality management system and strive to improve its reliability by continuously improving its effectiveness.

Established: February 9, 2022

Quality Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/quality.pdf>

Communication with Stakeholders

To continue to be a company that contributes to society, Maruzen Pharmaceuticals listens to the opinions of its stakeholders and promotes stakeholder engagement through the following communication opportunities and approaches:

	Responsibility of Maruzen Pharmaceuticals	Approach method
Shareholders	• Business growth (sales and profits) • Returning profits to shareholders • Sound and transparent management • Accountability • Improvement of corporate value	• General meeting of shareholders • Employee Stock Ownership Association
Customers	• Improvement of customer satisfaction • Provision of safe and secure products and services • Provision of products and services that contribute to creating a society where people can stay beautiful and healthy • Dissemination of product information	• Communication through sales activities • Participation in academic conferences, trade fairs, and exhibitions • Quality assurance • Factory tour • Provision of information on websites, etc.
Suppliers	• Building of supply chain management that takes into consideration human rights, the environment, etc. • Responsible raw material procurement	• Communication through procurement activities • Public awareness activities for the Sustainable Procurement Policy and Supplier Code of Conduct, and monitoring and feedback through supplier questionnaires
Employees	• Respect for human rights and diversity • Promotion of occupational health and safety • Provision of a comfortable working environment • Support for job satisfaction • Health promotion • Fair evaluation and treatment • Enhanced employee benefits • Utilization and development of human resources	• Working Hours Setting and Improvement Committee • Safety and Health Committee • Health checkups and distribution of health information magazines • Various types of training • Company newsletters and intranet • Performance appraisal interviews and 1-on-1 meetings • Self-development support and qualification acquisition support • Sustainability report briefing and questionnaire
Community	• Contribution to solving global issues through collaboration with international initiatives • Contribution to solving social and economic issues in local communities • Health-promotion education for the next generation • Consideration for the natural environment • Biodiversity conservation	• Participation in international initiatives (UNGC) • Provision of information on websites, sustainability reports, etc. • Social contribution activities and participation in local communities • Interaction with local residents through local events • Visiting lectures for local educational institutions • Environmental beautification activities and greening volunteer work

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

Declaration of SDGs

Maruzen Pharmaceuticals considers that contributing to the achievement of “Sustainable Development Goals (SDGs)” is a responsibility to be independently fulfilled, in agreement with the SDGs proposed by the UN, and hopes to contribute to the achievement of SDGs by working to solve social and environmental issues, etc., through its business activities. Focusing on useful plants from nature, we apply functional ingredients as materials in the fields of pharmaceuticals, cosmetics, health foods, food additives, etc.

To contribute toward the healthy and full lives of people through our business, we have strive to carry out daily business activities with responsibility for the future of everyone involved in our business and for the global environment.

By using the original check sheet that has been created based on the “basic matters expected from the market and society in terms of SDGs” published by the Kanto Bureau of Economy, Trade and Industry of the Ministry of Economy, Trade and Industry, we have confirmed the status of our efforts for SDGs and distributed an SDGs badge to raise the awareness of all employees for contribution to SDGs.

This badge was made using thinned wood in the Obayashi area of Asakita Ward, Hiroshima City, which was damaged by landslides due to 2 torrential rains in 2014 and 2018. By wearing the badge, we are working on our daily work while raising our awareness of climate change measures and protecting the richness of the green environment.

By comprehensively addressing these points, we will strive to put our management philosophy and corporate philosophy into practice and improve our corporate value.

SUSTAINABLE DEVELOPMENT GOALS



*These are the 17 goals for the period from 2016 to 2030 as described in the “2030 Agenda for Sustainable Development,” adopted by 193 countries at the UN Summit in September 2015. (From the website of the United Nations Public Relations Center)

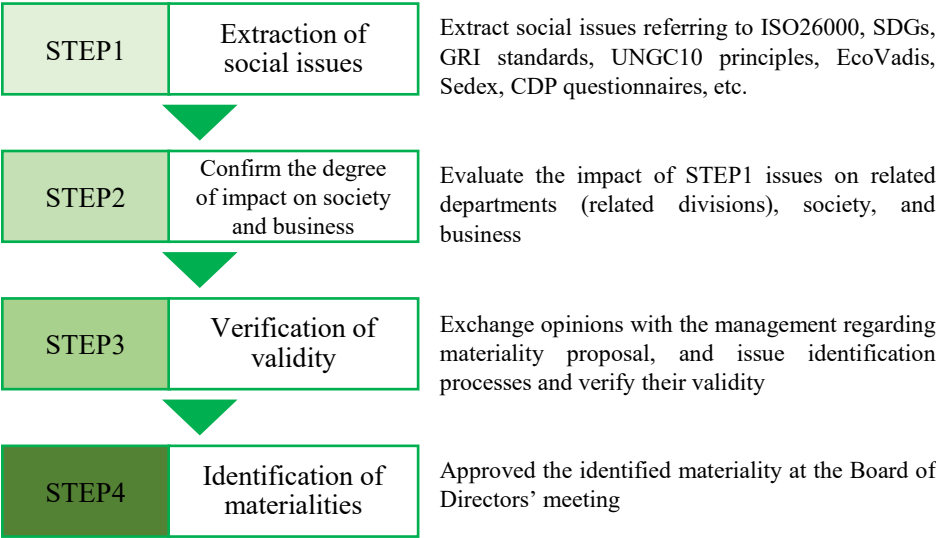
Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Identification of Materialities (Important Theme/Important Issue)

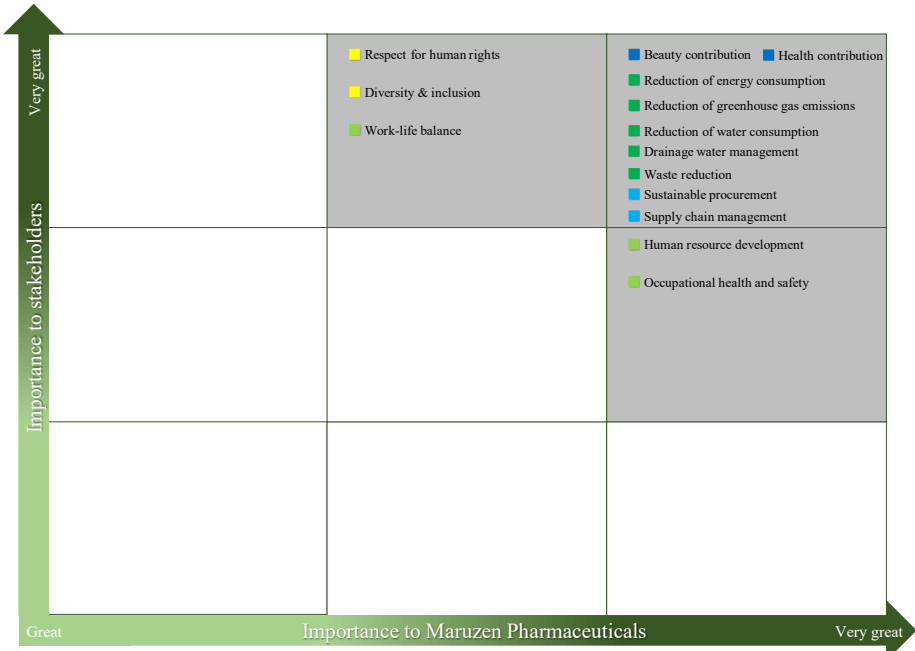
To realize the management vision and contribute to SDGs, Maruzen Pharmaceuticals has envisioned what we want to be in 2050, backcasted from the image of society in 2050, and considered materialities (important themes and issues) that should be addressed by 2050 and 2030, and identified materiality through the following steps in FY2022.

We believe that materialities should be important for both our company business and society, taking into account the sustainability of our business, the global environment, and society. After the identification of materialities, we will set targets and key performance indicators (KPIs) for each materiality based on the advice from internal and external stakeholders, incorporate them as important issues in the medium-term management plan (April 2024 to March 2030) that will be newly started from FY2024, and promote management and sustainability.

Materiality identification process



Materiality Map



- To identify materialities:
- 1) First, narrow down the “relationship” between social issues and corporate activities in consideration of the impact on sustainable development from the viewpoint of the organization (company).
 - 2) Next, to determine the “importance” of the relationship, consider the degree of impact on stakeholders and sustainable development, expectations from society, and effects of actions from the stakeholder’s perspective.
 - 3) The following criteria will be used as a basis for determining “importance:”
 - (1) Degree of impact of the issue on stakeholders and sustainable development
 - (2) Impact of taking action or not taking action on the issue
 - (3) Level of concerns that stakeholders have about the issue
 - (4) Does society expect such responsible actions regarding these impacts?
- ★Stakeholders with priority for Maruzen Pharmaceuticals
i) Customer ii) Employee iii) Region

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

Materiality (Important Theme/Important Issue)

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Contribution to Beauty and Health	Development of Products that Contribute to Beauty and Health	We will pass on the blessings of nature to the world, support a healthy society, and realize a future where everyone will continue to smile.	■ Food We will carry out product development with the keyword of extending healthy life expectancy as we approach the era of a 100-year lifespan. We will manufacture products that our customers can trust, not only with regard to functional aspects, such as product effectiveness and safety, but also with regard to sustainable raw material procurement. ■ Cosmetics We will develop cosmetic ingredients that are trusted in a variety of aspects, including evidence-based effectiveness, safety, and sustainability, and thoroughly support our customers in creating value.	   
	Reduction of Energy Consumption	We aim to reduce energy consumption intensity by 40% versus that in FY2013.	We aim to reduce energy intensity by 20% versus that in FY2013.	  
Reduction of Environmental Loads	Reduction of Greenhouse Gas Emissions	We aim to achieve net zero greenhouse gas emissions (carbon neutral).	We aim to reduce greenhouse gas emission by 46% in Scopes 1 and 2, versus that in FY2013. In Scope 3, we will grasp emissions by 2027 and aim to reduce them toward 2030.	  
	Reduction of Water Usage and Management of Drainage Water	We will provide technical support to reduce environmental loads at our suppliers and manage water throughout the supply chain.	We aim to reduce water resource consumption intensity (water withdrawal) by 10% versus that in FY2013.	  
	Reduction of Waste Generation	We aim to achieve zero waste emissions by promoting the 5Rs (reduce, reuse, recycle, renewable, and repair).	We will conduct material flow analysis and aim to reduce the amount of waste generated. Reduce: Reduction of plastic used Renewable: 100% effective use of extracted raw material residue (composting/fuel/feed)	    

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Sustainable Procurement and Supply Chain Management	Sustainable Procurement	We will promote "Sustainable Procurement Policy" for all raw materials in cooperation with our suppliers, aiming for sustainable procurement that does not tolerate human rights and labor issues, such as child labor and forced labor, and environmental destruction.	We will promote the "Sustainable Procurement Policy" for major raw materials in collaboration with our suppliers, aiming for sustainable procurement that does not tolerate human rights and labor issues, such as child labor or forced labor, and environmental destruction.	     
	Supply Chain Management	According to the "Supplier Code of Conduct," we will conduct monitoring surveys of domestic and overseas suppliers, aiming to understand and respond to issues such as human rights, labor, and the environment throughout the supply chain.	According to the "Supplier Code of Conduct," we will conduct monitoring surveys of domestic and overseas suppliers, aiming to understand and respond to issues such as human rights, labor, and the environment throughout the supply chain.	        
Respect for Human Rights	Respect for Human Rights	We will work to reduce human rights risks for stakeholders and provide human rights education for employees, aiming to create an environment where employees can work energetically and develop their abilities.	We will work to reduce human rights risks for stakeholders and provide human rights education for employees, aiming to create an environment where employees can work energetically and develop their abilities.	     
	Diversity & Inclusion	We aim to create a rewarding work environment where diverse human resources can demonstrate their individuality and abilities, accept each other, and work energetically.	We aim to create a rewarding work environment where diverse human resources can demonstrate their individuality and abilities, accept each other, and work energetically. We aim to create an environment where people with disabilities, women, and seniors can play an active role.	  
Respect for Human Rights (Labor Practices)	Work-Life Balance	We aim to create a workplace where each employee can demonstrate their abilities and work with satisfaction according to their individual lifestyles.	We aim to create a workplace where each employee can demonstrate their abilities and work with satisfaction according to their individual lifestyles.	 
	Occupational Health and Safety	We aim to ensure compliance with laws and regulations regarding occupational safety and health, safety awareness, and equipment safety, and ensure that our employees can work safely, with good health, and comfortably.	We aim to create a work environment where employees can work safely, with good health, and comfortably by strengthening the foundation for safe operations by thoroughly implementing basic rules on health and safety and improving equipment and work procedures based on compliance with laws and regulations regarding occupational health and safety.	 
	Human Resource Development	We aim to develop human resources who can produce results by allowing each employee to make the most of their various abilities and take on the challenge of achieving high goals.	We aim to develop human resources who can produce results by allowing each employee to make the most of their various abilities and take on the challenge of achieving high goals.	  

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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Sustainability information platform

Sedex

Supplier Ethical Data Exchange (Sedex) is a UK NPO member organization that aims to promote responsible procurement activities, and provides a platform where members can share information on responsible business practices.

Maruzen Pharmaceuticals joined the program in 2016 and registered the following 3 sites: Headquarters Factory, Shin Onomichi Factory, and Miyoshi Factory.

As a supplier, we answer the Self-Assessment Questionnaire (SAQ) and share information through the platform in order to respond to the request for sharing ethical information from business partners.



EcoVadis

EcoVadis, Inc., is an organization established in 2007 that aims to improve the environmental and social practices of companies through their global supply chains and evaluates companies' ESG-related initiatives. For more than 100,000 companies in approximately 175 countries and in approximately 200 industries, we evaluate corporate policies/measures/achievements in the 4 areas of "environment," "labor and human rights," "ethics," and "sustainable material procurement," and issue a scorecard.

Maruzen Pharmaceuticals joined the program in 2018 and has responded to questionnaires in the 4 areas.

In 2024, we received a "Gold" rating, which corresponds to being in the top 5% (cutoff score: 73 points).

	FY2020	FY2021	FY2022	FY2023	FY2024
Rating					
Percentile	74th	82nd	89th	93rd	98th
Overall score	54/100	59/100	65/100	70/100	79/100

CDP

CDP is an international environmental nonprofit, nongovernmental organization (NGO) established in the UK in 2000. Operated by institutional investors, it provides companies with questionnaires on climate change, water, forests, etc., asks them to disclose information, and scores each company based on their responses.

Maruzen has been answering questions on "climate change" and "water security" since 2016.

In FY2024, we achieved a "B" rating in both climate change and water security.



	FY2020	FY2021	FY2022	FY2023	FY2024
Climate change	C	D	B-	B-	B
Water security	C	C	C	B	B

Penetration of Sustainability/CSR Awareness

Maruzen Pharmaceuticals believes that business activities can be made sustainable as the corporate philosophy and awareness of sustainability and CSR are spread to each and every employee. In order to penetrate them into all employees, we are making the following efforts:

Distribution of the “Management Philosophy/Company Policy Card”

In order to further penetrate the “Management Philosophy” and “Company Policy” and make them common to all employees, we have created and distributed pocket-sized cards that can be always carried by employees.

The “Corporate Policy” is a written statement of the company’s philosophy, drafted and adopted by former Chairman Heishiro Higurashi, to commemorate the company’s 20th anniversary. A workplace where people can communicate with each other is described as a happy workplace, and the beauty of working with sincerity and being strict with oneself and thinking and acting from the other person’s perspective is taught.

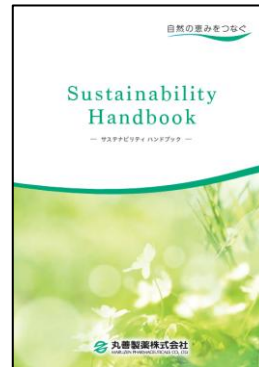


Distribution of the “Sustainability Handbook”

We are distributing the “Sustainability Handbook,” which summarizes our management philosophy and various policies, to our employees.

– Contents –

- Purpose • Management Philosophy • Company Policy
- Corporate Song • Ethics Policy/Code of Conduct
- Basic Sustainability Policy • Environmental Policy
- Human Rights Policy • Quality Policy
- Sustainable Procurement Policy
- Employee Consultation Desk (Internal/External)
- Medium-Term Management Plan

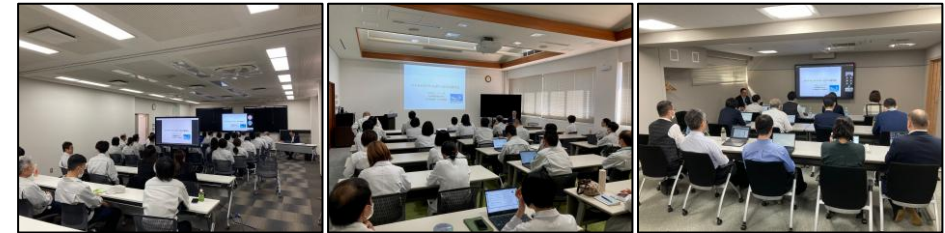


Holding a briefing session for “Sustainability Report 2024”

Maruzen Pharmaceuticals has released Sustainability Reports on its website since FY2023 and held briefing sessions to deepen employees’ understanding.

In FY2024, we held 6 briefing sessions in total at 6 locations (Headquarters Factory, Miyoshi Factory, Shin Onomichi Factory, Research Center, Tokyo Branch, and Osaka Branch).

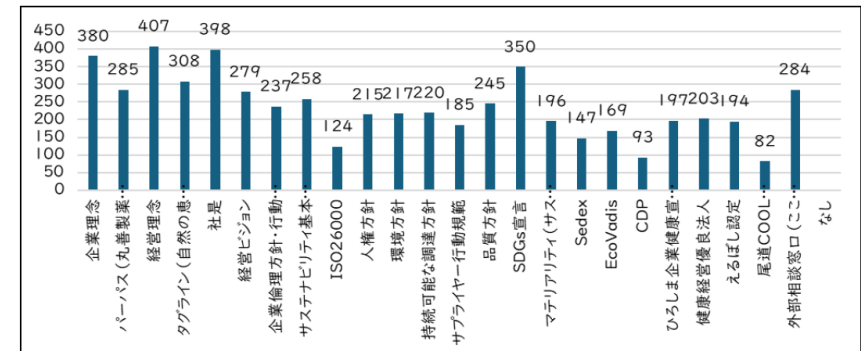
After the briefing session, we conducted a questionnaire to check the level of understanding and awareness of the company’s initiatives. We will continue to implement it in and after FY2025 to check the level of understanding of the content and the level of awareness of the initiatives.



[Briefing session questionnaire - Excerpt]

Q) Please check all that you know about the company’s efforts.

2024 年度 (431 人)



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1. Organizational Governance

We strictly adhere to corporate ethics and conduct business activities in compliance with laws and regulations.

We also conduct transparent management with an organizational structure that allows for prompt decision-making.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Corporate Governance

Management supervision and system for business execution

At Maruzen Pharmaceuticals, the Board of Directors makes resolutions on important management matters, and the Management Committee, which also includes Corporate Officers, confirms the status of business execution. Auditors conduct accounting audits.

In addition, under the Corporate Officer system, the Corporate Officers fulfill their duties under the supervision of the Board of Directors and President to ensure expedited and appropriate management decision-making.

Board of Directors

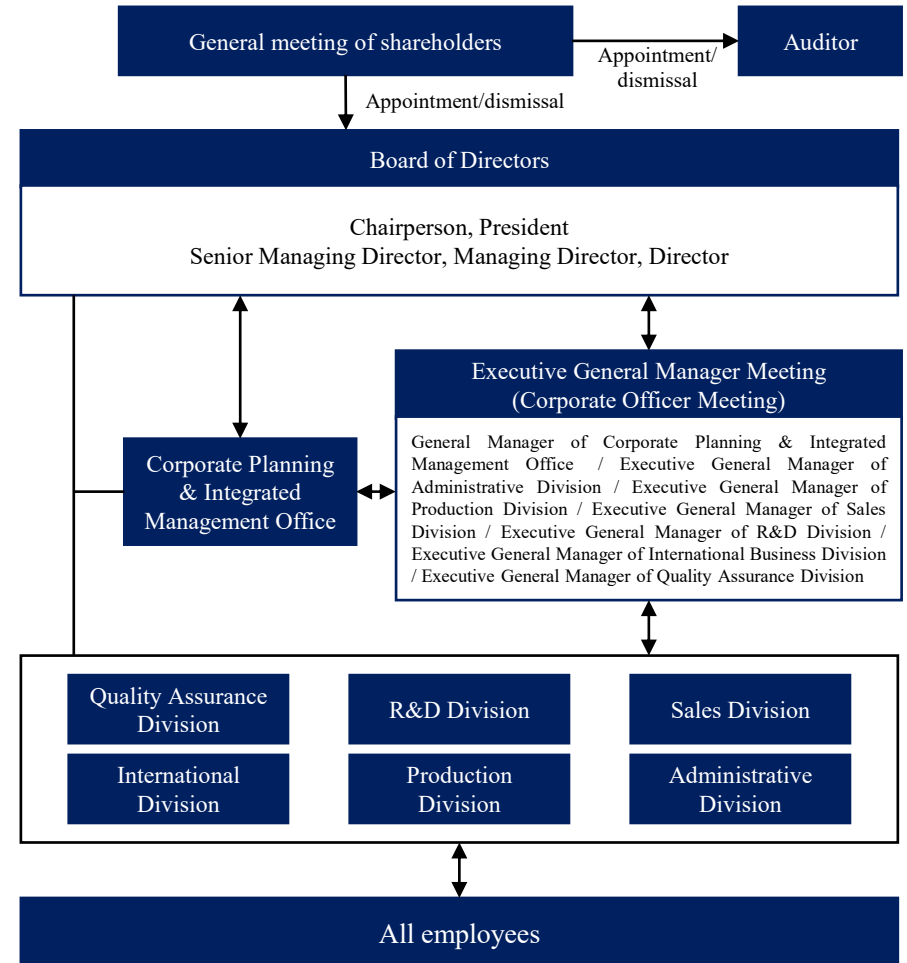
The Board of Directors consists of all Directors (6 members) and is held immediately after the General Meeting of Shareholders and once a month.

The Board of Directors, where the President serves as chair, resolves matters stipulated in laws and regulations, and our company's "Regulations for the Board of Directors" receives reports and supervises the execution of the duties of Directors and Corporate Officers.

Selection criteria, term of office, and expertise and experience of directors

Directors are selected at the general meeting of shareholders, taking into consideration their diversity, independence, and capabilities and competence related to the impact of the organization. Candidates are required to have broad knowledge and extensive experience in corporate management, our businesses, finance and accounting, legal affairs, compliance, and internal control. The term of office of a director is "until the conclusion of the ordinary general meeting of shareholders for the final fiscal year ending within two years after their selection."

Internal control system



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Corporate Governance

Expert committee

Name of the committee	Responsible division
Working Hours Setting and Improvement Committee	Administrative Division
Safety and Health Committee	Production Division Research and Development (R&D) Division Administrative Division
Internal Ethical Consideration and Review Committee	R&D Division
Energy Management Committee	Production Division Administrative Division
Invention Review Committee	Administrative Division R&D Division

Variable remuneration will strongly reflect the performance of the relevant fiscal year in order to enhance short-term incentives for achieving annual business plans.

[Remuneration Determination Process]

Directors' remuneration is determined by the Officer Work Regulations, and the total amount of remuneration is determined by resolution of the General Meeting of Shareholders. The allocation for each director will be determined by the President based on the highest employee salary.

Allowances are based on the relevant regulations, and retirement benefits are determined by the Officer Retirement Benefits Regulations.

Management Committee

Maruzen Pharmaceuticals' Management Committee, under the supervision of the Board of Directors and President, is a forum where Corporate Officers also take part to review the status of business execution and discuss important matters.

At the Management Committee, our company philosophy, purpose, and various sustainability-related policies are approved, and materiality is discussed.

Basic Policy on Director Remuneration

[Remuneration Policy]

Directors' remuneration consists of fixed remuneration as executive remuneration, variable remuneration as bonuses (regular and special), allowances for commuting, relocation, travel expenses, etc., and retirement benefits upon retirement.

Directors' fixed remuneration is designed according to roles and responsibilities as basic remuneration for the performance of their duties, so as to prevent their actions from being short-term or partial.

2) Compliance

The officers and employees of Maruzen Pharmaceuticals work together to ensure compliance with laws and regulations in our company's regulations, and conduct fair corporate activities that are thoroughly compliant with laws and regulations. When laws and regulations related to corporate activities are enacted or amended, the general affairs department plays a central role in notifying everyone within the company to make it known thoroughly.

Establishment of a reporting desk

Maruzen Pharmaceuticals has set up a Compliance Consultation and Reporting Desk in case any violation of company regulations, including laws, regulations, and ethical standards is found. Employees can use this desk for consultations or to submit reports, and the information received is carefully examined to accurately determine the facts and take appropriate corrective measures as necessary.

Considering that it may be psychologically difficult for employees to consult the internal consultation desk, we have created an environment where it is easy to consult by setting up an external consultation desk.

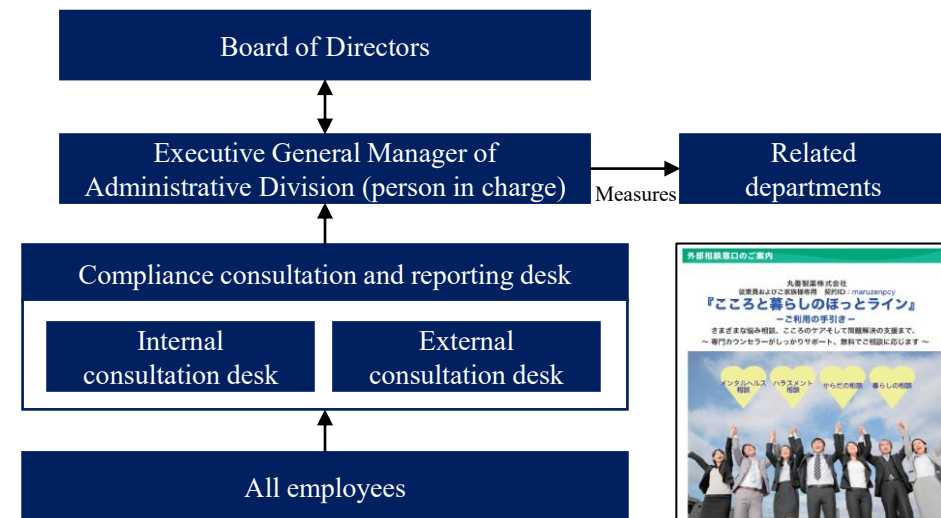
At the external consultation desk, professional counselors provide telephone, web, in-person, and online consultations, and unless requested by the consultation seeker, employees can consult with the experts in a private environment without notifying the company of the details of the consultation.

The company will only be notified of the details of a case if it pertains to compliance or harassment, if the number of consultations on these issues is reported, and if the individual seeking the consultation requests that the company be informed. The company will be contacted only with the information that the consulting person agrees to share. This process enable us to take appropriate action as a company.

When investigating reports, we give the utmost consideration to the privacy and confidentiality of the reporting person, and we make it known through internal documents and notices posted at offices that the reporting person who reports in good faith will not be dismissed, transferred, discriminated against, or treated unfairly as a result of making a report. Furthermore, even after the consultation or

report has been dealt with, we will provide sufficient follow-up, such as checking whether the consulting or reporting person is not being treated unfairly or harassed in the workplace.

Compliance response system



[Number of consultations and whistleblowing cases on compliance]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Internal consultation desk	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases
External consultation desk				0 cases	0 cases	0 cases

In FY2024, there were zero reports of compliance-related issues received by the Consultation and Reporting Desk. If compliance violations are discovered, or situations arise that could lead to them, we will continue to take the necessary corrective measures and thoroughly implement measures to prevent similar problems from recurring.

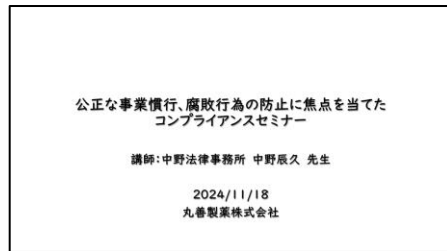
Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Compliance

Compliance education

To achieve thorough compliance, it is necessary to raise individual awareness of compliance, which requires continuous education.

In FY2024, we invited external lecturers to provide compliance training for directors and employees.



[Past training on compliance & governance]

~Directors~

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible directors	-	-	-	-	6	6
Number of attendees	-	-	-	-	6	2
Attendance rate	-	-	-	-	100.0%	33.3%

~Managers~

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	-	-	-	-	64	71
Number of attendees	-	-	-	-	52	64
Attendance rate	-	-	-	-	81.3%	90.1%

~Employees~

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	-	-	-	-	-	457
Number of attendees	-	-	-	-	-	427
Attendance rate	-	-	-	-	-	93.4%

Regulatory compliance

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of violations of labor laws and regulations	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases
Number of violations of environmental laws and regulations	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases
Fines and charges for violations of socioeconomic laws and regulations	0 yen	0 yen	0 yen	0 yen	0 yen	0 yen
Number of violations other than those related to socioeconomic laws and regulations	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases
Fines and charges for violations other than those related to socioeconomic laws and regulations	0 yen	0 yen	0 yen	0 yen	0 yen	0 yen

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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3) Risk Management

To conduct risk management, Maruzen Pharmaceuticals has established regulations and guidelines for risks and built a cross-organizational management system to accurately deal with disaster and accident risks, information security risks, and quality risks.

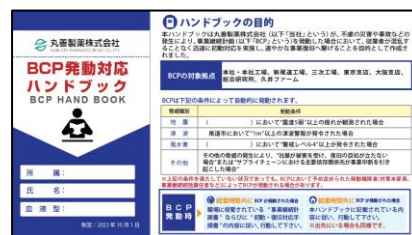
Business Continuity Plan (BCP) initiatives

Maruzen Pharmaceuticals manufactures and distributes herb extracts for pharmaceuticals, quasi-drugs, cosmetics, food additives, food, and health food as our main businesses. If these businesses were to be interrupted, it would have a significant impact on customers who use our products and services, and we would lose the trust of our customers. In response to various threats that could disrupt our businesses, we have developed a business continuity plan and declared that we will make continual improvement to address changes in the internal and external environment.

As we develop a BCP, we will comply with laws and regulations related to business continuity, domestic and international guidelines, and other norms, as well as strengthen resilience and ability to adapt to climate-related and natural disasters in order to achieve the sustainable development goals.

The “BCP Handling Handbook” is distributed to all employees so that they can quickly implement initial responses without confusion and lead to prompt business recovery when the BCP is activated due to unexpected disasters, accidents, etc.

BCP training is provided to all employees to improve their awareness of business continuity and organizational response abilities.



[Past training on BCP for managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	-	-	-	-	64	71
Number of attendees	-	-	-	-	64	0
Attendance rate	-	-	-	-	100.0%	0.0%

[Past training on BCP for employees]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	-	-	-	-	466	457
Number of attendees	-	-	-	-	466	13
Attendance rate	-	-	-	-	100.0%	2.8%

Information security initiatives

To protect information assets, such as confidential information and personal information from all threats, including cyberattacks, Maruzen Pharmaceuticals has formulated an “Basic Information Security Policy” after deliberation by the Board of Directors and has decided to promote information security initiatives based on this policy since April 2025.

From now on, we will strive to maintain information security while making continuous improvements in order to live up to the trust of our customers, business partners, and society.

Basic Information Security Policy

Maruzen Pharmaceuticals Co., Ltd. (hereinafter referred to as “the Company”) will protect information assets (hereinafter referred to as “Information Assets”), such as confidential information and personal information entrusted to us by our customers and business partners or held by the Company, from threats, such as accidents, disasters, and crimes, and will strive to maintain information security by establishing the Basic Information Security Policy as a guide for our information security efforts in order to live up to the trust of our customers, business partners, and society.

1. Management Responsibility

The Company will strive to improve and enhance information security in an organized and continuous manner under the leadership of the management.

2. Establishment of Internal Regulations on Information Security

In order to protect the confidentiality, integrity, and availability of Information Assets, the Company has established Information Security Standards as internal regulations on information security, and will take organizational, human, physical, and technical measures.

3) Risk Management

3. Establishment of an information security promotion system

In order to protect information assets, the Company has organized an Information Security Committee based on the Information Security Standards and will strive to promote information security measures.

4. Education and training on information security

The Company will provide the necessary education and training to ensure that the management and employees are fully aware of the importance of information assets and handle them appropriately to prevent information leaks.

5. Continual improvement of information security measures

The Company will regularly evaluate the effectiveness of our information security measures and review the Information Security Standards, rules related to information security, and the information security promotion system to continuously improve our information security measures.

6. Compliance with laws, regulations, etc.

The Company complies with laws, regulations, standards, and contractual security requirements related to information security.

7. Response to violations and incidents

In the event of any violation of laws, regulations, standards, or contracts related to information security, or any information security incident, the Company will take appropriate action and make efforts to prevent recurrence.

Established: April 1, 2025

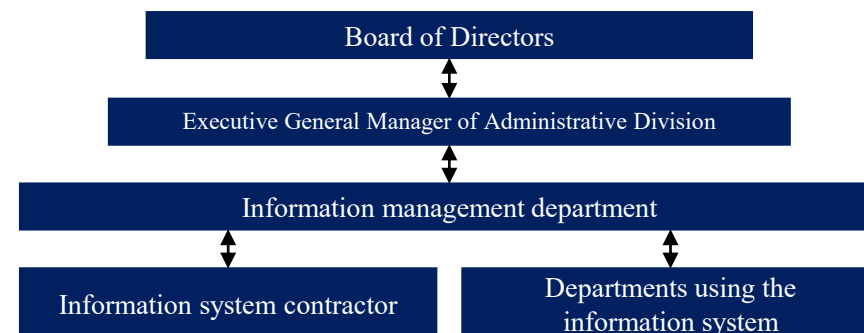
President

Yasuhiro Higurashi

Information security promotion system

Maruzen Pharmaceuticals has established a system whereby important matters related to information security are raised as agenda items for deliberation at monthly meetings of the Board of Directors, as needed.

Information security issues are reviewed quarterly based on the basic action plan and quantitative plan, and are reported to the Board of Directors at the Executive General Manager Meeting (Corporate Officer Meeting).



Information security measures

The basic approach of Maruzen Pharmaceuticals is to implement the following multifaceted security measures:

Measure classification	Measure details
Organizational measures	Establishment of an information security response system Establishment of an information sharing system with information system contractors
Institutional measures	Establishment of security standards and standards documents
Human measures	Periodic information security training
Physical measures	Measures to prevent loss of computers, mobile phones, etc., and access control measures Use of data centers with fully equipped access control systems
Technical measures	Implementation of measures against malware and vulnerabilities

3) Risk Management

We maintain servers and data in a data center with excellent seismic isolation structures, perform regular backups and store them externally, and strive to reduce risk by promoting cloud computing. For the use of information communication devices such as personal computers and software when working from home, etc., we have established a security-oriented use environment and made the relevant regulations known to employees.

Information security education

In preparation for cyberattacks, we continue to take cutting-edge security measures, such as enhanced monitoring with an intrusion detection service that is available 24 hours and 365 days, and measures to prevent secondary infection using infection spread detection technology. We have introduced a system to counter targeted email attacks and have strengthened our measures not only to prevent intrusions but also to detect and analyze attacks in the event of an attack.

In addition, as part of information security education and regular awareness-raising activities, we conduct “training on targeted email attacks” for officers and employees. The purpose of the email training is to “strengthen the awareness of information security risks” among officers and employees, as well as to analyze the training results and use them for future security measures. After the training, we report the results of the analysis and the risks surrounding information security.

[Past training on Information Security for managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	61	63	61	63	64	71
Number of attendees	61	63	61	63	64	71
Attendance rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

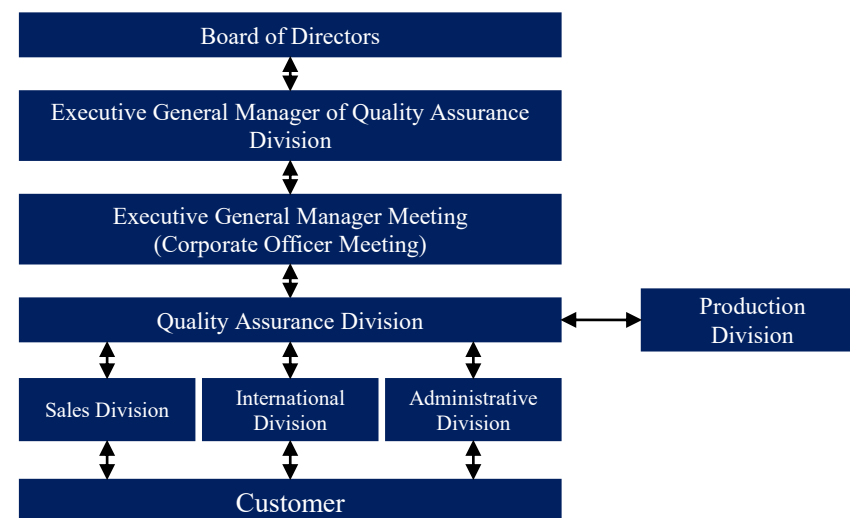
[Past training on Information Security for employees]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	409	417	422	437	466	457
Number of attendees	409	417	422	437	466	457
Attendance rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Actions to be taken when a complaint occurs

When a complaint occurs, the Quality Assurance Division of Maruzen Pharmaceuticals plays a central role in clarifying the cause and countermeasures and in taking prompt action. In the event of a serious complaint, it is promptly reported to the Board of Directors and appropriate measures are taken. Complaint information is also rolled out to relevant departments to help prevent recurrence. Similarly, when it comes to problems during manufacturing, causes and countermeasures are clarified and information is shared to help prevent recurrence.

Serious product complaint handling system



[Number of product recalls/health and safety issues]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of product recalls	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases
Number of health and safety issues	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2. Human Rights

We respect the human rights of all people affected by our activities.

1) Respect for Human Rights

Maruzen Pharmaceuticals has been developing its business and conducting its activities with a clear sense of purpose and philosophy of enjoying the joy that comes from the company's mission statement, "to offer you the vitality of nature to enhance health, beauty, and humanity." In order to deliver the blessings of nature to the world in harmony with the assets of "people, society, business, and nature," it is important to build a society where human rights around the world are protected and respected.

In order to recognize the potential to directly or indirectly impact human rights in the entire value chain and respect the human rights of all "people" involved in the business, we have formulated a "Human Rights Policy" after deliberation at the Board of Directors in February 2022. We will promote efforts to respect human rights under this policy and contribute to the realization of a sustainable society while making continuous improvements.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Respect for Human Rights	Respect for Human Rights	We will work to reduce human rights risks for stakeholders and provide human rights education for employees, aiming to create an environment where employees can work energetically and develop their abilities.	We will work to reduce human rights risks for stakeholders and provide human rights education for employees, aiming to create an environment where employees can work energetically and develop their abilities.	

Human Rights Policy

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

To achieve this, we have formulated a "Human Rights Policy," and we will promote activities to respect human rights, which are the fundamental rights that all people are born with, and permanently realize them.

1. Basic Philosophy

Maruzen Pharmaceuticals supports the International Bill of Human Rights (the "Universal Declaration of Human Rights," the "International Covenant on Economic, Social and Cultural Rights," and the International Covenant on Civil and Political Rights") and the International Labor Organization (ILO Declaration) and respects human rights as defined. In addition, we support the "UN Guiding Principles on Business and Human Rights" and fulfill our responsibility toward respecting human rights by taking initiatives based on the above principles.

2. Fulfilling Responsibility to Respect Human Rights

Maruzen Pharmaceuticals strives not to violate any human rights. If we discover that Maruzen Pharmaceuticals' business activities have a negative impact on human rights, we will take appropriate measures to correct them and fulfill our responsibility of respecting human rights.

3. Scope of Application

This policy applies to all officers and employees of Maruzen Pharmaceuticals. We will also ask all business partners and suppliers involved in Maruzen Pharmaceuticals' products and services to understand and support this policy, and encourage them to strive to respect human rights.

4. Applicable Laws and Regulations

Maruzen Pharmaceuticals will comply with laws and regulations in each country where its business activities take place. If there is any conflict between the laws and regulations of each country and the internationally accepted human rights norms, we will pursue methods to respect the international human rights norms.

5. Implementation of Human Rights Due Diligence

Maruzen Pharmaceuticals will establish a system for human rights due diligence and implement it on an ongoing basis. We will identify the negative impacts on human rights that Maruzen Pharmaceuticals' business activities have on society, and work to prevent and reduce them.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Respect for Human Rights

6. Remedy

If it becomes clear that Maruzen Pharmaceuticals' business activities have caused a negative impact on human rights, or if Maruzen Pharmaceuticals' involvement through business partners, etc., has been revealed, we will work to remedy the situation through appropriate procedures.

7. Dialog and Discussion

Maruzen Pharmaceuticals will engage in dialog and consultation with stakeholders and independent external experts in the course of implementing this policy.

8. Education and Training

Maruzen Pharmaceuticals will provide appropriate training and education to all officers and employees to ensure that this policy is incorporated into all of Maruzen Pharmaceuticals' business activities and implemented effectively.

9. Disclosure of Information

Maruzen Pharmaceuticals will report on its efforts to respect human rights and the progress of human rights due diligence.

10. Person in Charge

Maruzen Pharmaceuticals will clarify who is responsible for the implementation of this policy and will oversee the implementation.

Established: February 9, 2022

President



Human Rights Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/hum>

Human rights due diligence

The “UN Guiding Principles on Business and Human Rights” outlines the company's obligation to respect basic human rights, the national government's obligation to protect human rights, and the remedies for those who have suffered human rights violations. In 2020, the Japanese government released a “National Action Plan (NAP) on Business and Human Rights” in line with the “UN Guiding Principles on Business and Human Rights.”

Maruzen Pharmaceuticals has established a human rights due diligence system with the aim of respecting human rights in its business activities, based on the United Nations “Guiding Principles on Business and Human Rights.” To identify, mitigate, and prevent human rights risks within the company and throughout our supply chain, we have set priorities according to anticipated human rights risks, and the General Affairs, Human Resources, Legal, Purchasing, and ESG Promotion departments are working together to implement the initiative in stages.

For our employees, we are working to identify, reduce, and prevent risks in the areas of occupational health and safety, harassment, gender-related human rights issues, and bribery and corruption. As a specific initiative, we have considered conducting an employee questionnaire on human rights and have decided to implement it in FY2025.

We have confirmed that there is no child labor, forced labor, or human trafficking within our company.

For our supply chain, we have set priorities based on anticipated human rights risks and promote engagement activities, such as conducting surveys, exchanging information on sustainability initiatives, and sharing best practices.

If it is revealed through such activities that the business activities of Maruzen Pharmaceuticals are causing or contributing to a negative impact on human rights, we will consult the relevant stakeholders and take appropriate steps to correct or remedy the situation.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Respect for Human Rights

In FY2023, we identified 14 human rights materiality issues based on the “Detailed version of ‘Business and Human Rights: Detailed Guidance for Companies’ (Ministry of Justice).”

[Areas of human rights that companies should respect]

No.	Human rights issues	Our company	Supply chain	No.	Human rights issues	Our company	Supply chain
01	Wage shortage/unpaid, living wages	○	◎	14	Human rights issues related to technology and artificial intelligence (AI)	○	
02	Excessive or unfair working hours			15	Privacy rights	○	
03	Occupational Health and Safety	◎	◎	16	Consumer safety and right to know		
04	Right to receive social security			17	Discrimination	○	◎
05	Power harassment	◎		18	Human rights issues related to gender (including sexual minorities)	◎	◎
06	Sexual harassment	◎		19	Freedom of expression		
07	Maternity/paternity harassment	◎		20	Rights of indigenous peoples and local residents	○	○
08	Nursing care harassment	◎		21	Human rights issues related to environmental and climate change		○
09	Forced labor		◎	22	Intellectual property rights		
10	Freedom of movement			23	Bribery and corruption	◎	○
11	Freedom of association	○		24	Human rights issues related to supply chain	◎	◎
12	Rights of foreign workers		◎	25	Right to access remedy	◎	○
13	Child labor		◎	◎: Very important ○: Important			

*Excerpts from the detailed version of “Responses to business and human rights” that are now required of companies (Ministry of Justice)

Addressing harassment

Maruzen Pharmaceuticals has made efforts to improve the work environment while disclosing the “Declaration of Harassment” internally to prevent any harassment, including power harassment, sexual harassment, and harassment related to pregnancy, childbirth, childcare leave, and family care leave.

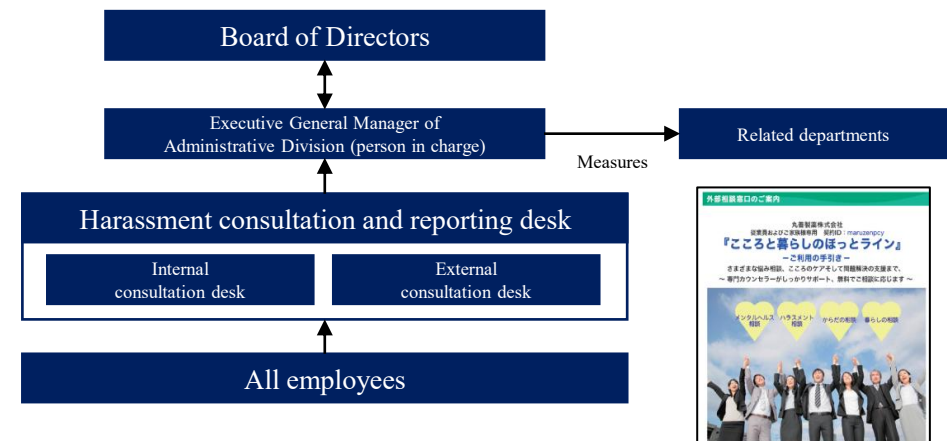
A “harassment consultation and reporting desk” has been established to address various acts of harassment, increase employees’ awareness, and promote behavior change.

Considering that it may be psychologically difficult for employees to consult the internal consultation desk, we have also set up an external consultation desk.

At the external consultation desk, professional counselors provide a variety of means of consultation, including telephone, web, in-person, and online, and unless agreed by the consultation seeker, the matter will not be reported to the company. Under such a system, employees can consult with experts with peace of mind in a private environment.

As a periodic awareness-raising activity, we make efforts to spread awareness of harassment prevention within the company by conducting “training on human rights (discrimination and harassment)” for officers and employees.

Harassment response system



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Respect for Human Rights

[Number of whistleblowing cases of discrimination/harassment]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of whistleblowing cases	0 cases	1 case	0 cases	3 cases	1 case	0 cases
Internal consultation desk	0 cases	0 cases	0 cases	2 cases	0 cases	0 cases
External consultation desk				1 case	1 case	0 cases

[Past training on BCP for employees]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	409	417	422	437	450	457
Number of attendees	409	417	422	437	450	94
Attendance rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[Total number of discrimination cases]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total number of discrimination cases	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases

Human rights education

In FY2024, we conducted workplace harassment prevention training (video viewing type) for manager-level employees.



[Past human rights training for managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	-	-	-	63	64	71
Number of attendees	-	-	-	63	52	71
Attendance rate	-	-	-	100.0%	81.3%	100.0%

2) Diversity & Inclusion

Maruzen Pharmaceuticals respects diversity and promotes to create a workplace where everyone can work comfortably and feel rewarded while accepting each other. We promote employment that is free of all forms of discrimination and strive to create an environment where diverse human resources can fully demonstrate their individuality and abilities. We will create a workplace where we can work energetically by embracing diversity and respecting each other and aim to continuously create new value. We recognize that promoting diversity and inclusion is indispensable for sustainable corporate management in today's rapidly changing market environment.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Respect for Human Rights	Diversity & Inclusion	We aim to create a rewarding work environment where diverse human resources can demonstrate their individuality and abilities, accept each other, and work energetically.	We aim to create a rewarding work environment where diverse human resources can demonstrate their individuality and abilities, accept each other, and work energetically. We aim to create an environment where people with disabilities, women, and seniors can play an active role.	   

Diversity recruiting

Maruzen Pharmaceuticals respects diversity and provides a work environment where people of all backgrounds can thrive. Since our founding, we have been nurtured by the mild climate and culture of Onomichi. We value our “people” and strive to bring out their full potential.

We respect the diverse values and skills of our employees and value working together to achieve our personal dreams and goals. We want to be a company where we can grow together while overcoming difficulties and failures and sharing joys and sorrows.

We aim to create a workplace where diverse people can work together and share joys, regardless of their generation, age, gender, nationality, or borders. Now that diversity and the sharing of various values are required, we are looking for people who can help us discover and open up new possibilities.

Maruzen Pharmaceuticals is looking for:

- Individuals who bring about change through ingenuity
- Individuals with a desire to learn and continue to embrace challenges
- Individuals with an appreciative outlook

Promotion of women empowerment

Maruzen Pharmaceuticals believes that women empowerment is essential to further increase corporate value. We have formulated an action plan based on the "Women's Advancement Promotion Law," and are working to create an environment that supports the balance between work and childcare so that female employees can play an active role in the long-term.

In FY2024, the percentages of female employees and female managers are 33.3% and 14.1%, respectively, and the difference in years of service between men and women is 4.9 years.

In the action plan based on the Women's Advancement Promotion Law, formulated in 2024, we have identified the low percentage of female managers as an issue and set goals of increasing the number of female managers to 15 or more and raising the paid leave-taking rate to 65% or more by FY2029.

In order to continue to be a company where everyone can play an active role regardless of gender, we will work to provide training programs that support employees to work with confidence and aim for career advancement, as well as enhance training programs to help managers acquire necessary skills.

Certification regarding women empowerment

[L-boshi certification]

The implementation status of initiatives related to promoting women empowerment has been recognized as being excellent, and on June 15, 2023, we received 3 stars (third stage) of "L-boshi certification."

We will continue to maintain our 3-star certification in FY2024.



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Diversity & Inclusion

[Number of employees/female ratio]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
All employees	409	417	422	437	450	457
Male	288	287	291	298	302	305
Less than 30 years old	-	-	-	-	63	55
30 to 50 years old	-	-	-	-	150	155
Over 50 years old	-	-	-	-	89	95
Female	121	130	131	139	148	152
Less than 30 years old	-	-	-	-	35	35
30 to 50 years old	-	-	-	-	81	85
Over 50 years old	-	-	-	-	32	32
Female ratio	29.6%	31.2%	31.0%	31.8%	32.9%	33.3%

[Number of full-time employees/female ratio]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Full-time employees	381	387	397	411	425	430
Male	277	276	284	289	29	291
Less than 30 years old	-	-	-	-	58	49
30 to 50 years old	-	-	-	-	148	153
Over 50 years old	-	-	-	-	86	89
Female	104	111	113	122	133	139
Less than 30 years old	-	-	-	-	32	32
30 to 50 years old	-	-	-	-	71	78
Over 50 years old	-	-	-	-	30	29
Female ratio	27.3%	28.7%	28.5%	29.7%	31.3%	32.3%

[Number of temporary employees/female ratio]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Temporary employees	28	30	25	26	25	27
Male	11	11	7	9	10	14
Less than 30 years old	-	-	-	-	5	6
30 to 50 years old	-	-	-	-	2	2
Over 50 years old	-	-	-	-	3	6
Female	17	19	18	17	15	13
Less than 30 years old	-	-	-	-	3	3
30 to 50 years old	-	-	-	-	10	7
Over 50 years old	-	-	-	-	2	3
Female ratio	60.7%	63.3%	72.0%	65.4%	60.0%	48.1%

[Total number of nonemployee workers/female ratio]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total number of nonemployee workers	-	-	-	-	3	3
Male	-	-	-	-	0	0
Less than 30 years old	-	-	-	-	0	0
30 to 50 years old	-	-	-	-	0	0
Over 50 years old	-	-	-	-	0	0
Female	-	-	-	-	3	3
Less than 30 years old	-	-	-	-	2	2
30 to 50 years old	-	-	-	-	0	0
Over 50 years old	-	-	-	-	1	1
Female ratio	-%	-%	-%	-%	100.0%	100.0%

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Diversity & Inclusion

[Number of directors]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of directors	6	6	6	6	6	6
Male	5	5	5	5	5	5
Less than 30 years old	0	0	0	0	0	0
30 to 50 years old	1	1	1	1	1	1
Over 50 years old	4	4	4	4	4	4
Female	1	1	1	1	1	1
Less than 30 years old	0	0	0	0	0	0
30 to 50 years old	0	0	0	0	0	0
Over 50 years old	1	1	1	1	1	1
Female ratio	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%

[Number of managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of managers	61	63	61	63	64	71
Male	55	57	55	56	57	61
Less than 30 years old	-	-	-	-	0	0
30 to 50 years old	-	-	-	-	23	23
Over 50 years old	-	-	-	-	34	38
Female	6	6	6	7	7	10
Less than 30 years old	-	-	-	-	0	0
30 to 50 years old	-	-	-	-	2	5
Over 50 years old	-	-	-	-	5	5
Female ratio	9.8%	9.5%	9.8%	11.1%	10.9%	14.1%

Action Plan Based on the Women's Advancement Promotion Law (prepared in 2024)
 “Increase the number of female managers to 15 or more by FY2029”

[Total number of new full-time employees/percentage of mid-career recruitment]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total number of new full-time employees	28	18	20	24	21	13
Male	18	10	16	15	11	6
Female	10	8	4	9	10	7
Percentage of mid-career recruitment based on the Act on Comprehensively Advancing Labor Measures	64%	52%	68%	70%	14%	23%

[Total number of full-time employees leaving their jobs]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total number of full-time employees leaving their jobs	12	12	10	9	10	10
Male	10	11	8	9	9	7
Less than 30 years old	-	-	-	-	1	0
30 to 50 years old	-	-	-	-	1	1
Over 50 years old	-	-	-	-	7	6
Female	2	1	2	0	1	3
Less than 30 years old	-	-	-	-	1	2
30 to 50 years old	-	-	-	-	0	0
Over 50 years old	-	-	-	-	0	1

[Average age]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
All employees	42.0	42.2	40.9	41.2	39.7	41.4
Male	42.9	43.3	41.2	41.5	41.4	41.8
Female	39.8	39.7	40.1	40.4	36.3	40.5

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Diversity & Inclusion

[Average years of service]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
All employees	15.4	17.0	15.3	15.5	14.8	15.7
Male	17.3	19.5	16.8	17.2	16.4	17.3
Female	11.1	11.4	11.9	11.7	11.6	12.4
Sex difference	6.2	8.1	4.9	5.5	4.8	4.9

[Average annual wages]

	FY2022	FY2023	FY2024
Average annual wages for all employees	6,035,437 yen	6,163,910 yen	6,039,297 yen
Male	6,506,216 yen	6,649,709 yen	6,525,441 yen
Female	4,982,375 yen	5,133,010 yen	5,042,435 yen
Sex difference	76.6%	77.2%	77.3%
Average annual wages for full-time employees	6,326,578 yen	6,451,943 yen	6,343,969 yen
Male	6,792,977 yen	6,969,198 yen	6,890,128 yen
Female	5,261,932 yen	5,356,779 yen	5,245,075 yen
Sex difference	77.5%	76.9%	76.2%
Average annual wages for temporary employees	2,112,034 yen	1,829,349 yen	1,762,217 yen
Male	2,228,212 yen	1,909,086 yen	1,908,331 yen
Female	1,909,665 yen	1,652,158 yen	1,336,658 yen
Sex difference	85.8%	86.6%	70.1%

*Difference in wages = (Average annual wage for women ÷ Average annual wage for men) x 100%

*The salary system is based on grade, and there is no gender disparity within the same grade or job category.

Partnership System

Maruzen Pharmaceuticals has introduced the Partnership System in April 2023 to treat de facto marriage, common-law partnership, and same-sex marriage to be equal to legal marriage.

To deepen the understanding of gender (socially and culturally constructed sexual differences), we have distributed “A Handbook to Address Confusion for People Who Are a Little Concerned About Gender” (Hiroshima Prefectural Government, Environment and Citizens Bureau, Lifestyle Support Department).



Promotion of active participation of people with disabilities

Maruzen Pharmaceuticals continues to employ people with disabilities and promotes the creation of a workplace that is easy to work in. We hire and allocate personnel with consideration to the nature of the disability, as well as the individual's abilities, motivation, and aptitude, and operate a personnel system that allows people with disabilities to demonstrate their abilities and play an active role.

We made the “Declaration to Promote the Employment of People with Disabilities” in September 2018, and strive to promote the employment of people with disabilities.



Improvement of the work environment

As the nature and degree of disability differs among people, we devise work content to suit each person's individuality and provide employment support as needed.

In the workplace where people with disabilities work, we hold briefing sessions (on what they are good or bad at, what support they need, etc.) to deepen the understanding of their colleagues.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Diversity & Inclusion

[Holding in-house training sessions for employment of people with disabilities]

To deepen the understanding of the characteristics of people with disabilities, we have held internal training sessions at the Headquarters Factory and Miyoshi Factory. A total of 77 employees from Production Division, Quality Assurance Division, and Administrative Division participated, where they were given an opportunity to deepen their knowledge and understanding of the employment of people with disabilities.



[Number/employment rate of employees with disabilities]

As of March 2025, our employment rate for people with disabilities was 3.63%, which is higher than the statutory employment rate (private companies: 2.5%). As the statutory employment rate is scheduled to be increased to 2.7% from FY2026, we will not only comply with laws and regulations but also work more proactively to promote the employment of people with disabilities.

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees with disabilities *As of the end of March 2025	11	14	13	13	15	16
Male	-	-	-	-	7	8
Less than 30 years old	-	-	-	-	5	6
30 to 50 years old	-	-	-	-	2	2
Over 50 years old	-	-	-	-	0	0
Female	-	-	-	-	8	8
Less than 30 years old	-	-	-	-	4	4
30 to 50 years old	-	-	-	-	2	1
Over 50 years old	-	-	-	-	2	3
Employment rate of employees with disabilities (annual)	2.22%	2.12%	2.61%	2.92%	3.43%	3.63%

Award for Company Promoting to Support Employment for Special Needs School Students in Hiroshima

The Award for the Company promoting “Support Employment for Special Needs School Students in Hiroshima” is a system that recognizes companies that have made outstanding contributions in promoting the employment of students in special needs schools.

Sponsored by the Hiroshima Prefectural Board of Education, the award is given to companies that have contributed to developing students’ “work skills” by accepting workplace tours and interns and employing graduates.

It has been 12 years since Maruzen Pharmaceuticals started an initiative to employ people with disabilities.

We have recently been given this award in recognition of our continuous efforts since registering with the “Support Employment for Special Needs School Students in Hiroshima” in March 2025.



Promotion of active participation of seniors

Maruzen Pharmaceuticals has increased the retirement age for full-time employees from 60 to 65 years and created an environment where employees can work for a long time with peace of mind.

In addition, we have introduced a system to re-employ employees over the age of 65 years who are highly motivated and capable of working, providing opportunities for them to play an active role regardless of their age.

[Total number of retirees/number of re-employed employees/re-employment rate]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of retirees	6	7	5	4	7	7
Of them, the number of re-employed employees	0	0	1	0	0	2
Re-employment rate	0.0%	0.0%	20.0%	0.0%	0.0%	28.6%
Total number of re-employed employees	1	1	2	2	0	2

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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3. Labor Practices

We respect the diversity of our employees and strive to foster a corporate culture that is safe, rewarding, and easy to work in.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Work-Life Balance

Maruzen Pharmaceuticals has established a “Committee for Improvement in Setting Working Hours, etc.” with the aim of becoming a company that contributes to the reform of working styles, and is striving to promote the acquisition of paid leave and the reduction of overtime hours, and support remote work and childcare/nursing care/sick or injured family care. We aim to create a workplace where each employee can demonstrate their abilities and work with satisfaction according to their individual lifestyles.

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (Next Generation Act), we have formulated action plans and prepared working conditions (no-overtime day) by reviewing working styles and work to establish an employment environment that supports the work-life balance of employees who are raising children.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Respect for Human Rights (Labor Practices)	Work-Life Balance	We aim to create a workplace where each employee can demonstrate their abilities and work with satisfaction according to their individual lifestyles.	We aim to create a workplace where each employee can demonstrate their abilities and work with satisfaction according to their individual lifestyles.	 

Respect for basic labor rights

Maruzen Pharmaceuticals does not have a labor union; however, each office elects a labor representative who represents the majority of employees each year and works to collaborate with them to hear employees’ opinions. When revisions to regulations, etc., have a significant impact on employees, we hold briefing sessions for all employees in advance to build consensus. Additionally, we announce organizational restructuring and personnel transfers, which are issued every April, at least 6 weeks in advance, as they will have a major impact on the lifestyles of employees and their families.

[Percentage of employees covered by the collective agreement]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
All employees	409	417	422	437	450	457
Full-time employees	381	387	397	411	425	430
Temporary employees	28	30	25	26	25	27
Percentage of employees covered by the collective agreement	93.2%	92.8%	94.1%	94.1%	94.4%	94.1%

[Number of short-time workers/number of remote work users]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of short-time workers	8	10	12	9	10	14
Number of remote work users	0	1	19	25	6	3

Promotion of paid leave taking

In order to promote the use of annual paid leave, we have introduced “hourly annual leave” and are working to create an environment where employees can easily take paid leave by sharing the “paid leave acquisition plan/results management table” and having managers encourage their staff to take paid leave.

With the goal set to take 12 days of paid leave per year per person, in FY2024, the number of days taken was 13 days/person, and the rate of taking paid leave was 72.0%. All applicable employees fulfill their obligations under the “compulsory 5-day annual paid leave system.”

We have also decided to introduce an “Expired Annual Paid Leave Reserve System” from April 1, 2025, allowing employees to save unused paid leave for later use.

Action Plan Based on the Women’s Advancement Promotion Law (prepared in 2024)
Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (prepared in 2020)

“The average rate of taking paid leave shall be 65% or more.”

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Work-Life Balance

[Days of annual paid leave taken/paid leave taking rate]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Days taken	11 days/person	11 days/person	12 days/person	13 days/person	13 days/person	13 days/person
Paid leave taking rate	62.3%	65.7%	70.0%	73.0%	71.0%	72.0%

Promotion of reduction of overtime hours, implementation of no-overtime days, and improvement of operations

To promote the reduction of overtime hours, we have set a monthly overtime target of 4.5 hours per person, and managers encourage department and section staff to leave work early after their working hours to prevent managers from working long hours themselves. In addition, we have established a “no-overtime day” twice a month on the second and third Wednesdays to encourage employees to leave work on time. We strive to raise the awareness of employees, such as “improving work efficiency” and “avoiding unnecessary overtime.”

[Monthly actual working hours and monthly average overtime hours]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Actual working hours	141 hours/month	140 hours/month	139 hours/month	140 hours/month	142 hours/month	141 hours/month
Average overtime hours	5.00hours	2.00hours	3.30hours	3.24hours	3.18hours	2.40hours

Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (prepared in 2020)

“Set and implement 2 no-overtime days a month.”

Living wages

Maruzen Pharmaceuticals gives consideration so that the wages to be paid exceed the “minimum wages” and “living wages” for employees and their families to live decent lives. It has also been confirmed that not only does the salary exceed the minimum wages, but it also exceeds the “2024 Union Living Wages (Living Wages by Prefecture)” issued by the Japanese Trade Union Confederation.

[Comparison between the starting salary and minimum wages/living wages]

	Starting salary	Comparison with minimum wages	Comparison with living wage
Graduated from high school	177,000 yen/month	123.1%	108.3%
Graduated from vocational school/junior college	191,000 yen/month	132.9%	116.8%
Graduated from 4-year university	220,000 yen/month	153.0%	134.6%
Graduated from 6-year university/graduate school	237,000 yen/month	164.9%	145.0%

* Calculated from the minimum wages in Hiroshima Prefecture (1,020 yen/hour), living wages (1,160 yen/hour), and monthly actual working hours for FY2024

* The salary system is based on grade, and there is no gender disparity within the same grade or job category.

Balancing childcare/nursing care/sick or injured family care with work

With the diversification of lifestyles, diversity is also required in work styles. Therefore, we have established systems, such as leave for childcare/family care, leave for care of sick/injured children, leave for nursing care of family members, shortened working hours for childcare/family care, staggered working hours for childcare, etc. Of the various systems based on the Act on Childcare Leave and Caregiver Leave, childcare and family care leave systems, which have a low acquisition rate, are posted for male employees on brochures and distributed to increase awareness.

1) Work-Life Balance

As an initiative to encourage male employees to take childcare leave, we have decided to introduce a “Male Childcare Leave Promotion System” that will provide support of 13% of the basic salary to male employees taking childcare leave at birth (postpartum paternity leave) during the period when they are not eligible to receive the support benefit equivalent to 100% of their net pay from the government from April 2025.

[Childcare leave taking status/rate of childcare leave taking]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees whose children were born	16	22	16	10	17	6
Male	12	18	15	8	15	6
Female	4	4	1	2	2	0
Number of employees who took childcare leave	5	4	4	3	5	3
Male	1	0	3	1	3	2
Female	4	4	1	2	2	1
Childcare leave taking rate	31.3%	18.2%	25.0%	30.0%	29.4%	50.0%
Male	8.3%	0.0%	20.0%	12.5%	20.0%	33.3%
Female	100.0%	100.0%	100.0%	100.0%	100.0%	-%

In FY2024, the rate of male employees taking childcare leave was 33.3%. We will continue to work to make our various systems known.

Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (prepared in 2024)

“Increase the number of fathers who take childcare leave when their child is born”

[Return to work rate/retention rate after childcare leave]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total number of employees who remain after returning to work after childcare leave	5	4	4	0	5	2
Male	1	0	3	0	3	2
Female	4	4	1	-	2	-
Return-to-work rate of employees after childcare leave	100.0%	100.0%	100.0%	0.0%	100.0%	66.7%
Male	100.0%	-%	100.0%	0.0%	100.0%	100.0%
Female	100.0%	100.0%	100.0%	-%	100.0%	-%
Retention rate of employees after childcare leave	100.0%	100.0%	100.0%	0.0%	100.0%	66.7%
Male	100.0%	-%	100.0%	0.0%	100.0%	100.0%
Female	100.0%	100.0%	100.0%	-%	100.0%	-%

[Support System for Balancing Work and Fertility Treatment (Stork Leave System)]

As an initiative to support employees undergoing fertility treatment, we have decided to introduce the “Stork Leave System” from April 1, 2025, which will enable employees to take paid leave of 10 days per year, or up to 20 days in up to two years, from the start of fertility treatment until conception.

[Childcare support certification]

As our efforts to support the balance between work and child-rearing were recognized as excellent, we received the “Kurumin” certification on December 19, 2024. This certification is a system where the Ministry of Health, Labour and Welfare recognizes companies that implement action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and meet specific certification standards.



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Work-Life Balance

[Status of family care leave taking]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees who took family care leave	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total number of employees who remain after returning to work after family care leave	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Return-to-work rate of employees after family care leave	-%	-%	-%	-%	-%	-%
Male	-%	-%	-%	-%	-%	-%
Female	-%	-%	-%	-%	-%	-%
Retention rate of employees after family care leave	-%	-%	-%	-%	-%	-%
Male	-%	-%	-%	-%	-%	-%
Female	-%	-%	-%	-%	-%	-%

[Past work-life balance training for managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	-	-	-	63	64	71
Number of attendees	-	-	-	63	64	71
Attendance rate	-	-	-	100.0%	100.0%	100.0%

[Past work-life balance training for employees]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	-	-	-	-	-	457
Number of attendees	-	-	-	-	-	457
Attendance rate	-	-	-	-%	-%	100.0%

Work-life balance training

In FY2024, we held briefing sessions on the Childcare Leave Act and Family Care Leave Act as trainings for employees on work-life balance, taking advantage of the introduction of the “Male Childcare Leave Promotion System,” “Support System for Balancing Work and Fertility Treatment (Stork Leave System),” and “Expired Annual Paid Leave Reserve System.”

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Occupational Health and Safety

Maruzen Pharmaceuticals places top priority on the health and safety of its employees and strives to create a safe work environment as much as possible to ensure that employees are not exposed to danger and that they feel safe.

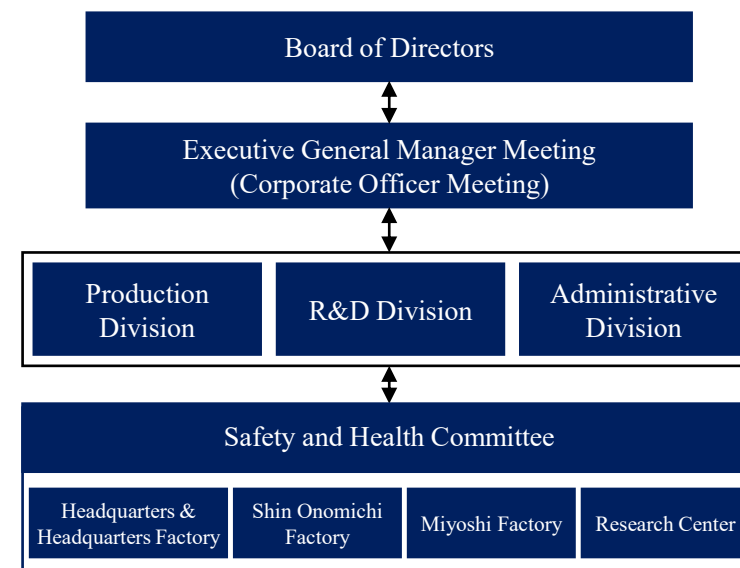
Based on related laws and regulations, such as the “Labor Standards Act” and the “Industrial Safety and Health Act,” we have established the “Regulations for Health and Safety” to enhance safety and health activities, prevent work-related accidents, ensure the safety and health of employees, and promote the creation of a comfortable work environment.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Respect for Human Rights (Labor Practices)	Occupational Health and Safety	We aim to ensure compliance with laws and regulations regarding occupational safety and health, safety awareness, and equipment safety, and ensure that our employees can work safely, with good health, and comfortably.	We aim to create a work environment where employees can work safely, with good health, and comfortably by strengthening the foundation for safe operations by thoroughly implementing basic rules on health and safety and improving equipment and work procedures based on compliance with laws and regulations regarding occupational health and safety.	 

Occupational Health and Safety Management System

Maruzen Pharmaceuticals has established a “Health and Safety Committee” in the Headquarters Factory, Miyoshi Factory, Shin Onomichi Factory, and Research Center, which conducts monthly safety patrol, risk assessment, safety workplace meetings, and trainings on health and safety. We promote management activities to continuously maintain a high level of safety and health at our workplace through these efforts.



[Composition of the Safety and Health Committee]

	Headquarters & Headquarters Factory	Miyoshi Factory	Shin Onomichi Factory	Research Center
Safety and Health Committee Chairperson	Factory Manager	Factory Manager	Factory Manager	Executive General Manager of the R&D Division
Safety and Health Committee Vice Chairperson	Deputy Factory Manager	Deputy Factory Manager	Deputy Factory Manager Production Division Office: 1 person	Deputy Executive General Manager of the R&D Division
Hygiene Manager	Administrative Division: 1 person	Production Division: 1 person	Production Division: 1 person	R&D Division: 1 person
Industrial Physician	1 person	1 person	1 person	1 person

2) Occupational Health and Safety

	Headquarters & Headquarters Factory	Miyoshi Factory	Shin Onomichi Factory	Research Center
Safety Manager	Production Division: 1 person	Production Division: 1 person	Production Division: 1 person	-
Fire Prevention Manager	Production Division: 1 person	Production Division: 1 person	Production Division: 1 person	R&D Division: 1 person
Safe Operation Manager	Administrative Division: 1 person	Production Division: 1 person	Production Division: 1 person	-
Safety and Health Committee member	Production Division: 5 persons Quality Assurance Division: 1 person Sales Division: 1 person	Production Division: 9 persons Quality Assurance Division: 1 person	Production Division: 8 persons Quality Assurance Division: 1 person	R&D Division: 5 persons Quality Assurance Division: 1 person
Secretariat	-	-	Production Division: 1 person	Quality Assurance Division: 1 person
Observer	-	-	-	General Affairs Division: 1 person

Implementation of risk assessment

At the monthly Safety and Health Committee meeting, several teams composed of committee members who represent workers patrol within the office, identify potential dangers and hazards related to health and safety and health risks for all employees, and set priorities for risk reduction.

Based on the results of risk assessment, we take measures to prevent danger and health damage and provide protective equipment to employees engaged in related operations.

The blower, compressor, cooling tower, and other equipment, which generate significant noise and vibration, are installed such that they meet the standards for soundproofing, etc., following inspection by the government. In addition, at the time of equipment renewal, we also strive to improve the work environment by promoting renewal to energy-saving and low-noise type equipment.

At offices that handle chemical substances, we conduct chemical substance risk assessments in accordance with the Industrial Safety and Health Act and strive to reduce the risk of accidents caused by chemical substances.

The number of days to achieve no accidents at each factory is 4272 days at the Headquarters Factory, 4622 days at Shin Onomichi Factory, and 273 days at Miyoshi Factory as of the end of March 2025.

[Number of work-related accidents (work-related accident frequency rate, work-related accident severity rate, work-related accident incidence rate)]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of lost-time accidents	0	0	0	0	1	0
Number of accidents without lost workdays	4	4	6	6	7	9
Number of fatal accidents	0	0	0	0	0	0
Number of casualties due to work-related accidents	0	0	0	0	1	0
Work-related accident rate*1	0.00	0.00	0.00	0.00	1.30	0.00
Total number of working days lost	0	0	0	0	23	0
Work-related accident rate*2	0.000	0.000	0.000	0.000	0.028	0.000
Work-related accident incidence rate*3	0.000	0.000	0.000	0.000	0.222	0.000

*1: Number of casualties due to work-related accidents per 1 million total actual working hours (showing the frequency of accidents occurred)

*2: Total number of working days lost per 1000 total actual working hours (showing the seriousness of the accident)

*3: Number of work-related accidents per employee

[Installation of a seawall in the warehouse of the Headquarters Factory]

We installed a seawall at the Headquarters Factory offices and the Headquarters Factory warehouse to cope with a “storm surge in anticipation of a Nankai Trough earthquake.”



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Occupational Health and Safety

Safety education and training

To help employees acquire knowledge and skills related to safety and health, we provide various safety educational programs tailored to the nature of their work when they are hired, when their work changes, when they are engaged in dangerous or harmful work, etc.

We also focus on transferring equipment operation techniques and strive to foster a safety-conscious corporate culture by creating a workplace that strictly adheres to work procedures and regulations.

Furthermore, we actively participate in National Safety Week events to increase awareness on occupational safety, promote occupational safety activities, and deepen the understanding of the importance of preventing work-related accidents.

FY2024 National Safety Week Slogan

Your eyes that spot hazards

And remove the potential for danger

And everyone's efforts to build a safe workplace

[Past safety & health training for managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	-	-	-	63	64	71
Number of attendees	-	-	-	63	64	0
Attendance rate	-%	-%	-%	100.0%	100.0%	0.0%

[Past safety & health training for employees]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	409	417	422	437	450	457
Number of attendees	28	18	20	87	85	13
Attendance rate	6.8%	4.3%	4.7%	19.9%	18.9%	2.8%

Efforts to raise awareness of disaster prevention

We have introduced a “safety confirmation system” to confirm the safety of employees in the event of a disaster.

We conduct disaster prevention drills once a year, and inspect the disaster prevention kits at each office with reference to the safety confirmation drills and the outline of the drills by office in order to improve the awareness of disaster prevention.

In FY2024, we conducted training in June that assumed the “occurrence of a linear precipitation zone,” and in November training that assumed the “occurrence of a Nankai Trough earthquake.”

[Safety confirmation system training participation rate]

	FY2023		FY2024	
Safety confirmation system	June	71.4%	June	80.5%
Training participation rate	November	100.0%	November	86.9%

Provision of opportunities for health checkups and stress checks

All employees are given the opportunity to undergo regular health checkups and stress checks (optional). We publish a “Health Report” based on the results of health checkups and distribute health information “Maruzen Infirmary” once a month to raise awareness of health issues and make improvements. We distribute “Actibody® granules,” a food with functional claims containing ingredients developed by Maruzen Pharmaceuticals, to employees who request them.

[Rate of undergoing health checkups]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	419	428	437	443	456	463
Number of employees undergoing health checkups	414	424	431	439	454	461
Rate of undergoing health checkups	98.8%	99.1%	98.6%	99.1%	99.6%	99.6%

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Occupational Health and Safety

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees eligible for secondary checkup	3	3	6	4	6	4
Number of employees undergoing secondary checkup	1	3	3	1	0	0
Rate of undergoing secondary checkup	33.3%	100.0%	50.0%	25.0%	0.0%	0.0%

[Past mental health training for managers]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	-	-	-	63	-	-
Number of examinees	-	-	-	63	-	-
Rate of taking the examination	-%	-%	-%	100.0%	-%	-%

[Rate of undergoing a stress check]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	405	413	424	439	465	455
Number of examinees	313	320	355	377	353	327
Rate of taking the examination	77.3%	77.5%	83.7%	85.9%	75.9%	71.9%

[Distribution of an internal health information magazine, “Maruzen Infirmary”]

No.	Contents
Vol. 11	Be sure to get your health checkup and cancer screening
Vol. 12	What is workplace health management? - Corporate efforts alone are not enough, and neither are individual efforts alone -
Vol. 13	Are you putting up with symptoms before and after your period? “Dysmenorrhea” and “premenstrual syndrome (PMS)”
Vol. 14	Everyone will experience menopause, but how can you cope with it well?
Vol. 15	What is stress for you? Find ways to relieve it and live happy.
Vol. 16	What is “autumn fatigue?” Be careful about managing your health between seasons.
Vol. 17	What is diabetes, a disease that Japanese people are prone to developing?
Vol. 18	The first step in preventing diabetes is improving your lifestyle.
Vol. 19	Prevent the silent killer: hypertension
Vol. 20	If you are told you have high blood pressure... measure it yourself and improve your lifestyle.
Vol. 21	Prevent anemia through diet! First, identify the cause.
Vol. 22	Recommendations for quitting smoking - Start with a relaxed attitude -



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Occupational Health and Safety

Organic solvent health checkup and specific chemical substance health checkup

Organic solvents and chemical substances are used in the quality assurance, manufacturing, and research and development departments. We provide eligible employees the opportunity to undergo organic solvent health checkup and specific chemical substance health checkup.

[Organic solvent health checkup and specific chemical substance health checkup rates]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	125	139	143	150	113	146
Number of employees undergoing health checkups	125	139	143	150	113	146
Rate of undergoing health checkups	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Establishment of “No Smoking Day”

As the smoking rate tends to be high among young people, Maruzen Pharmaceuticals has established a slogan by setting the 22nd of every month as a “No Smoking Day” as an effort to decrease the smoking rate.

On the 22nd of every month, we share “Recommendation to quit smoking - Let’s start casually” with all employees to give them an opportunity to learn about the risks of smoking and the importance of quitting smoking, act on it, and think about their own health.

External evaluation

[Hiroshima Corporate Health Declaration - Certified as an excellent health promotion office]

We participated in the “Hiroshima Corporate Health Declaration” sponsored by the Hiroshima Branch of Japan Health Insurance Association and were certified in

FY2024 as a “Hiroshima Corporate Health Declaration Excellent Health Promotion Office” that actively engaged in health promotion.

Maruzen Pharmaceuticals has been comprehensively evaluated and certified for the following health promotion initiatives.

- Details of efforts -

1. Same-day consultation for Specific Health Guidance
2. Provision of Actibody® granules to those who request them to improve the health of employees
3. Improving the workplace environment to prevent infectious diseases
4. Periodic delivery of health information



[Certified as a health & productivity management outstanding corporation 2025 (small and medium enterprise division)]

We have been certified as a health & productivity management outstanding corporation 2025 (small and medium enterprise division)], sponsored by the Ministry of Economy, Trade and Industry.

By “visualizing” outstanding corporations engaged in health management, it aims to create an environment where companies can be socially evaluated as “corporations that consider health management of employees from a management perspective and work strategically” by employees, job seekers, affiliated companies, financial institutions, etc.



- Details of efforts -

1. Understanding of company-wide health issues from health checkup results
2. Provision of Actibody® granules to those who request them to improve the health of all employees
3. Implementation of Specific Health Guidance
4. Efforts to expand opportunities for exercise, such as club activities
5. Initiatives to prevent infectious diseases



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

3) Human Resource Development

Maruzen Pharmaceuticals regards human resources as its most important management resource and strives to secure and develop highly motivated and capable individuals. As the business environment becomes more complex and sophisticated, we believe it is extremely important to secure and develop human resources with broad knowledge and skills so that they can maximize their capabilities.

We have introduced a personnel system that focuses on employees’ abilities and work results. We evaluate employees who take on challenges to achieve high goals, and reflect their results and attitudes in their compensation, which leads to increased motivation among employees. We also support employees in improving their skills through the overseas study program, acquisition of qualifications, and participation in internal and external seminars.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Respect for Human Rights (Labor Practices)	Human Resource Development	We aim to develop human resources who can produce results by allowing each employee to make the most of their various abilities and take on the challenge of achieving high goals.	We aim to develop human resources who can produce results by allowing each employee to make the most of their various abilities and take on the challenge of achieving high goals.	  

Performance Evaluation System

The Performance Evaluation System of Maruzen Pharmaceuticals reflects our company philosophy and management strategy and aims to achieve a fair wage system. By properly evaluating work results and processes and reflecting this in pay increases and bonuses, we aim to enhance employee motivation and overall company performance. By incorporating items emphasized in our company philosophy and company policy into the evaluation criteria, employees understand the direction the company is aiming for and are encouraged to act according to that.

We also support employee growth and career advancement by offering regular interviews to clarify goals and career paths and by helping employees acquire the necessary skills and knowledge.

We are also working to create a comfortable work environment by providing a forum where superiors and subordinates can frankly exchange their opinions and by actively incorporating the opinions and suggestions of employees.

Career development support system

[Self-reporting system]

This is a system where employees report their current work status, the tasks they want to be in charge of in the future, and their desired self-development once a year, and have meetings with their superiors based on them to examine their own career plans.

[Double-track job grade system]

This is a system where employees report their current work status, the tasks they want to be in charge of in the future, and their desired self-development once a year, and have meetings with their superiors based on them to examine their own career plans.

Skill improvement support system

[Stratified training]

By providing employees with training according to their job positions, ranging from new employees to managers, and enhancing the education system required for each level, we work to develop human resources who can make the most of our employees.

In FY2024, we conducted new employee training, follow-up training for new employees, training for entry-level positions, training for promotion to supervisory positions, skill-up training for supervisory positions, training for performance evaluators, and introductory training for evaluators.

In addition, as there are few opportunities for employees to attend internal training after new employee training until supervisory training, we have implemented optional training for all employees.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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3) Human Resource Development

[General enlightenment and self-enlightenment systems]

To provide employees with active self-development and support them in developing their abilities necessary for their work, we have established an education system according to their interests and needs, such as obtaining qualifications for management, business skills, languages, etc., and content related to individual lifestyles.

[Lumpsum payment system for acquiring qualifications]

This is a system that provides a lumpsum payment when you acquire qualifications specified by the company.

- Examples of qualifications -

TOEIC, Chinese language proficiency test, first-class health manager, sustainable management/CSR test, bookkeeping, IT passport, marketing certification, Japanese cosmetics certification, retail marketing (salesperson) certification, trade practical certification, pollution prevention manager, hazardous materials handler, boiler mechanic, food health instructor, quality control certification, health food manager, etc.

[Overseas trainee dispatch system]

We have established a system for employees to become human resources who are knowledgeable as international businessmen through the acquisition of language and the learning of the culture and history of the country. Since the system was introduced, 6 employees have been playing an active role in using the system.

1-on-1 meetings

In addition to performance review meetings, we hold 1-on-1 meetings to enhance communication between superiors and subordinates and create new opportunities for growth. Communication with both parties creates new awareness and leads to the growth of employees.

Promotion of reskilling

Maruzen Pharmaceuticals supports the growth of each and every employee so that they can proactively acquire new skills and knowledge and respond to rapid market changes, new technologies, and social demands. We will increase sustainability as an organization by improving the capabilities of our employees.

The “Declaration of Reskilling Promotion” was created in Hiroshima Prefecture in December 2023 and approval was obtained.

- Details of efforts -

1. By establishing systems to support various ways of working and proactively promoting DX of work, we will further promote work-style reform and work efficiency and secure time for employees to learn.
2. We will continue to establish a “general awareness/self-development support system” to support all or part of the expenses for acquisition. In addition, a lumpsum payment will be paid when qualifications are obtained.
3. We will implement voluntary internal training to support employees’ voluntary learning drive.



[Annual average training hours and education and training costs per employee]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Average annual training	11 hours	8 hours	8 hours	12 hours	12 hours	11 hours
Education and training expenses	110,774 yen	45,792 yen	58,664 yen	71,744 yen	69,672 yen	68,605 yen

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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3) Human Resource Development

[Total number and percentage of employees receiving regular reviews on performance and career development]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	381	387	397	411	425	430
Male	277	276	284	289	292	291
Female	104	111	113	122	133	139
Percentage of eligible employees	93.2%	92.8%	94.1%	94.1%	94.4%	94.1%
Male	96.2%	96.2%	97.6%	97.0%	96.7%	95.4%
Female	86.0%	85.4%	86.3%	87.8%	89.9%	91.4%

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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4. Environment

We strive to reduce environmental loads and contribute to the realization of a sustainable society in harmony with nature.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Environmental Management

In recent years, various global environmental issues associated with climate change, such as global warming, have become serious, affecting people's lives and corporate business activities.

On World Environment Day, June 5, 2024, the United Nations Secretary-General Guterres stated in a speech on climate change, "We are not the dinosaurs. We are the meteorite." He sounded the alarm in a new and strong way about the critical situation facing the global environment, saying that humanity is a threat to the planet.

This statement follows the statement in 2023, "The era of global boiling has arrived," and emphasizes the accelerating nature of climate change and the responsibility of humanity.

He also warned that the world is likely to exceed the 1.5°C warming limit, with an 80% chance of exceeding that limit within the next five years. He further described this situation as "playing Russian roulette with the Earth," strongly urging the world that now is the "moment of truth" to take action.

Maruzen Pharmaceuticals recognizes that our business activities directly or indirectly affect the global environment, that they are dependent on the global environment, and that changes in the global environment have an impact on our business activities. To promote initiatives to reduce the global environmental load, we have developed an "Environmental Policy" after deliberation with the Board of Directors in February 2022.

We will promote efforts to reduce environmental load under this policy and contribute to the realization of a sustainable society while making continuous improvements.

Environmental Policy

Maruzen Pharmaceuticals recognizes that it is our responsibility to pass on the irreplaceable earth and limited resources to the next generation to lead healthy and prosperous lives, and will actively promote business activities that are in harmony with the environment.

1. We fully understand the impact on the environment in all processes from production to disposal, and we promote environmentally friendly product development and manufacturing technology.
2. We will establish and improve our environmental management system to promote and thoroughly implement environmental conservation activities.

3. We will promote the efficient and sustainable use of energy, water, raw materials, etc., used for our business activities, with consideration given to reducing greenhouse gas emissions and environmental load.

4. We will work on resource and energy saving by reducing and recycling waste in our business activities.

5. As a member of the local community, we will promote business activities in consideration of biodiversity, and we will actively participate in environmental conservation activities and support employees' voluntary activities.

6. To promote environmental conservation activities, we will establish an internal system to ensure that employees are thoroughly informed of the system and that their awareness is increased.

7. We commit ourselves to comply with the laws and regulations of the relevant environment and other requirements agreed by our company.

Established: February 9, 2022

Environmental Policy

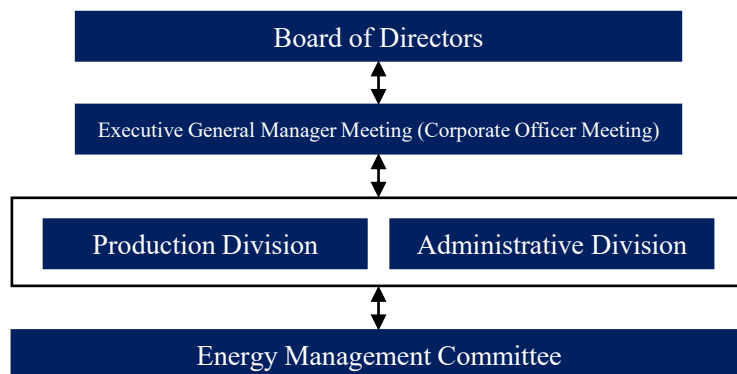
<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/environment.pdf>

Environmental management system

Maruzen Pharmaceuticals has established environmental targets such as "promoting energy saving," "CO₂ emissions (scopes 1 and 2)," "water usage," and "waste volume," and manages the progress and evaluates them at the "Energy Management Committee."

These activities are reported to those in charge at the management level once a year via the "Environmental Report." Environmental materiality items are incorporated as important issues in the medium-term management plan, and annual plans formulated based on the basic action plan and quantitative plans are reviewed quarterly and reported to the Management Committee and the Board of Directors in the Executive General Manager Meeting (Corporate Officer Meeting).

1) Environmental Management



[Composition of the Energy Management Committee]

Management-level head	Director familiar with climate-related issues
Management supervisor	Executive General Manager of Production Division
Department in charge	Production Division Office
Energy manager	Production Division: 1 person
Energy management planning promoter	Production Division: 1 person
Secretariat	Administrative Division: 1 person
Each office	Headquarters Factory: 1 person; Miyoshi Factory: 1 person Shin Onomichi Factory: 1 person; Research Center: 1 person Kui Farm: 1 person; Tokyo Branch: 1 person

Incentives and contributions to the management of climate-related issues

Maruzen Pharmaceuticals, mainly the Production Division, conducts small group activities to improve manufacturing technology and ensure manufacturing control (internal presentations by QC). A system is in place where reviewers, including Directors, conduct review and recognize achievements, which is expected to increase motivation among employees.

In addition to the conventional financial evaluation criteria, such as “production efficiency,” “reduced costs,” and “contribution to sales and profits,” nonfinancial evaluation criteria related to environmental load reduction, such as “decarbonization,” “reduction in water use,” and “reduction in waste,” will be newly introduced.

Climate change risks and opportunities

The 6th Assessment Report by the IPCC in 2021 concluded for the first time that there is a relationship with human activities, stating that “there is no doubt about the impact of global warming and human activities.”

It is said that if we continue to rely on fossil fuels and do not introduce climate policies, the global average temperature may increase by up to 5.7°C by the end of the 21st century.

In the 2015 Paris Agreement, it was called for “keeping the global average temperature rise well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C.”

Maruzen Pharmaceuticals regards climate change as a social issue that must be addressed proactively, and it is working to address it from both the perspectives of “responding to risks” and “seizing opportunities.” As efforts to achieve carbon neutrality gain momentum worldwide, there is a strong demand for innovation and contributions through business.

We analyze climate change risks and opportunities related to the overall business of Maruzen Pharmaceuticals.

Among the identified risks, we have confirmed that transition risks (current regulations and new regulations) may have a financial impact if regulations, such as carbon taxes and emissions trading systems, are strengthened.

For urgent physical risks, we have confirmed the impact of natural disasters, such as droughts and floods, caused by abnormal weather. For chronic physical risks, the impact of constant weather fluctuations on the stable procurement of plant materials is large.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Environmental Management

Among the opportunities identified, we have confirmed that there is a possibility of acquiring opportunities to enhance the corporate value and product value by making further efforts for low-carbon and decarbonization initiatives that contribute to the mitigation and adaptation of climate change and providing our own products and services.

As we are aware of the necessity of analysis by climate scenario (1.5°C, 4°C), we will continue with our analysis and study.

[Risks and opportunities]

Risks/ opportunities	Classification	Item	Period	Content
Transition risk	Current regulations New regulations	Tightening regulations	Medium-term	As a lot of energy is used in the manufacturing process of products, if manufacturing technologies for low carbon and decarbonization, energy saving, and resource saving have not been established, regulations, such as the carbon tax and emission trading system, will be strengthened, which may have a financial impact. As countermeasures, we are committed to energy saving, installation of solar panels, and the use of renewable energy power.
Physical risks	Urgent	Drought	Short-term	As a lot of water is used in the manufacturing process of the product (extraction, cleaning, etc.), water scarcity can have a significant impact on the business. As a countermeasure, we have installed water tanks and conduct regular maintenance to ensure availability of a water source.
		Flood	Short-term	In recent years, large-scale typhoons and floods caused by guerrilla rainstorms may flood factories, manufacturing equipment, and product storage warehouses. As a countermeasure, each factory has similar manufacturing equipment to enable alternative production. Additionally, the product warehouse at the Headquarters Factory has a seawall installed.
	Chronic	Climate change	Long-term	As many of our raw materials are derived from natural or cultivated plants, changes in rainfall due to climate change may have an impact on the procurement of plant-based raw materials. As countermeasure, we ensure sufficient stock of major raw materials and plants, expand the production area, and conduct cultivation research in other cultivation areas.

Risks/ opportunities	Classification	Item	Period	Content
Opportunities	Resource efficiency Energy source	Climate change	Medium-term	As business partners become more interested in sustainability and strengthen their low-carbon and decarbonization efforts, it has become important to maintain and improve our corporate reputation. We view low-carbon and decarbonization initiatives, such as energy conservation, installation of solar panels, and the use of renewable energy, as opportunities to maintain and improve our corporate values.
	Products Services	Waste	Short-term	As business partners are becoming more interested in sustainability and take further initiatives to reduce waste, we are expected to maintain and improve our corporate reputation and improve our product value. We consider that the effective use of plant residues discarded in raw material cultivation sites to manufacture and sell products with upcycle products will give us an opportunity to maintain and improve our corporate value and improve our product value.

2) Energy Consumption and Greenhouse Gases

On February 18, 2025, Japan submitted its new Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat. In this NDC, Japan aims to reduce greenhouse gas emissions by 60% by FY2035 compared with FY2013 levels and by 73% by FY2040.

These goals are aligned with the international goal of limiting global temperature increase to 1.5°C and are positioned on a science-based, linear emissions reduction pathway to achieve net zero by 2050.

Maruzen Pharmaceuticals uses energy and releases greenhouse gases throughout the value chain, including the manufacturing process of products, procurement of raw materials, and transportation of products. In 2010, we established an “Energy Management Committee” and have worked to “promote energy conservation” and “reduce greenhouse gas emissions” focusing on our 3 production bases (Headquarters Factory, Shin Onomichi Factory, and Miyoshi Factory) to reduce our environmental load.

We will continue to work toward the realization of a sustainable society through the development of long-term strategies based on the “Paris Agreement,” an international framework for global warming countermeasures, and through the efforts toward net zero (carbon neutral) by 2050.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Reduction of Environmental Loads	Reduction of Energy Consumption	We aim to reduce energy consumption intensity by 40% versus that in FY2013.	We aim to reduce energy intensity by 20% versus that in FY2013.	  
	Reduction of Greenhouse Gas Emissions	We aim to achieve net zero greenhouse gas emissions (carbon neutral).	We aim to reduce greenhouse gas emission by 46% in Scopes 1 and 2, versus that in FY2013. In Scope 3, we will grasp emissions by 2027 and aim to reduce them toward 2030.	  

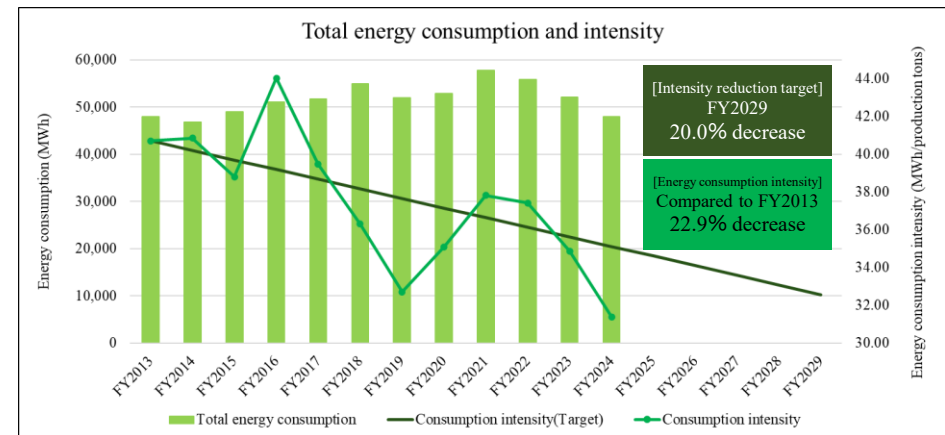
Total energy consumption and intensity

In FY2024, the energy consumption was 47,916 MWh, a decrease of 4,216 MWh compared with that in the previous year (decrease by 8.1% compared with that in the previous year; decrease by 0.0% compared with that in FY2013).

The energy consumption intensity was 31.38 MWh/production tons, showing a decrease of 3.49 MWh/production tons compared with that in the previous year (decrease by 10.0% compared with that in the previous year; decrease by 22.9% compared with that in FY2013).

As part of our reporting obligations under the Energy Conservation Act (Act on the Rational Use of Energy), we submit “periodic reports” and “medium- to long-term plans.”

[Changes in total energy consumption and intensity]

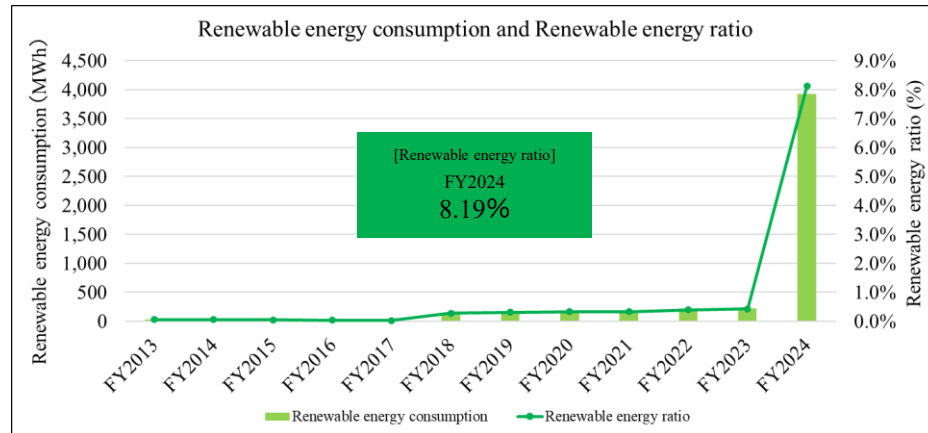


	FY2013	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total energy consumption	47,923	51,920	52,933	57,724	55,784	52,132	47,916
Nonrenewable energy	47,896	51,757	52,755	57,530	55,562	51,910	43,994
Renewable energy	27	163	178	194	221	222	3,922
Renewable energy ratio	0.06 %	0.31 %	0.34 %	0.34 %	0.40 %	0.43 %	8.19 %
Energy consumption intensity	40.72	32.72	35.10	37.83	37.41	34.87	31.38
Production	1,177 t	1,587 t	1,508 t	1,526 t	1,491 t	1,495 t	1,527 t

*Unit: Energy consumption(MWh), Energy consumption intensity(MWh/production tons)

2) Energy Consumption and Greenhouse Gases

[Changes in renewable energy consumption and ratio]



	FY2013	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total energy consumption	47,923	51,920	52,933	57,724	55,784	52,132	47,916
Renewable energy	27	163	178	194	221	222	3,922
In-house power generation	27	163	178	194	202	199	242
Headquarters Analysis Center	-	0	7	31	32	30	30
Headquarters Manufacturing Building	-	-	-	-	2	12	10
Shin Onomichi Factory	27	163	171	163	168	157	157
Kui Farm	-	-	-	-	-	-	45
Purchased electricity	0	0	0	0	19	23	3,680
Shin Onomichi Factory	-	-	-	-	-	-	3,435
Osaka branch	-	-	-	-	-	-	31
Kui Farm	-	-	-	-	19	23	214
Renewable energy ratio	0.06 %	0.31 %	0.34 %	0.34 %	0.40 %	0.43 %	8.19 %

*Unit: Energy consumption(MWh)

Energy-saving initiatives

At Maruzen Pharmaceuticals, all employees are working to conserve energy by setting air conditioning and heating to appropriate temperatures, frequently turning on and off electrical equipment when not in use, and turning off lights in unused areas during breaks.

Additionally, every February is designated as an “Energy Conservation Month,” where employees are encouraged to avoid excessive heating and be mindful of energy conservation in their daily activities.



The renewable energy consumption in FY2024 was 3,922 MWh, accounting for 8.19% of the total energy consumption.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Energy Consumption and Greenhouse Gases

Greenhouse gas emissions/emission intensity

- Market standards -

[Scope 1 emissions]

Scope 1 emissions were 4,453 t-CO₂, a decrease by 21 t-CO₂ from the previous year (decrease by 0.5% compared with that in the previous year; decrease by 6.4% compared with that in FY2013).

[Scope 2 emissions]

Scope 2 emissions were 4,733 t-CO₂, a decrease by 1,957 t-CO₂ from the previous year (decrease by 29.2% compared with that in the previous year; decrease by 31.9% compared with that in FY2013).

[Scope 1 and 2 emissions]

Scope 1+2 emissions were 9,186 t-CO₂, a decrease by 1,977 t-CO₂ from the previous year (decrease by 17.7% compared with that in the previous year; decrease by 21.5% compared with that in FY2013).

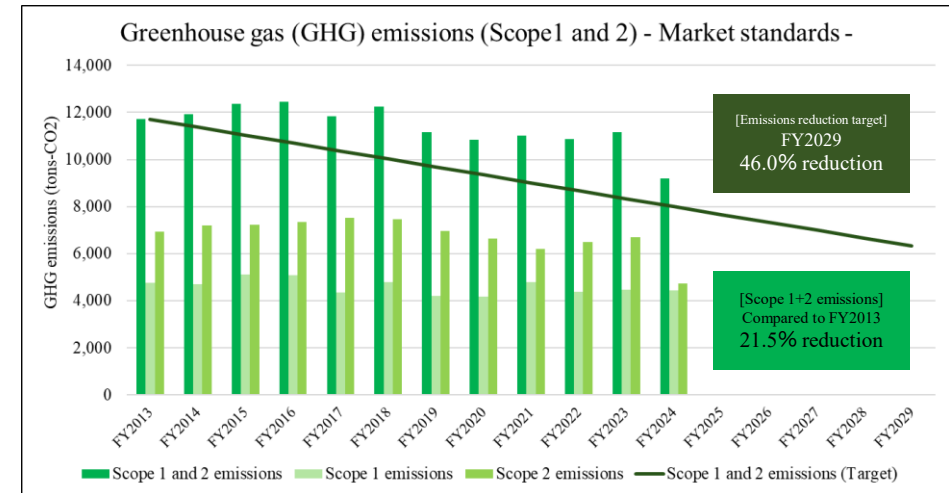
[Emission intensity]

The emissions intensity per production tons for Scope 1 was 2.92 t-CO₂/production tons, a decrease by 0.08 t-CO₂/production tons compared with that in the previous year (decrease by 2.5% compared with that in the previous year; decrease by 27.9% compared with that in FY2013).

The emissions intensity per production tons for Scope 2 was 3.10 t-CO₂/production tons, a decrease by 1.37 t-CO₂/production tons compared with that in the previous year (decrease by 30.7% compared with that in the previous year; decrease by 47.5% compared with that in FY2013).

The emissions intensity per production tons for Scope 1+2 was 6.02 t-CO₂/production tons, a decrease by 1.45 t-CO₂/production tons compared with that in the previous year (decrease by 19.4% compared with that in the previous year; decrease by 39.5% compared with that in FY2013).

[Changes in greenhouse gas emissions and emission intensity]



Market standards		FY2013	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Emissions	Scope1	4,758	4,194	4,179	4,802	4,370	4,473	4,453
	Scope2	6,946	6,976	6,647	6,203	6,497	6,690	4,733
	Scope1 & 2	11,704	11,170	10,827	11,005	10,867	11,163	9,186
Emission intensity	Scope1	4.04	2.64	2.77	3.15	2.93	2.99	2.92
	Scope2	5.90	4.40	4.41	4.06	4.36	4.48	3.10
	Scope1 & 2	9.94	7.04	7.18	7.21	7.29	7.47	6.02
Production		1,177 t	1,587 t	1,508 t	1,526 t	1,491 t	1,495 t	1,527 t

*Unit: Emissions(tons-CO₂), Emission intensity(tons-CO₂/production tons)

- Calculation standards -

Energy-related CO₂ emissions (Scope 1, 2): $\Sigma (\text{Annual purchase amount of each fuel} \times \text{Unit calorific value of each fuel} \times \text{CO}_2 \text{ emission coefficient of each fuel}) + \text{Purchased electricity} \times \text{CO}_2 \text{ emission coefficient for electricity}$

The unit calorific value and CO₂ emission coefficient of each fuel are based on the "System for Calculating, Reporting, and Disclosure of Greenhouse Gas Emissions" of the "Act on Promotion of Global Warming Countermeasures." The CO₂ emission coefficient for city gas uses the basic emission coefficient.

The CO₂ emission coefficient for electricity is the value for each electric power company for each fiscal year (adjusted emission coefficient, market standards).

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Energy Consumption and Greenhouse Gases

- Location standards -

[Scope 1 emissions]

Scope 1 emissions were 4,453 t-CO₂, a decrease by 21 t-CO₂ from the previous year (decrease by 0.5% compared with that in the previous year; decrease by 6.4% compared with that in FY2013).

[Scope 2 emissions]

Scope 2 emissions were 3,857 t-CO₂, a decrease by 1,465 t-CO₂ from the previous year (decrease by 27.5% compared with that in the previous year; decrease by 32.6% compared with that in FY2013).

[Scope 1 and 2 emissions]

Scope 1+2 emissions were 8,309 t-CO₂, a decrease by 1,486 t-CO₂ from the previous year (decrease by 15.2% compared with that in the previous year; decrease by 20.7% compared with that in FY2013).

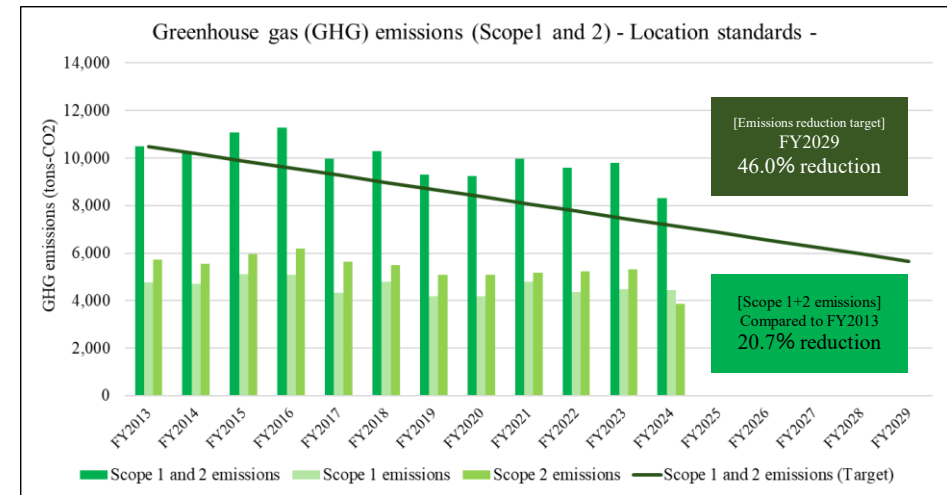
[Emission intensity]

The emissions intensity per production tons for Scope 1 was 2.92 t-CO₂/production tons, a decrease by 0.08 t-CO₂/production tons compared with that in the previous year (decrease by 2.5% compared with that in the previous year; decrease by 27.9% compared with that in FY2013).

The emissions intensity per production tons for Scope 2 was 2.53 t-CO₂/production tons, a decrease by 1.03 t-CO₂/production tons compared with that in the previous year (decrease by 29.0% compared with that in the previous year; decrease by 48.1% compared with that in FY2013).

The emissions intensity per production tons for Scope 1+2 was 5.44 t-CO₂/production tons, a decrease by 1.11 t-CO₂/production tons compared with that in the previous year (decrease by 16.9% compared with that in the previous year; decrease by 38.9% compared with that in FY2013).

[Changes in greenhouse gas emissions and emission intensity]



Location standards		FY2013	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Emissions	Scope1	4,758	4,194	4,179	4,802	4,370	4,473	4,453
	Scope2	5,723	5,095	5,077	5,167	5,233	5,322	3,857
	Scope1 & 2	10,482	9,289	9,256	9,969	9,603	9,795	8,309
Emission intensity	Scope1	4.04	2.64	2.77	3.15	2.93	2.99	2.92
	Scope2	4.86	3.21	3.37	3.39	3.51	3.56	2.53
	Scope1 & 2	8.91	5.85	6.14	6.53	6.44	6.55	5.44
Production		1,177 t	1,587 t	1,508 t	1,526 t	1,491 t	1,495 t	1,527 t

*Unit: Emissions(tons-CO₂), Emission intensity(tons-CO₂/production tons)

- Calculation standards -

Energy-related CO₂ emissions (Scope 1, 2): $\Sigma (\text{Annual purchase amount of each fuel} \times \text{Unit calorific value of each fuel} \times \text{CO}_2 \text{ emission coefficient of each fuel}) + \text{Purchased electricity} \times \text{CO}_2 \text{ emission coefficient for electricity}$

The unit calorific value and CO₂ emission coefficient of each fuel are based on the "System for Calculating, Reporting, and Disclosure of Greenhouse Gas Emissions" of the "Act on Promotion of Global Warming Countermeasures." The CO₂ emission coefficient for city gas uses the basic emission coefficient.

The CO₂ emission coefficient for electricity is the national average coefficient (location standards).

2) Energy Consumption and Greenhouse Gases

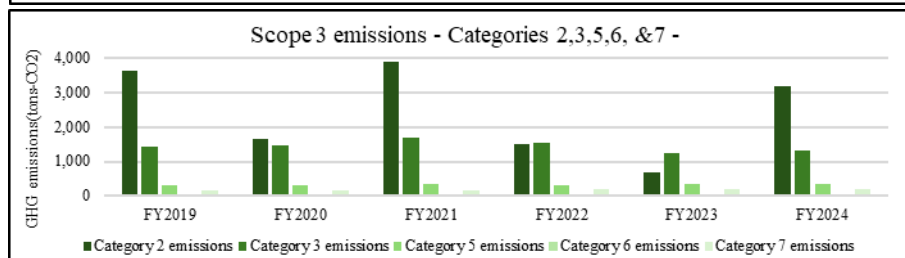
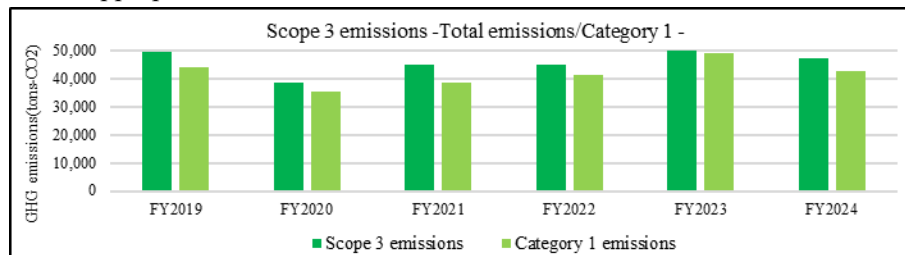
[Scope 3 emissions]

To calculate Scope 3 emissions, Maruzen Pharmaceuticals utilizes the “Emissions Intensity Database” provided by the Ministry of the Environment and strives to understand emissions from six of the 15 categories: Category 1 (purchased products & services), Category 2 (capital goods), Category 3 (fuels & energy-related activities not included in Scope 1 or 2), Category 5 (waste generated from businesses), Category 6 (business trips), and Category 7 (employer commuting).

From now on, we will work toward improving the accuracy of emissions data and expand the scope of calculations in preparation for the reduction phase scheduled for FY2027.

Regarding the downstream categories of Scope 3 (Categories 9 to 15), our products are mainly formulated in trace amounts in our business partners' products, and we have determined that the impact on greenhouse gas emissions at the end-use and disposal stages of the final product is extremely limited.

Thus, downstream categories are currently excluded from calculations. However, we will reassess as necessary if there is a possibility that emissions impacts increase in the future due to changes in product uses or supply destinations, and strive to disclose appropriate information.



Scope 3 emissions		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	Purchased goods and services	44,264	35,303	38,889	41,483	49,249	42,726
2	Construction and building of capital Goods	3,650	1,649	3,915	1,510	705	3,172
3	Fuel- and energyrelated activities (not included in scope 1 or scope 2)	1,431	1,457	1,706	1,535	1,262	1,339
4	Upstream transportation and distribution	-	-	-	-	-	-
5	Waste generated in operations	329	301	335	318	339	352
6	Business travel	53	54	55	57	59	59
7	Employee commuting	174	179	181	189	194	197
8	Upstream leased assets	0	0	0	0	0	0
9	Downstream transportation and distribution	N/A	N/A	N/A	N/A	N/A	N/A
10	Processing of sold products	N/A	N/A	N/A	N/A	N/A	N/A
11	Use of sold products	N/A	N/A	N/A	N/A	N/A	N/A
12	End-of-life treatment of sold products	N/A	N/A	N/A	N/A	N/A	N/A
13	Downstream leased assets	N/A	N/A	N/A	N/A	N/A	N/A
14	Franchises	N/A	N/A	N/A	N/A	N/A	N/A
15	Investments	N/A	N/A	N/A	N/A	N/A	N/A
Scope 3 emissions		49,903	38,943	45,082	45,091	51,807	47,844
Scope 3 emissions intensity		31.44	25.82	29.54	30.24	34.65	31.34
Scope 3 emissions (2, 3, 5, 6, & 7)		5,638	3,640	6,193	3,608	2,558	5,118
Scope 3 emissions intensity (2, 3, 5, 6, & 7)		3.55	2.41	4.06	2.42	1.71	3.35
Production		1,587 t	1,508 t	1,526 t	1,491 t	1,495 t	1,527 t

*Unit: Emissions(tons-CO2), Emission intensity(tons-CO2/production tons)

- Calculation standards -

Category 1: $\Sigma \{(\text{Amount data of purchased / Obtained products or services} \times \text{Emission intensity})\}$

Category 2: $\Sigma \{(\text{Price of capital goods}) \times (\text{Emission intensity})\}$

Category 3: $\Sigma \{(\text{Amount of purchased electricity}) \times (\text{Emission intensity})\} + \Sigma \{(\text{Annual purchase amount of each fuel}) \times (\text{Emission intensity})\}$

Category 5: $\Sigma (\text{Amount of waste} \times \text{Emission intensity})$ by waste type

Category 6: Number of employees $\times$ Emission intensity

Category 7: $\Sigma (\text{Number of employees} \times \text{Emission intensity} \times \text{Number of working days})$ by working style and city category

The emission intensity is based on the “Emission Intensity Database for Calculating Organizational Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.1)” and “CFP Basic DB: “Carbon Footprint Communication Program Basic Database Ver. 1.01 (Domestic Data)”.

2) Energy Consumption and Greenhouse Gases

Initiatives to reduce greenhouse gas (GHG) emissions

[Conversion to low carbon fuels]

Maruzen Pharmaceuticals promotes low-carbon fuel use at its offices.

At Miyoshi Factory, we have been working to reduce greenhouse gas emissions by converting the fuel used to operate factory equipment from heavy oil to liquefied natural gas.

Following this, we have also begun considering a fuel conversion from heavy oil to propane gas at the Shin Onomichi Factory.

At the Research Center, we are considering switching from kerosene to carbon offset gas as fuel when renewing greenhouse fans.

[Production efficiency]

As an initiative that spreads from our QC activities, Maruzen Pharmaceuticals is continuously striving to pursue highly efficient production activities by improving manufacturing technology and by thorough manufacturing control. At the annual internal presentation meeting, an award system for outstanding initiatives was established, which led to an increase in the motivation of employees.

Since FY2024, new evaluation criteria have been added from the viewpoint of contribution to sustainable development goals (SDGs) and the standards from nonfinancial viewpoints such as “decarbonization,” “reduction of water use,” and “reduction of wastes,” and efforts have been made for both improving production efficiency and reducing the environmental load.

[Introduction of environmentally friendly equipment]

Maruzen Pharmaceuticals promotes the introduction of environmentally friendly equipment to reduce greenhouse gas emissions.

In FY2024, we renewed the boiler for the spray dryer at the Headquarters Factory to a high-efficiency type that can reduce the amount of heavy oil used.

In addition, we are gradually switching lighting equipment to light-emitting diode (LED) lighting at all of our offices in an effort to save energy. This is in response to international trends that ban the manufacture and import/export of fluorescent lamps. We are planning to complete the conversion of all lighting to LED by the end of 2027.

[Use of renewable energy]

Maruzen Pharmaceuticals is actively promoting the use of renewable energy in its business activities. In Shin Onomichi Factory, Headquarters Analysis Center, Headquarters Manufacturing Office Building (Protopia Building), and Kui Farm, the self-consumption-type solar power generation system has been installed, and the electricity generated is used in the employee welfare building, constant temperature warehouse, etc.

Miyoshi Factory and Research Center are considering installing the solar power generation system in Power Purchase Agreement (PPA) models, which requires no initial investment, maintenance, or control burdens in the system to expand the use of renewable energy in our offices.



Shin Onomichi Factory



Kui Farm

With respect to purchased electricity, Kui Farm began using 100% renewable energy in FY2022, Osaka Branch in FY2024, and Shin Onomichi Factory in May 2024. We will continue to consider introducing 100% renewable energy for electricity at other offices and strive to expand the use of sustainable energy.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Energy Consumption and Greenhouse Gases

[Use of heat-shielding paint]

At the Research Center, heat-shielding paint is applied to the walls of research buildings to improve air conditioning efficiency and reduce energy consumption. This heat-shielding paint reduces the temperature increase inside buildings by inhibiting the penetration of heat from sunlight, which will lead to reduced air conditioning usage.

This makes it possible to reduce the environmental load through reduced energy consumption while maintaining a comfortable work environment. We will continue to proactively promote environmental considerations from the construction/facility aspects.

[Use of eco-friendly cars]

Maruzen Pharmaceuticals is promoting the introduction of eco-friendly cars (hybrid and electric vehicles) as company vehicles at all of its offices.

This helps reduce greenhouse gas emissions associated with business activities and contributes to reducing the environmental load.

The introduction of eco-friendly cars also contributes to improved energy efficiency through improved fuel efficiency and reduced operating costs, and is positioned as an initiative to achieve both environmental and economic benefits.

Prevention of air pollution

Air pollution can affect human health, plants, and ecosystems significantly. Air pollutants such as nitrogen oxide (NOx) and sulfur oxide (SOx) in particular are known to increase the incidence of respiratory diseases such as asthma. The emissions and concentrations of these substances are strictly regulated by the government based on laws and regulations.

As part of its efforts to prevent air pollution, Maruzen Pharmaceuticals has installed a small once-through boiler with soot- and smoke-processing capabilities and strives to treat and reduce soot, NOx, and SOx in exhaust gases. We also conduct periodic environmental measurements and continue to operate in compliance with the “Air Pollution Control Act” and other related laws and regulations.

Support for the Onomichi COOL CHOICE Project

Maruzen Pharmaceuticals supports the “COOL CHOICE” national campaign to address global warming, promoted by the Ministry of the Environment, and has registered with the “Onomichi COOL CHOICE Project” run by Onomichi City. We will actively contribute to reducing CO₂ and other greenhouse gas emissions through our daily business activities.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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3) Water

Water is a precious resource that supports people’s lives and livelihoods. This is an essential resource for Maruzen Pharmaceuticals, whose business is to enjoy the blessings of nature and connect it to new values.

Maruzen Pharmaceuticals uses and discharges water in the manufacturing process of products, such as during the extraction of raw materials and cleaning of equipment, and has recognized water resource issues as important environmental issues.

To continue production at production bases and conserve the surrounding water environment, we are working to promote efficient water use, properly manage wastewater, and improve wastewater treatment based on water risk assessments.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Reduction of Environmental Loads	Reduction of Water Usage and Management of Drainage Water	We will provide technical support to reduce environmental loads at our suppliers and manage water throughout the supply chain.	We aim to reduce water resource consumption intensity (water withdrawal) by 10% versus that in FY2013.	  

Water risk assessment

To identify areas facing water crisis, we use the WWF “Water Risk Filter” and the “Hazard Map Portal” of the Geospatial Information Authority of Japan to assess water stress, such as water shortage, water quality, flood, and high tides.

We have confirmed that water withdrawal in the production base areas is from areas with low water stress, but stable water withdrawal is difficult from the water sources for the Headquarters Factory and Shin Onomichi Factory in the event of extreme drought conditions. Therefore, we are taking measures such as storing water and transferring water between factories.

In recent years, large-scale typhoons and floods caused by guerrilla rainstorms are increasing the risk of flooding manufacturing equipment and product storage warehouses. Therefore, each factory has similar manufacturing equipment to enable alternative production. Additionally, the product warehouse at the Headquarters Factory has a seawall installed to protect against high tides.

Water Accounting

Maruzen Pharmaceuticals is working to grasp and efficiently manage water withdrawal, discharge, and consumption to ensure the sustainable use of water resources.

[Total water withdrawal]

The total water withdrawal for FY2024 was 306 ML, unchanged from the previous year, and a decrease of 13 ML (4.1%) compared with that in FY2013.

[Total water discharge]

The total water discharge was 260 ML, unchanged from the previous year, and a decrease of 28 ML (9.6%) compared with that in FY2013.

[Water consumption]

The water consumption (= total water withdrawal - total water discharge) was 46 ML, unchanged from the previous year, and an increase of 14 ML (45.2%) compared with that in FY2013.

[Water consumption intensity]

The water consumption intensity was 0.0301 ML/production tons, showing a decrease of 0.0007 ML/production tons compared with that in the previous year (decrease by 2.1% compared with that in the previous year; increase by 11.9% compared with that in FY2013).

In FY2024, at the Headquarters Factory, we implemented measures to prevent water leakage by reducing the amount of seal water used in spray pumps and switching from buried pipes to aboveground piping within the factory.

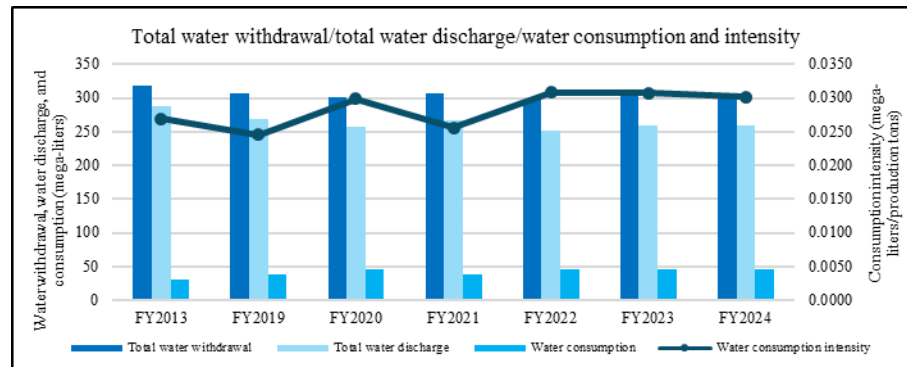
At Shin Onomichi Factory, we began to make effective use of wastewater from boiler drains.

At Miyoshi Factory, we are working to reduce consumption by installing flow meters on the seal water used in vacuum pumps, etc.

As a result of these efforts, despite an increase in product production, water consumption has not increased but been maintained at a consistent level, indicating progress in the efficient use of water resources.

3) Water

[Changes in total water withdrawal/total water discharge/water consumption/ consumption intensity]



	FY2013	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total water withdrawal	319	307	302	306	297	306	306
Surface water	1	1	1	1	1	1	1
Underground water	1	1	3	2	3	1	1
Sea water	203	169	167	166	158	161	162
Daily life produced water	0	-	-	-	-	-	-
Third-party water (tap water)	115	136	131	137	135	143	142
Total water discharge	288	268	257	267	251	260	260
Surface water	55	76	68	76	70	75	77
Underground water	0	-	-	-	-	-	-
Sea water	232	192	189	191	181	185	183
Daily life produced water	0	-	-	-	-	-	-
Third-party water (tap water)	0	-	-	-	-	-	-
Water consumption	32	39	45	39	46	46	46
Water consumption intensity	0.0269	0.0246	0.0298	0.0256	0.0309	0.0308	0.0301
Production	1,177 t	1,587 t	1,508 t	1,526 t	1,491 t	1,495 t	1,527 t

*Unit: Water withdrawal/discharge/consumption(ML), intensity(ML/production tons)

Drainage water management

We have a wastewater treatment system to reduce pollutants in wastewater, and under thorough management, we perform purification treatment using microorganisms before discharging wastewater. We periodically undergo water quality evaluation tests by Hiroshima Prefecture, measure the total levels of pollutants (COD, nitrogen, phosphorus) in the wastewater, and receive evaluations that meet wastewater standards. Water quality is controlled in accordance with the “Water Pollution Prevention Act” enacted in 1971 and the “Act on Special Measures Concerning Conservation of the Environment of the Seto Inland Sea” (Seto Inland Sea Act) enacted in 1973.

In FY2024, there were no violations of the “Water Pollution Prevention Act” or the “Act on Special Measures Concerning Conservation of the Environment of the Seto Inland Sea.” We will continue to reduce water consumption in our business activities through water conservation in manufacturing and by thorough wastewater management, and will also properly manage wastewater in accordance with both acts.

[Total weight of pollutants discharged into the water]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total weight of pollutants discharged into the water	1.57	1.09	1.69	1.44	0.84	1.00

*Unit: tons

Water quality testing and rainwater utilization at Kui Farm

Kui Farm uses groundwater (well water). This water is used not only to cultivate plants but also as a source of drinking water for employees; thus, water quality is tested to determine whether the water is suitable for drinking.

In addition, drip from the fermentation process is purified in wastewater treatment equipment and reused to adjust the moisture content of the compost.

Furthermore, to address water shortages, a system is in place to collect and use rainwater using the water storage tank installed during the renovation work.



Kui Farm Compost Field Rainwater Storage Tank

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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4) Waste

Maruzen Pharmaceuticals discharges waste during the manufacturing process. Many of the wastes are extraction residues generated after the extraction of plants, sludge contained in wastewater of each factory, diatomaceous earth used in the filtration process, etc.

Efforts to reduce waste leads to the efficient use of materials and energy resources necessary for business activities and are important factors contributing to overall environmental conservation activities.

In addition, we recognize that the importance of waste reduction and resource reuse will increase in the future as the circular economy becomes more widespread.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Reduction of Environmental Loads	Reduction of Waste Generation	We aim to achieve zero waste emissions by promoting the 5Rs (reduce, reuse, recycle, renewable, and repair).	We will conduct material flow analysis and aim to reduce the amount of waste generated. Reduce: Reduction of plastic used Renewable: 100% effective use of extracted raw material residue (composting/fuel/feed)	

Effective use of extraction residue

Maruzen Pharmaceuticals built Kui Farm, an approximately 75,000 m² farmland in Mihara City, Hiroshima Prefecture, in 2007, to reduce its environmental load and test and cultivate useful plant-based raw materials.

At Kui Farm, the extraction residue (residue after active ingredients are extracted from plants) generated during the manufacturing process of plant extracts is not incinerated, but instead fermented and composted, and used the “circular agriculture method” to grow new useful plants.

By reusing it as compost instead of incinerating it, we can not only reduce waste but also contribute to reducing the environmental load by reducing CO₂ emissions generated during incineration and storing carbon using agricultural soil as an absorption source. In addition to its use as biomass fuel, we will continue to consider the effective use of the extraction residue.

In FY2024, construction work to renovate the compost field was completed to more efficiently process and compost the extraction residue, making it possible to produce higher quality compost.

[Amount of extraction residue brought into Kui Farm]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Amount of extraction residue brought in	901	861	918	729	209	445

*Unit: tons



Overall view of Kui Farm



Inside the compost field (composting of extraction residue)



Compost field



Compost field (solar power generation system)

Sludge treatment

For the treatment of sludge in factory wastewater, we perform microbial treatment and treat the wastewater to below the sewage discharge standard value before discharging it. To maintain the environment of the wastewater tank, we have installed a system to metabolize microorganisms aerobically, increasing the volumetric loading rate, improving the sludge volume reduction effect, and increasing the diffusion efficiency. The installation of the device reduces the load on the drainage equipment, which also leads to a reduction in power consumption.

In FY2024, to further reduce sludge and save electricity at Miyoshi Factory, we continued to search for and examine the introduction of microorganisms with higher processing capabilities.

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

EnvironmentFair Company
Activities

Consumer Issues

Community
Involvement and
Development

4) Waste

Disposal of Diatomaceous Earth

Due to the expansion of business activities, the amount of diatomaceous earth used as a filter in the filtration process is increasing. As filtration residues containing diatomaceous earth interfere with compost processing, they are currently disposed at an external facility.

In the future, we believe that it is necessary to consider treatment methods that aim to recycle all of the filtration residue and also consider filtration methods that do not use diatomaceous earth.

There have also been complaints from neighbors about the occurrence of foul odors due to handling various types of residues and storing these residues without sufficient composting conditions.

To address this, renovations to the compost field facility have been completed, and we are currently working to establish conditions for composting.

Packaging materials

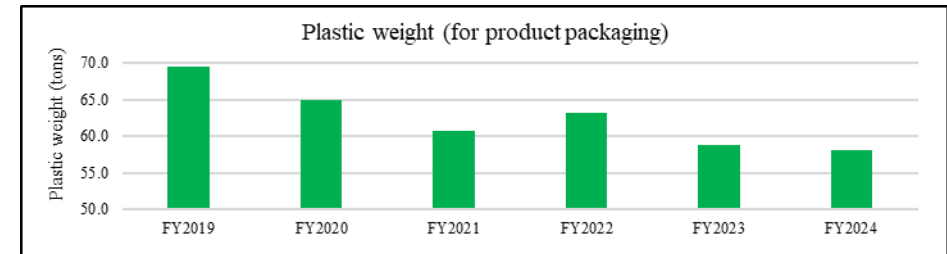
For product packaging, we have introduced simple packaging to reduce waste. Many of the products are packed in cardboard boxes, and plastic packaging materials are used as inner packaging materials. We are aware of the issues associated with plastics and believe that further reduction efforts related to the use of plastics are essential.

As packaging materials are important for maintaining the quality of products and providing information, we will consider initiatives, such as reducing the amount of plastics used and using plant-derived/recycled plastic containers while paying attention to the depletion of resources and marine plastic problems, thereby contributing to reducing the environmental burden.

In FY2024, we discontinued the use of aluminum packaging and the switch to “GL FILM,” which has high barrier properties that prevent the transmission of oxygen and water vapor. We have also discontinued the use of “lidded cans” that were used for 18-liter cans and are now considering alternative packaging that is more environmentally friendly.

Furthermore, we have reduced the amount of film used to prevent cargo from shifting during transport and are working to reduce the amount of plastic used. We will continue to strive to reduce the use of plastics used other than those used as packaging materials.

[Plastic weight (for product packaging)]



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Plastic weight	69.6	64.9	60.8	63.2	58.9	58.1

*Weight of only packaging materials used for product sales

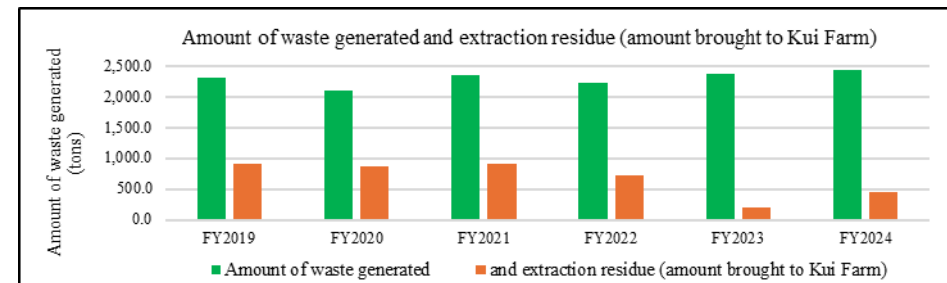
*Unit: tons

Waste management

[Amount of waste generated]

At the Research Center and quality control department, various types of wastes are generated as a result of research and testing. These wastes are efficiently separated and disposed of appropriately by an outsourced specialized disposal company.

We are also promoting the electronization of manifests from the perspectives of improving administrative efficiency, ensuring compliance, and ensuring data transparency.



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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4) Waste

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Amount of waste generated	2,309	2,111	2,352	2,228	2,376	2,434
Amount brought into Kui Farm	901	861	918	729	209	445
Weight of waste not disposed of	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Nonhazardous waste	0	0	0	0	0	0
Weight of waste disposed of	2,309	2,111	2,352	2,228	2,376	2,434
Hazardous waste	2	2	3	2	2	2
Nonhazardous waste	2,307	2,109	2,349	2,226	2,374	2,432
Amount brought into Kui Farm	901	861	918	729	209	445

*Unit: tons

Provision of upcycled products

Maruzen Pharmaceuticals is working to manufacture and sell upcycled products that make effective use of waste generated in raw material cultivation sites, as products that contribute to solving social issues.

We provide new value as upcycled plant extracts by utilizing pineapple pomace and young perilla leaves that are “pinched” during the growth process.



高まる潤い 明るい肌へ

フルーツ由来の新素材
パイナップルセラミド

「潤い+α」のパイナップルセラミド

微笑みの国から届くトレーサブル・パイン

丸善製薬は、タイ王国化学技術局（NIA）と現地の植物資源の高度なおよび有効活用を目的とした研究開発に参画し、健康素材として生薬原料第一級品をタイ産パイナップルを産出しました。

生薬原料となるパイナップルは、田間中継の撮影風景にて生産されています。丸善製薬の「パインセラC」は、現地の利益に配慮したサステナブルなアプローチの理念を尊重し、現地の発展の妨げとならないよう配慮されています。

パイナップルセラミドは、高保湿効果と美白効果だけでなく、肌の内層からセラミドの生成を促します。その結果、肌表面に対するバリア機能の改善作用が確認されました。肌の潤いが高まり、肌表面が滑らかになることで、美肌効果も期待できます。

パイナップルセラミドの特長

- ✓「潤い×美白×W効果」のセラミド素材
- ✓「パイナップルセラミド」医薬部外品表示名称
- ✓「経口×外用」による相乗効果

① セラミド

皮膚細胞間の細胞間質の主要成分（約50%）で、肌の水分蒸散を抑え、保湿効果の高いバリア機能に重要な役割を果たしています。細胞間の結合が強化されることが期待されています。

② フィトール

植物由来の天然成分で、セラミド×フィトールの相乗効果により、肌の保湿効果、バリア機能の向上が期待されています。

セラミドにフィトールが17種類以上含まれるパイナップルセラミド

和ism® <エゴマ薬>

和ism® <エゴマ薬>で頭皮環境を改善

頭皮フローラを整え、頭皮の赤み、抜け毛・白髪発生を抑える

- コリネバクテリウム属細菌抑制効果
- 頭皮の赤み改善効果
- 抜け毛本数減少、白髪発生抑制効果

緩やかな頭皮の維持・毛髪の成長をサポート

- 活性酸素消去作用
- バリア機能促進・伝子発現促進
- 毛髪のバリア・コンディショニング効果促進

環境に優しいアップサイクル原料

- 成長過程で廃棄されるエゴマ若葉を有効活用
- 有機栽培
- トレーサビリティ（広島県産）

① 農薬のデカカラアップサイクル

エゴマ種子（エゴマ油用）を多く残すため、種物の成長を促進するために、農薬使用（「和ism®」）を必要とします。その結果で廃棄されたエゴマ若葉をエゴマの原料に有効活用しています。一般的に、種物は農薬使用（和ism®）と同一の農薬に農薬を積極的に活用します。その結果で廃棄されたエゴマ若葉を有効活用しました。

エゴマ種と農薬の活用
動画はこちら

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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5) Biodiversity

Initiatives for the sustainable procurement of “licorice”

Licorice is an important plant resource for Maruzen Pharmaceuticals. We are conducting joint research on licorice cultivation with the South China Botanical Garden, Chinese Academy of Sciences, with which we have had academic exchange for 30 years, in order to protect and stably procure licorice in the future. We have conducted cultivation tests on a commercial scale using seeds from a high-quality strain, applying the expertise we have developed over approximately 20 years on our now-closed Australian farm. This includes knowledge in seed production, seeding cultivation, and cultivation control methods.

In FY2024, we harvested licorice roots, which we began cultivating the previous year using underground stems (stolons) derived from selected superior lines. Based on the harvest volume, we will calculate the cultivation area from FY2026 onward and promote the establishment of a system for stable procurement.

We will continue to conduct research on licorice to contribute to the development of licorice cultivation and sustainable raw material procurement.



Following our experience with licorice, we are also considering a shift from “buying” to “growing” other plant materials.

Access to genetic resources based on the Convention on Biological Diversity and the Nagoya Protocol

The Convention on Biological Diversity was adopted by the UN in May 1992 and became effective in December 1993 for conservation and the sustainable use of biodiversity.

In 2010, the Nagoya Protocol was adopted as an international rule to enhance the effectiveness of the Convention on Biological Diversity.

Japan signed the Nagoya Protocol in 2017, which requires even more attention to the Convention on Biological Diversity than before.

Maruzen Pharmaceuticals strives to use genetic resources in compliance with the laws and regulations of the countries that provide raw materials to ensure that customers use the products safely.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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5. Fair Operating Practices

We engage in fair, transparent, and free competition and appropriate transactions while respecting the relationship of trust with customers.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Prevention of Corruption

Maruzen has established an “Ethics Policy” and a “Code of Conduct” and is working on promoting compliance management.

The “Ethics Policy” put together our basic philosophy for business ethics and compliance with laws and regulations, and the “Code of Conduct” demonstrates the actions and decision criteria to be taken by all officers and employees based on this policy.

In January 2024, the “Ethics Policy/Code of Conduct” was formulated after deliberation at the meeting with the Board of Directors. By sharing and practicing these ideas internally, we will aim to become a company trusted by customers and society.

Ethics Policy

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means. To achieve this goal, we have formulated an “Ethics Policy,” and will understand and comply with laws and regulations, social rules, and their spirit, while respecting social ethics and fulfilling our social responsibilities.

■ Attitude toward Customers

We strive to supply products that meet customer needs and solve social issues.

We strive for ethical procurement in the supply chain.

We strive for information security.

■ Responsivity to Society

We conduct fair corporate activities while strictly complying with laws, and we disclose information appropriately.

We conduct business activities that are socially and environmentally friendly to contribute to the realization of a sustainable society.

We respond to social diversity and promote communication activities with local communities.

■ Developing a workplace that is easy to work in

We promote activities that respect the human rights of all employees.

We support skill improvement and strive to ensure that employees can maximize their abilities.

We create a safe and comfortable work environment and improve productivity.

Established: January 19, 2024

Code of Conduct

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

The “Code of Conduct” demonstrates the actions and decision criteria to be taken by all officers and employees based on the “Ethics Policy.”

Considering that solving the environmental and social issues facing the world is becoming more important, we will work on our daily business activities with responsibility for all of you involved in the business, the future global environment, and society.

1. Contribution to Society

- Our mission is to contribute to society and to strive for sustainable development.
- We will respect important values such as fairness, transparency, integrity, and reliability.
- From material exploration to product development, we will use analytical technology and cutting-edge evaluation technology to respond to customer feedback, and strive to develop products that help solve social issues.
- We will strive to provide products and services with the highest priority on safety and security so that we can contribute to the improvement of customer satisfaction.
- In the event of an accident or defective product, we will take measures such as information disclosure and safety measures.
- We will focus on contribution to local communities and promote communication activities.
- We will actively participate in volunteer activities and social contribution activities.

2. Fair Company Activities

- We will comply with all laws and regulations related to business and social norms established in each country and region.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Prevention of Corruption

- We do not maintain any relationship with people who are involved in illegal activities such as antisocial forces or money laundering.
- We will comply with the Antimonopoly Act and other related laws and regulations, and conduct fair and equitable transactions.
- We will not engage in any act that conflicts with the interests of the company.
- We will maintain fair relationships with business partners, politicians, governments, and other business-related parties, and will not provide or accept inappropriate benefits such as corruption, bribery, or fraud.

3. Information Security and Protection of Personal Information, Confidential Information, and Intellectual Property Rights

- We will take measures to protect information from threats on computer networks and from negligence due to human factors, and will conduct checks regularly.
- We will appropriately manage all personal information of customers, third parties, employees, and others obtained through our business activities and also manage information on transactions and technical information.
- We will not infringe on the intellectual property rights of others.

4. Consideration of the Environment

- Bearing in mind that our business activities will place a burden on the environment, we will comply with relevant laws and regulations in consideration of environmental conservation.
- We will evaluate the impact of products on the environment from the research and development (R&D) stage and strive to provide products and services that are environmentally friendly.
- To use resources sustainably, we will periodically improve the utilization efficiency of resources necessary for business activities, such as energy, water, and raw materials.
- We will strive to conserve energy throughout our business activities, promote the use of renewable energy, and reduce greenhouse gas emissions.
- We will thoroughly control chemical substances and strive to prevent contamination of air, water, soil, etc.
- We will promote the reduction of the use of hazardous substances, the reduction of waste, the optimization of disposal, and the effective use of waste.
- We will respect biodiversity and conduct business activities with consideration for biodiversity.

- We will conduct procurement activities that take environmental conservation into consideration to achieve sustainable procurement.

5. Respect for Human Rights and Diversity

- We will respect the human rights and diversity of individuals.
- We will respect basic human rights and will not discriminate on the basis of nationality, region of origin, language, race, ethnicity, religion, ideology, age, disability, gender, gender identity, sexual orientation, employment status, marital status, pregnancy, or other reasons, nor will we engage in any act that damages the dignity of individuals.
- We will not accept any form of modern slavery or any forced labor.
- We will prevent employment that impairs the morals, health, and safety of children, and we will abolish child labor under the working age.
- We will not engage in any form of harassment or words that cause mental or physical distress.
- We will carry out procurement activities with social consideration to achieve sustainable procurement.

6. Labor Practices and Human Resource Development

- We will comply with laws and regulations concerning working hours and wages applicable to our business activities.
- We will put the health and safety of employees first, and strive to create a healthy and easy-to-work environment and ensure its safety.
- We will strive to promote work-life balance to enrich the work and private life of employees and their families.
- We will comply with laws and regulations concerning freedom of association and collective bargaining, and we will respect the rights of employees.
- We will provide educational opportunities to our employees and support their capability development and self-fulfillment, taking into account each individual's aptitude and values.
- We will introduce a personnel system that is fair, just, and transparent and leads to increased motivation based on results and capabilities.

Established: January 19, 2024

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Prevention of Corruption

Anti-corruption efforts and corruption risk assessment

Maruzen Pharmaceuticals supports the United Nations Global Compact and has been registered as a participating company since 2023. Based on the 10 principles relating to human rights, labor, the environment, and anti-corruption, we strive to prevent corruption by comprehensively assessing the risk of corruption when selecting new business partners both in Japan and overseas in accordance with our “Ethics Policy and Code of Conduct” and “Supplier Code of Conduct.” To thoroughly prevent corruption, we focus on checking for high-risk activities, such as “bribery,” “conflicts of interest,” “fraud,” “money laundering,” “fraudulent transactions,” and “relationships with anti-social forces.” Any matter that is deemed to be a high risk is discussed at the Executive General Manager Meeting (Corporate Officer Meeting) and reported to the Board of Directors as necessary.

[Anti-corruption/fair competition]

Maruzen Pharmaceuticals does not engage in bribery, conflicts of interest, fraud, money laundering, fraudulent transactions, or any other misconduct. As the economy becomes more globalized, the demand for anti-corruption measures both domestically and internationally has increased, and related laws and regulations have been strengthened. We do not tolerate any form of corruption, including bribery of public officials or politicians, and strive to achieve fair competition through corporate activities by focusing on transparency and ethics.

[Interruption of relationship with antisocial forces]

As a member of society, Maruzen Pharmaceuticals has no relationship whatsoever with antisocial forces that threaten social order or safety, and we will resolutely respond to unreasonable demands. In addition to providing education to employees, we strive to cooperate with and gather information from relevant organizations such as the police. We also have provisions related to the elimination of antisocial forces in our contracts with business partners.

[Total number of confirmed corruption cases/number of fraudulent business transactions for which legal action was taken]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Confirmed corruption cases	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases
Fraudulent business transactions for which legal action was taken	0 cases	0 cases	0 cases	0 cases	0 cases	0 cases

Anti-corruption education

To prevent corruption, it is necessary to provide continuous education, as it is necessary for individuals to acquire knowledge and increase their awareness about corrupt practices.

In FY2024, we invited external lecturers to provide training for directors and employees. In addition to topics, such as corruption, bribery, overseas transactions, and measures against antisocial forces, the seminar also covered points to be noted when dealing with so-called “deemed public officials,” such as those who are contracted to research institutions, such as national universities.

[Past training on corrupt practices]

~Directors~

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible directors	-	-	-	6	6	6
Number of attendees	-	-	-	0	0	2
Attendance rate	-	-	-	0.0%	0.0%	33.3%

~Managers~

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible managers	-	-	-	63	64	71
Number of attendees	-	-	-	0	0	64
Attendance rate	-	-	-	0.0%	0.0%	90.1%

~Employees~

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	409	417	422	437	450	457
Number of attendees	28	18	20	24	21	427
Attendance rate	6.8%	4.3%	4.7%	5.5%	4.7%	93.4%

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Sustainable Procurement

Maruzen Pharmaceuticals has developed a “Sustainable Procurement Policy” to contribute to the development of society by firmly connecting the blessings of nature to customers, society, and the future through various means, and it is conducting procurement activities with the support and cooperation of suppliers.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Sustainable Procurement and Supply Chain Management	Sustainable Procurement	We will promote “Sustainable Procurement Policy” for all raw materials in cooperation with our suppliers, aiming for sustainable procurement that does not tolerate human rights and labor issues, such as child labor and forced labor, and environmental destruction.	We will promote the “Sustainable Procurement Policy” for major raw materials in collaboration with our suppliers, aiming for sustainable procurement that does not tolerate human rights and labor issues, such as child labor or forced labor, and environmental destruction.	

Sustainable Procurement Policy

With the support and cooperation of all suppliers, Maruzen Pharmaceutical aims to contribute to the realization of a sustainable society and conducts the procurement activities that take social and environmental aspects into consideration.

1. Quality-oriented

We will comply with our company's quality policy and procure raw materials that prioritize quality, safety, and security.

2. Fairness and Impartiality

In the selection of suppliers, we conduct a comprehensive evaluation from the perspectives of quality, price, delivery date, transaction conditions, technology reserved, service capability, degree of cooperation, secure procurement, CSR initiatives, etc. In addition, competitive quotations from two or more suppliers are used in principle, and we will provide fair entry opportunities.

3. Legal Compliance and Ethics

We will comply with the common sense of society, related laws and regulations, and various company regulations including ethics, and conduct fair and sensible procurement activities. We also have no personal interest in any supplier.

4. Collaboration

Based on good communication with suppliers, we aim for the sound development of society by building mutual understanding and trusting relationships.

5. Human Rights

We never support forced labor, child labor, discrimination or inhumane treatment. We will respect basic human rights and promote procurement activities that respect labor conditions, health and safety.

6. Environment

In order to maintain business that is useful for a human-friendly world and to preserve the global environment, we will comply with relevant laws and regulations and practice procurement activities that coexist with the assets of "people, society, companies, and nature".

7. Maintenance of information security

We will strictly manage confidential information and personal information related to procurement activities in compliance with relevant laws and regulations.

Established: December 9, 2020

Revised: February 9, 2022

Sustainable Procurement Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/policy.pdf>

CSR certification

[Acquisition of Roundtable on Sustainable Palm Oil (RSPO) membership/certification]

Maruzen Pharmaceuticals joined the RSPO in September 2021 as a sustainable raw material procurement initiative and obtained RSPO certification at Shin Onomichi Factory in December 2023.

We will continue to work on promoting sustainable procurement by utilizing various certification mechanisms under the “Sustainable Procurement Policy.”

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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2) Sustainable Procurement

Raise awareness of CSR procurement

We provide employees involved in raw material procurement and manufacturing outsourcing with education on the importance of CSR procurement and the purpose of the “Sustainable Procurement Policy.”

To specifically promote CSR-procurement activities based on the policy, our employees attend external training and then share the content within the company, with the trainees acting as instructors to conduct internal training and deepen understanding.

In FY2024, there were no new employees assigned to the Purchasing Department, which is responsible for procurement; thus, no group training was conducted. Instead, members of the ESG Promotion Department served as instructors and provided individual guidance on issues related to human rights due diligence, focusing on child labor and forced labor, according to the timing of the supplier questionnaire.

[Past training on material procurement for procurement department employees]

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of eligible employees	7	6	6	6	8	6
Number of attendees	0	1	2	1	8	5
Attendance rate	0%	16.7%	33.3%	16.7%	100.0%	83.3%

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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3) Supply Chain Management

In recent years, with the globalization and diversification of companies and various business partners becoming business partners, the concept of recognizing CSRs and fulfilling their responsibilities throughout the supply chain has spread rapidly.

To clarify our stance on working together with our suppliers, Maruzen Pharmaceuticals formulated a “Sustainable Procurement Policy” in December 2020 (revised in February 2022) and a “Supplier Code of Conduct” in February 2022.

This is a guideline to raise CSR awareness throughout the supply chain by giving consideration to human rights, labor, environment, anti-corruption of suppliers.

We will continue to promote sustainable procurement activities while activating communication with suppliers.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Sustainable Procurement and Supply Chain Management	Supply Chain Management	According to the “Supplier Code of Conduct,” we will conduct monitoring surveys of domestic and overseas suppliers, aiming to understand and respond to issues such as human rights, labor, and the environment throughout the supply chain.	According to the “Supplier Code of Conduct,” we will conduct monitoring surveys of domestic and overseas suppliers, aiming to understand and respond to issues such as human rights, labor, and the environment throughout the supply chain.	

Supplier Code of Conduct

1.Ensuring Quality and Safety

- (1) We will strive to provide products and services that place the highest priority on safety.
- (2) In the event of an accident or defective product, we will take measures such as information disclosure and safety measures.

2.Compliance with laws, regulations, and social norms

- (1) We will comply with laws and regulations related to business and social norms established in each country and region.
- (2) We will maintain fair relationships with business partners, politicians, governments, and other business related parties, and will not provide or accept inappropriate benefits such as corruption, bribery or fraud.
- (3) We do not have any relationship with people who are involved in illegal activities such as antisocial forces or money laundering.
- (4) We will comply with the Antimonopoly Act and other related laws and regulations, and conduct fair and equitable transactions.
- (5) We will not engage in any act that conflicts with the interests of the Company.

3.Respect for human rights

- (1) We will respect the human rights and diversity of individuals.
- (2) We will respect basic human rights and will not discriminate on the basis of nationality, region of origin, language, race, ethnicity, religion, ideology, age, disability, gender, gender identity, sexual orientation, employment status, marital status, pregnancy, or other reasons, nor will we engage in any act that damages the dignity of individuals.
- (3) We will not accept any form of modern slavery.
- (4) We will not tolerate any kind of forced or compulsory labor.
- (5) We will prevent employment that impairs the morals, health, and safety of children, and abolish child labor under the working age.
- (6) We will comply with laws and regulations concerning freedom of association and collective bargaining, and respect workers' rights to organize and bargain collectively.
- (7) We will comply with laws and regulations concerning working hours and wages applicable to our business activities.
- (8) We will not engage in any form of harassment or words that cause mental or physical distress.

4.Consideration for the environment

- (1) Bearing in mind that our business activities will place a burden on the environment, we will comply with relevant laws and regulations in consideration of environmental conservation.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

3) Supply Chain Management

- (2) In order to use resources sustainably, we will periodically improve the utilization efficiency of resources necessary for business activities, such as energy, water, and raw materials.
 - (3) We will promote the reduction of waste, the optimization of disposal, and the effective use of waste.
 - (4) We will strive to conserve energy throughout our business activities, promote the use of renewable energy, and reduce greenhouse gas emissions.
 - (5) We will strive to prevent contamination of the air, water, soil, etc.
 - (6) We will respect biodiversity and conduct business activities with consideration for biodiversity.
5. Information Security and Protection of Personal Information, Confidential Information, and Intellectual Property Rights
- (1) We will take measures to protect information from threats on computer networks and from negligence due to human factors, and check regularly.
 - (2) We will appropriately manage all personal information of customers, third parties, employees, and others obtained through our business activities, as well as information on transactions and technical information.
 - (3) We will not infringe on the intellectual property rights of others.

Established: February 9, 2022

Supplier Code of Conduct

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/supplier.pdf>

CSR collaboration and engagement with suppliers

Maruzen Pharmaceuticals strives to build healthy and reliable relationships with its suppliers. In addition to practicing fair, equitable, and transparent transactions within our company, we are also committed to promoting sustainable procurement throughout our supply chain.

To encourage our suppliers to also promote sustainability initiatives, in our “Supplier Code of Conduct,” we ask for their cooperation in ensuring quality and safety, compliance with laws and regulations and social norms, respect for human rights, consideration to the environment, and information security and protection of personal information, confidential information, and intellectual property rights.

To identify risks related to “corporate governance,” “human rights,” “labor,” “the environment,” “ethics,” “quality and safety,” “information security,” “supply chain,” and “local communities” when procuring raw materials in our supply chain, we conduct CSR surveys using questionnaires for each supplier and check the status of their efforts.

[Implementation of the CSR questionnaire by supplier]

In FY2024, we also provided guidance on the “Sustainable Procurement Policy,” “Supplier Code of Conduct,” and “CSR Procurement Self-Assessment Questionnaire” of the Global Compact Network Japan (GCNJ) to suppliers who accounted for approximately 81% of the total purchase amount.

We were successful in receiving answers from all applicable suppliers.

[Implementation of the CSR questionnaire by procured raw material]

In FY2024, we sent out a “Raw Materials Survey CSR Questionnaire” for each major purchased raw material and received answers for approximately 84% of the requested items.

[Engagement activities with business partners]

We provide feedback to all suppliers who respond to the questionnaire by supplier and ask for their understanding of and cooperation in sustainable procurement. For suppliers who we hope will make further efforts, we individually conduct engagement activities, such as exchanging information on sustainability initiatives and sharing best practices, one by one.

From now on, we will consider implementing due diligence regarding compliance status and preferentially procuring from business partners who are proactively working on sustainability.

As FY2024 was the phase of increasing awareness of our “Sustainable Procurement Policy” and “Supplier Code of Conduct,” we did not select suppliers based on sustainability standards.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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4) Respect for Property Rights

Respect for Property Rights

Maruzen Pharmaceuticals has conducted intellectual property activities in “protection” and “defense” of our business by actively acquiring and utilizing intellectual property rights based on its corporate philosophy of continuing to provide the blessings of nature to the world while jointly living with the property of “people, society, business, and nature.” While placing importance on the activities for “defense,” we are also engaged in intellectual property activities in “offense,” which focus on competitive advantage.

We also address contributions to beauty and health, which are important to us, and social issues, such as reducing environmental impact, and are working to achieve sustainable growth from the perspectives of “co-creation” and “collaboration” by leveraging the strengths of both our business partners and our company. By promoting intellectual property activities that emphasize “co-creation” and “collaboration” in addition to “offense” and “defense,” we strive to grow our business and improve our corporate value.

Patent correspondence and literature research

We regard patent correspondence and literature research as essential rights and information management so that our customers can use our products with peace of mind. We strive to collect and utilize the latest information via literature searches, patent searches, and legal information research.

Employee education

We provide internal training to our sales and R&D staff, and strive to create a culture and system that respects the intellectual property rights of third parties.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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6. Consumer Issues

We stably provide the blessings (usefulness) from nature as high-quality products that are safe, secure, and satisfying to our customers using our unique technology.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
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1) Quality Assurance

Maruzen Pharmaceuticals is committed to stably providing high quality products that our customers demand.

To improve customer satisfaction, we have established a department that assures and supervises overall quality, and we are continually working to ensure and improve the quality of products sent to the market.

Quality Policy

Maruzen Pharmaceuticals contributes to the development of society by firmly connecting the blessings of nature to our customers, society, and the future through a variety of means.

To achieve this, we have established a “quality policy” and are working to “improve customer satisfaction” and “improve the company’s trust.”

1. With the hope of achieving people’s health and beauty, we will explore the methods of extraction and provide products that meet the needs and trust of our customers both in Japan and overseas.
2. With our mission to provide customers with “safe and secure” products in a “stable” manner, we will work to ensure and improve quality.
3. We comply with applicable laws and regulatory requirements and respond to social requirements.
4. We will operate a quality management system and strive to improve its reliability by continuously improving its effectiveness.

Established: February 9, 2022

Quality Policy

<https://www.maruzenpcy.co.jp/inc/pdf/company/philosophy/quality.pdf>

Quality assurance system

As the quality assurance and supervision department of Maruzen Pharmaceuticals, we have established a department that performs quality control for each plant and perform tests and inspections to ensure that products meet the product specifications established by the company. Our main pharmaceutical are licorice-based products, which are manufactured in factories that comply with GMP.

Miyoshi Factory and related departments have acquired the ISO9002:1994 certification, an international standard for quality management systems, in March 2001, and currently maintain the ISO9001:2015 certification and have a quality assurance system that has resulted in high customer satisfaction.

Analytical technology and quality inspection

We are always conscious of introducing the latest analytical technology into manufacturing, and all research including biological activity evaluation, pharmacology, isolation of active ingredients, and elucidation of extraction techniques is based on the analytical technology.

To ensure product quality and improve customer service, inspectors who have received education and training in quality inspection (raw material inspection, in-process product inspection, product inspection, etc.) take efforts to perform appropriate tests with a goal of zero quality complaints for products sent to the market.

From raw materials to product release, we respond to all customer requests and deliver the highest quality products that can be used safely.

Provision of product information

In addition to creating delivery specifications according to customer requests, we collect and promptly provide information about products.

Product safety management

We examine product safety from the development and design stage, including the procurement of raw materials, and evaluate the impact on the environment and risks to human health.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

1) Quality Assurance

Internal audit

We conduct internal audits of each factory once a year, taking into consideration product quality and manufacturing environment.

Internal auditors are selected from the quality assurance department and they conduct audits after training. Conducting factory audits as an outsider enables us to make improvements in business operations that we were not aware of.

In addition, we roll out the findings to other factories and make continuous improvements at all factories.

Thorough implementation of 5S

At the Headquarters and Shin Onomichi and Miyoshi Factories, we have established Safety and Health Committees for each factory, and keeping the occupational safety of employees in mind, we conduct monthly safety and health patrols and meetings, and thoroughly implement the 5S (Sort, Set in order, Shine, Standardize, Sustain) based on hygiene control.

Hygiene control in the factory is the basis for ensuring the safety of all products manufactured, and it is useful in preventing contamination with foreign matters and microbes.

By maintaining high-quality and clean equipment, we ensure quality both qualitatively and quantitatively and respond to customer requests.



Halal certification

Maruzen Pharmaceuticals provides products that have acquired Halal certification to support product development for Muslims.

As of the end of March 2025, a total of 18 items have been certified, including dipotassium glycyrrhizinate, silver vine extract BG30, lemon balm extract RA, 18β-glycyrrhetic acid, stearyl glycyrrhetinate, angelica keiskei extract (B)-BG70, ume extract (B)-BG, citrus unshiu extract (b)-bg, and mugwort extract (B)-BG.



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

2) Product Development

Maruzen Pharmaceuticals will draw out the means of achieving goals from natural life in the hope of achieving people’s health and beauty and use them for the benefit of everyone.

While contributing to the health industry, we will continue to strive not only to enhance the human nature of our employees but also to create new valuable businesses to build a society where people can live more humane lives.

To deliver the “blessings of nature” contained mainly in plants to our customers, we focus on solving social issues, procure natural materials, and have R&D of materials and development of technologies to use them in pharmaceuticals, quasi-drugs, cosmetics, and foods as a central pillar in order to develop products that our customers will be happy to use.

Materiality

Key Themes	Important Issues	What We Should Be and What We Want to Be in 2050 (Maruzen Pharmaceuticals 100th Anniversary: 2049)	2030 Target	Corresponding SDGs
Contribution to Beauty and Health	Development of Products that Contribute to Beauty and Health	We will pass on the blessings of nature to the world, support a healthy society, and realize a future where everyone will continue to smile.	■ Food We will carry out product development with the keyword of extending healthy life expectancy as we approach the era of a 100-year lifespan. We will manufacture products that our customers can trust, not only with regard to functional aspects, such as product effectiveness and safety, but also with regard to sustainable raw material procurement. ■ Cosmetics We will develop cosmetic ingredients that are trusted in a variety of aspects, including evidence-based effectiveness, safety, and sustainability, and thoroughly support our customers in creating value.	

5 keywords for product R&D

Maruzen Pharmaceuticals listens to customer feedback and conducts product R&D based on 5 keywords (“plants,” “beauty and health,” “extraction, purification, and fermentation technology,” “safety and security,” and “sustainability.”)

New research themes and new development themes may be considered at the idea proposal meeting. Ideas are proposed based on the theme of solving social issues according to Maruzen Pharmaceuticals’ Code of Conduct.

Officers, Corporate Officers, and University Professors with whom we have an advisory contract will participate, and based on the results of voting and advice, specific themes for our future products will be discussed.

Today, the diversification of values for beauty and the super-aging society have led to an increased interest in health. We will bring together the R&D capabilities we have cultivated over the years and leverage the power of nature’s blessings to contribute to solving beauty and health issues.

[Food Business]

As the global environment is rapidly changing, we believe that the elements needed to extend healthy life expectancy include “enjoyment of food” and “health functions.” To connect the blessings of nature to the world and realize a future where all people continue to smile through healthy eating habits, we are committed to manufacturing products that customers can trust, including not only functional aspects such as efficacy and safety but also sustainable raw material procurement.

[Cosmetics Business]

As values continue to diversify, we believe that each of us needs to face the “person we want to be” and the “skin we want to have.” To connect the blessings of nature contained in plants to the world and realize a future where everyone can continue to smile through cosmetics, we develop raw materials that are trusted in several ways, including evidence-based effectiveness, safety, and sustainability, and we also thoroughly support our customers’ value creation.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

2) Product Development

Publication of research results

Maruzen Pharmaceuticals is committed to developing and improving analytical and evaluation technologies to solve social issues and meet customer needs, from material exploration to product R&D.

The findings obtained in the process of product R&D are published at academic conferences, in scientific journals, etc.

[Research on sensibility before and after applying lotion]

In recent years, attention has been drawn to the positive effects of the use of cosmetics not only on the skin but also on the mind, and research on the connection between the “skin and mind” is ongoing.

Based on this background, under the supervision of Professor Yasue Mitsukura of Keio University, we used a “sensibility analyzer” to quantitatively evaluate the impact of applying [RICE FERMENT] on sensibility.

As a result, it was confirmed that after [RICE FERMENT] was absorbed by the skin, the sensation of “liking” it increased significantly compared with that at the beginning of the study.

The results of this research were presented at the 34th IFSCC Congress in Iguazú (Brazil) and the 2nd Academic Conference of the Society of Cosmetic Chemists of Japan (IFSCC Japan Debriefing Session, Kobe).

[Research on anti-wrinkle effects]

Based on joint research with Tokyo University of Technology (Professor Hitoshi Masaki [at the time], Photoaging Research Laboratory) and Kindai University (Laboratory of Pathological and Biomolecule Analyses, Professor Atsushi Taga), we have confirmed that [LEMON BALM EXTRACT] exerts anti-wrinkle effects by promoting Endo180 production.

The results of this research were published in [Photodermatology, Photoimmunology & Photo-medicine].



[Research on promotion of nitric oxide production]

Based on joint research with Kyushu University (Professor Toshiro Matsui, Laboratory of Food Analysis), we have confirmed that [HMPA*] and its metabolites have the effect of promoting nitric oxide production in vascular endothelial cells.

The results of this research were published in [ACS Omega].

[Research on protective effects against oxidative stress and its influence on myofiber composition]

Based on joint research with Waseda University (Professor Katsuhiko Suzuki, Faculty of Sport Sciences), we have confirmed the effects of [HMPA*] on oxidative stress and muscle fiber composition.

The results of this research were published in [Nutrients].

[Research on mitigation of muscle atrophy]

Based on joint research with Tokushima University (Professor Takeshi Nikawa, Department of Nutritional Physiology), we have confirmed that [HMPA*] has the effect of inhibiting muscle atrophy in mouse myoblast cells C2C12.

The results of this research were published in the [Journal of Clinical Biochemistry and Nutrition].

[Research on skin rejuvenation]

Based on joint research with Kochi University (Associate Professor Takushi Namba, Multidisciplinary Science Cluster, Interdisciplinary Science Unit), we have confirmed that [LOTUS GERM EXTRACT] is effective in body rejuvenation, a finding that has attracted worldwide attention in aging research.

The results of this research were published as an article in the “Special Feature on Aging Research” of the international general science journal [Nature] (March 13, 2025 issue).

*HMPA: 3-(4-Hydroxy-3-Methoxyphenyl)Propionic Acid

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

2) Product Development

[Research on hair growth and hair loss prevention]

Based on joint research with Tokyo University of Technology (Professor Tokuro Iwabuchi, Hair Biology Laboratory), we have confirmed that [18BETA-GLYCYRRHETIC ACID] promotes the proliferation of dermal papilla and outer root sheath cells, suppresses TGF-β expression, and inhibits testosterone 5α-reductase activity, all of which lead to an extended anagen phase of the hair cycle.

The results of this research were published in [Biological and Pharmaceutical Bulletin].

[Research on hair growth effects]

Research conducted by Maruzen Pharmaceuticals has confirmed the effectiveness of [LICORICE LEAF EXTRACT] as a hair growth ingredient that regulates the disruption of the hair cycle caused by prostaglandin (PG) D2 and has also identified the components involved.

The results of this research were presented at the 145th Annual Meeting of the Pharmaceutical Society of Japan.

[Research on anti-inflammatory effects]

Research conducted by Maruzen Pharmaceuticals has confirmed that [DIPOTASSIUM GLYCYRRHIZINATE] promotes interleukin (IL)-37 messenger RNA expression and intracellular protein production in epidermal keratinocytes. Furthermore, in a study using excised human skin, it was revealed that IL-37 expression increased from the basal layer to the spinous layer of the epidermis.

These results suggest that the anti-inflammatory effect of GK2 on the skin may be related to its ability to promote IL-37 production in epidermal keratinocytes.

The results of this research were presented at the 145th Annual Meeting of the Pharmaceutical Society of Japan.

[Research on reduction of oxidative stress and improvement of endurance exercise performance]

Based on joint research with Waseda University (Professor Katsuhiko Suzuki, Faculty of Sport Sciences), we have confirmed that the continuous administration of [BLACK GINGER EXTRACT] reduces oxidative stress and improves endurance exercise capacity.

The results of this research were published in [Antioxidants].

[Research on muscle strength increase and inhibition of muscle degradation]

Based on joint research with Waseda University (Professor Katsuhiko Suzuki, Faculty of Sport Sciences), we have confirmed that [HMPA*] increases muscle strength and inhibits muscle breakdown after endurance exercise.

The results of this research were published in the [International Journal of Molecular Sciences].

*HMPA:3-(4-Hydroxy-3-Methoxyphenyl)Propionic Acid

Product development and appraisals and awards

Maruzen Pharmaceuticals has developed many products to address people’s challenges related to beauty and health. These products have been highly praised at exhibitions and events where they have been exhibited.

[RICE FERMENT PD]

[RICE FERMENT PD] is a functional cosmetic ingredient that is fermented using a special yeast. It has been approved as a quasi-pharmaceutical additive, with the characteristic that it not only moisturizes the skin but also gives a pleasant feeling when used.

Initiatives, such as “sensory evaluation,” which uses an electroencephalograph to measure emotional responses when applying a lotion containing fermented rice extract, have been recognized globally as novel findings, and we won second place in the most innovative functional ingredient category (emulsifiers and multifunctional base ingredients) at the [BSB Innovation Award 2024], a global cosmetics award.

This marks the sixth consecutive year that our products have received this award, and the eighth product in total, the most for any Japanese company.



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

2) Product Development

[LACTIC ACID BACTERIA CONCENTRATES POWDER and LACTIC ACID BACTERIA CONCENTRATES POWDER M]

The “anti-inflammatory agent (Patent No. 5995593)” of [LACTIC ACID BACTERIA CONCENTRATES POWDER] and [LACTIC ACID BACTERIA CONCENTRATES POWDER M] won the Invention Encouragement Award at the 2024 Chugoku Regional Invention Awards.

The local invention awards are a historic award program that began in 1921 as part of the award programs of the Japan Institute of Invention and Innovation, which was established in 1904. The program honors engineers and researchers who have created outstanding inventions, ideas, or designs that are currently being implemented.



[LACTIC ACID BACTERIA CONCENTRATES POWDER and LACTIC ACID BACTERIA CONCENTRATES POWDER M]

[LACTIC ACID BACTERIA CONCENTRATES POWDER] and [LACTIC ACID BACTERIA CONCENTRATES POWDER M] are functional food ingredients that are expected to lower blood levels of liver function enzymes (alanine transaminase and aspartate transaminase) that are slightly higher than normal in healthy people.

Based on joint research with Yokohama City University School of Medicine (Chairman and Professor Atsushi Nakajima and Assistant Professor Takashi Kobayashi, Department of Gastroenterology and Hepatology), we confirmed that this ingredient may improve leaky gut and maintain intestinal barrier function.

The results of this research were published in the online edition of the international scientific journal [Scientific Reports].

[LACTIC ACID BACTERIA CONCENTRATES POWDER M]

A study in humans has shown that the intake of [LACTIC ACID BACTERIA CONCENTRATES POWDER M] improves intestinal permeability and has anti-inflammatory effects on the lamina propria of the mucous membrane.

The results of this research were published in [Japanese Pharmacology & Therapeutics].

[LACTIC ACID BACTERIA CONCENTRATES POWDER M]

A study in humans has confirmed that taking [LACTIC ACID BACTERIA CONCENTRATES POWDER M] improves liver function.

The results of this research were published in [Japanese Pharmacology & Therapeutics].

[RICE BRAN FERMENTED PRODUCT]

[RICE BRAN FERMENTED PRODUCT] is a functional food ingredient that is expected to have an effect on brain function by promoting the expression of aquaporin 4 and anti-inflammatory cytokines (transforming growth factor-β and IL-10) in the glial cells of the central nervous system. A placebo-controlled, randomized, double-blind, parallel-group comparative study of [RICE BRAN FERMENTED PRODUCT] intake in combination with light exercise has confirmed its effect in partially improving cognitive function.

The results of this research were recognized and published in [*Pharmacometrics*].

New products

[YUCCA EXTRACT K]

[YUCCA EXTRACT K] is a shelf life-extension agent whose main ingredient is yucca extract (steroid saponin). It has antibacterial properties against yeasts and other fungi.

We have added [YUCCA EXTRACT K], which has a standardized steroid saponin content, to our existing YUCCA EXTRACT series lineup.

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

2) Product Development

Response to pharmaceutical affairs and laws and regulations

As cosmetic products are used as ingredients in pharmaceuticals and cosmetics, they must comply with the relevant laws and regulations of each country. We will obtain the necessary approvals and licenses and determine whether or not the product can be formulated, so that our customers can use it safely.

In addition to our products, we obtain and analyze the latest information on laws and regulations in each country and provide it to customers and related departments in the company.

In FY2024, we responded to the government and collected information to obtain approval for the use of quasi-pharmaceutical additives and to register new ingredients in China.

Other activities

[Establishment of commemorative days]

• HMPA Day (March 4th every year)

To increase awareness of HMPA and encourage more people to think about their health, March 4th of each year has been designated as “HMPA Day,” inspired by the first digit of 3-(4-hydroxy-3-methoxyphenyl)propionic acid, the official name of HMPA and one of the active components of polyphenols. This day has been officially registered as a commemorative day by the Japan Anniversary Association.



• Black Ginger Day (July 10th every year)

To further develop and expand the market for black ginger, which has been on the market for 10 years, July 10th of each year has been designated as “Black Ginger Day,” and this day has been officially registered as “Black Ginger Day” by the Japan Anniversary Association.

July 10th is the date when Maruzen Pharmaceuticals inquired with the Ministry of Health, Labour and Welfare about the food and drug classification of black ginger and was notified that it would be a nondrug listed item in 2013.

[Societies]

The Japanese Society of Fisheries Science, Japan Society of Nutrition and Food Science, Japanese Cosmetic Science Society, The Japanese Dermatological Association, Japanese Society of Food Chemistry, The Japanese Vascular Biology and Medicine Organization, Japan Society of Medical and Pharmaceutical Sciences for Traditional Medicine, Society for Functional Food Research, Japanese Society for Immunology, etc.

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

3) Access to Product Information

Members-only website “Comprehensive Product Guide”

Maruzen Pharmaceuticals has set up a members-only website, “Comprehensive Product Guide,” as a means of accessing product information.

The “Comprehensive Product Guide” provides product brochures, technical materials, quality-related documents, and the latest news on cosmetic and food ingredients. The “List of Cosmetic Ingredients” allows members to search and check ingredients by their labeling name for cosmetics and quasi-drugs, whereas the “List of Food Ingredients” allows members to search and check ingredients by their food ingredient name, simplifying access to ingredient information.

[Comprehensive Product Guide]



Maruzen Pharmaceuticals Co., Ltd. Comprehensive Product Guide:
<https://www.maruzenpcy.co.jp/productguide/>



To help with product development, “Tutorial Videos” provide easy-to-understand explanations for the efficacy and characteristics of ingredients, and the “People’s Awareness Surveys” publishes the results of consumer surveys conducted based on Maruzen Pharmaceuticals’ unique perspective.

[Tutorial Videos]



[People’s Awareness Surveys]



On the “Expert Voice” page, Maruzen Pharmaceuticals interviews experts active in various fields related to health and beauty to provide leading theories and useful information as educational content.

In addition to the information posted on these member-only websites, we also use the web to deliver the latest information to business partners through email newsletters. We also use web seminars to deliver product information and concept proposals that can be useful in product development. Furthermore, we use several methods to deliver Maruzen Pharmaceuticals’ product information, such as by participating in exhibitions of the cosmetics and food industries.

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

3) Access to Product Information

Participation in exhibitions

Under Maruzen Pharmaceuticals' purpose, "We will connect the blessings of nature and contribute to creating a society where people can stay beautiful and healthy," in order to widely spread products that help solve social issues, we actively participate in exhibitions and academic conferences both in Japan and overseas, introducing the latest product information and research results.

[Wellness Food Japan 2024]

- Venue: Tokyo Big Sight East Exhibition Halls
- Dates: Tuesday, July 16, 2024, to Thursday, July 18, 2024
- Exhibited product(s)
-3-(4-Hydroxy-3-Methoxyphenyl)Propionic Acid



[Hi Korea 2024]

- Venue: COEX (Hall A), Seoul, Korea
- Dates: Tuesday, August 27, 2024, to Thursday, August 29, 2024
- Exhibited product(s)
-PINEAPPLE GLUCOSYLCERAMIDE
-LONG PEPPER EXTRACT



[Fi Vietnam 2024]

- Venue: Saigon Exhibition & Convention Centre
- Dates: Wednesday, October 9, 2024, to Friday, October 11, 2024
- Exhibited product(s)
-PINEAPPLE GLUCOSYLCERAMIDE
-BLACK GINGER EXTRACT
-3-(4-Hydroxy-3-Methoxyphenyl)Propionic Acid



[Health Ingredients Japan 2024]

- Venue: Tokyo Big Sight West Halls 1, 2, 4, and Atrium
- Dates: Wednesday, October 23, 2024, to Friday, October 25, 2024
- Exhibited product(s)
- Functional food-compliant ingredients
- Latest research data on the effects of HMPA on liver function



[PCHi 2025]

- Venue: The China Import and Export Fair Complex Guangzhou
- Dates: Wednesday, February 19, 2025, to Friday, February 21, 2025
- Exhibited product(s)
- Extracts of plants grown on our farm
- Lotus germ extract and other extracts that have been confirmed to be effective on human skin

[Hi & Fi Asia-China]

- Venue: National Exhibition and Convention Center (Shanghai)
- Dates: Wednesday, June 19, 2024, to Friday, June 21, 2024
- Exhibited product(s)
-PINEAPPLE GLUCOSYLCERAMIDE
-LEMON BALM EXTRACT

[49th Japanese Cosmetic Science Society]

- Venue: Nikkei Hall (Tokyo)
- Dates: Friday, June 28, 2024, to Saturday, June 29, 2024
- Exhibited product(s)
-RICE FERMENT
-LOTUS GERM EXTRACT
-SAXIFRAGA STOLONIFERA EXTRACT

Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

3) Access to Product Information

[The 2nd Annual Congress of SCCJ]

- Venue: Kobe International Conference Center (Hyogo)
- Dates: Monday, November 18, 2024, to Wednesday, November 20, 2024
- Exhibited product(s)
 - RICE FERMENT
 - LOTUS GERM EXTRACT
 - SAXIFRAGA STOLONIFERA EXTRACT
 - SWERTIA JAPONICA EXTRACT・GINSENG EXTRACT

Seminars and webinars

In addition to participating in exhibitions, Maruzen Pharmaceuticals regularly holds seminars and webinars for its business partners. By sharing the latest information on products and research results and by building mutual understanding and trust, we contribute to the realization of a better society.

[5th and 6th Maruzen Pharmaceuticals Cosmetic Ingredients Seminars]

- Venue:
 - 5th: Hibiya International Building Conference Square (Tokyo)
 - 6th: Hotel Monterey Osaka (Osaka)
- Dates
 - 5th: Thursday, November 14, 2024
 - 6th: Thursday, November 28, 2024
- Title:
 - Think about the future of cosmetics
 - There's more that plants can do -



[List of events]

Dates	Category	Venue	Title
5/16/2024	Cosmetics	Web	First Plant Extract
5/23/2024	Pharmaceutical Affairs	Web	Overseas Laws and Regulations: "Latest Information on Chinese Cosmetics-Related Laws and Regulations"
6/4/2024	Food	Web	Feeling Too Late to Ask About the Basics of Functional Food Labeling? I'll Tell You in Secret
6/19/2024	Food	Web	Don't Be Afraid. Notification of Foods with Function Claims
6/20/2024	Pharmaceutical Affairs	Web	For Newbies: "First Cosmetic and Quasi-Pharmaceutical Product"
10/18/2024	Food Cosmetics	Kanagawa	10th Annual Meeting of the Tie2, Lymphatic, and Vascular Research Society
11/14/2024	Cosmetics	Tokyo	5th Maruzen Pharmaceuticals Cosmetic Ingredients Seminar
11/28/2024	Cosmetics	Osaka	6th Maruzen Pharmaceuticals Cosmetic Ingredients Seminar
12/12/2024	Cosmetics	Osaka	Private Seminar for Cosmetic Concierges
12/12/2024	Pharmaceutical Affairs	Web	Basic Course: "Application Form Preparation and Online Application Webinar"
12/20/2024	Cosmetics	Web	Year-end Popular Ranking Seminar
2/13/2025	Food	Web	Feel the Warmth Together with Materials 2025
2/13/2025	Pharmaceutical Affairs	Tokyo	Global Cosmetics Regulation Trends and Taiwan's PIF - Why has Taiwan introduced the PIF system? -
2/20/2025	Pharmaceutical Affairs	Osaka	Global Cosmetics Regulation Trends and Taiwan's PIF - Why has Taiwan introduced the PIF system? -



Top Message	Company Philosophy	Maruzen Pharmaceuticals Sustainability	Organizational Governance	Human Rights	Labor Practices	Environment	Fair Company Activities	Consumer Issues	Community Involvement and Development
-------------	--------------------	--	---------------------------	--------------	-----------------	-------------	-------------------------	-----------------	---------------------------------------

7. Community Involvement and Development

As a good corporate citizen, we actively communicate with local communities and society and make social contributions.

Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

1) Community Involvement

As a company that practices “Work locally. Think globally” (think the world from Onomichi), we will deliver new value from Onomichi to the world and contribute to the sustainable development of local communities.

Major co-sponsoring activities

[Onomichi Sumiyoshi Fireworks Festival (Sumiyoshi Shrine Annual Festival)]

We value our ties with the local community and sponsor the annual Onomichi Sumiyoshi Fireworks Festival. Through this sponsorship, we are contributing to the revitalization of the local community and the preservation of its culture. The fireworks festival is an important event for local residents and tourists, and Maruzen Pharmaceuticals is deepening its ties with the local community by supporting its success.



[Sotoda Lemon Marathon 2025]

We are sponsoring the Setoda Lemon Marathon 2025 to help promote health and revitalize the local community. The marathon event provides an opportunity for local residents and tourists to have fun together while promoting healthy lifestyles.



[2024 West Japan Student Triathlon Championship Onomichi Innoshima Tournament]

We are sponsoring the 2024 West Japan Student Triathlon Championship Onomichi Innoshima Tournament to help promote sports and health in the local community. According to the slogan of Onomichi City, “Sports Infinity, Onomichi,” we are supporting the event’s purpose of supporting students who are dedicated to triathlon and co-sponsoring the event as a local company. We will continue to contribute to the healthy development of adolescents, spread of triathlon, and increase awareness by co-sponsoring this event.



[Onomichi Kenzenkan Provision of the series (drinks)]

In FY2024, it was provided to 47 organizations and events.

Activities in which employees participate

[Onomichi Minato Festival “E-Jan SANSA Gari dance”]

A team formed by volunteer employees participates in the Onomichi Minato Festival “E-Jan SANSA Gari dance,” held every April.



[Cleaning around the office]



1) Community Involvement

Lecture deliveries

In Onomichi City, “Dream and Aspiration Navigation” is conducted to “develop children who have dreams and aspirations and survive in a global society.” Onomichi Municipal Mukaishima Junior High School asked us to send messages, such as the fun of doing research, our thoughts on work, and what we expect from junior high school students, to children who will lead the future. Researchers from Maruzen Pharmaceuticals visited the school to deliver a lecture.



Mukaishima district greening activity volunteer work

As part of the volunteer greening activities along the main road in Mukaihigashi-cho, we provided fertile soil from Kui Farm from the Mukaihigashi District Public Health Promotion Council.



Support for the Onomichi COOL CHOICE Project

Maruzen Pharmaceuticals has supported and registered with the “Onomichi COOL CHOICE Project,” an initiative promoted by Onomichi City as part of the “COOL CHOICE” national campaign to address global warming, which is led by the Ministry of the Environment. We will continue to contribute to reducing greenhouse gas emissions, such as CO₂, in our daily business activities.



Purchase of J Blue Credit (cradle of the Onomichi Sea)

Onomichi City has declared itself a “zero carbon city,” and since 2022, started a project to increase the reduction in CO₂ absorption in tidal flats and seaweed beds created in the city’s coastal areas and to promote environmental education as part of its efforts toward decarbonization.

To contribute to this project, Maruzen Pharmaceuticals has purchased J Blue Credits from the Blue Carbon Offset Promotion Project, “Creating Satoumi by restoring the cradle (tidal flats and seaweed beds) of the Onomichi sea.”



Kui Farm tour for local residents

In FY2024, we invited representatives of local residents to Kui Farm for a public tour of the compost yard renovation work. We explained the current situation and challenges of Maruzen Pharmaceuticals’ farm business, as well as our future goals, and helped them gain a deeper understanding of our business. Residents have commented that “the facilities are well equipped” and that “I am relieved.”



Top Message

Company
PhilosophyMaruzen
Pharmaceuticals
SustainabilityOrganizational
Governance

Human Rights

Labor Practices

Environment

Fair Company
Activities

Consumer Issues

Community
Involvement and
Development

2) Social Investment

Award system for social contribution activities, etc.

Maruzen Pharmaceuticals encourages its employees to engage in social contribution activities. We have established an award system for employees to receive awards from various organizations and for long-standing social contribution activities. There were no applicable employees in FY2024.

Donation

[Disaster and reconstruction support]

Maruzen Pharmaceuticals provides monetary donations and products to people in the areas affected by large-scale disasters, etc., and supports employees' volunteer activities.

- Relief donation for heavy rain disaster in Hiroshima (2014, Japanese Red Cross Society)
- Relief donation for the Kumamoto earthquake (2016, Japanese Red Cross Society)
- Saikokuji landslide recovery volunteer work (2016, 8 participants)
- Comprehensive disaster prevention project for the Saikokuji disaster recovery (2017, Saikokuji)
- Relief donation for heavy rain disaster in Hiroshima (2018, Japanese Red Cross Society)
- Relief donation for the Noto Peninsula earthquake (2024, Japanese Red Cross Society), etc.

[Regional Revitalization Support Tax System “Corporate Hometown Tax Donation System”]

In March 2023, Maruzen Pharmaceuticals made donations through this system to a project to create a new “flow of people” and nurture the local community (promote settlement and relationship building) and a project to create a tertiary environment that is attractive to the child-rearing generation. We will continue to value our ties with the local community and conduct various activities to revitalize the entire community.



Investment to solve social issues

[Social Bonds (77th Japan Student Support Bonds)]

The funds raised through bond issuance by the Japan Student Services Organization will be used as a source of funding for loan scholarships under the organization's scholarship program. Through investment, we will support students who will lead the future.



List of investment companies

<https://www.jasso.go.jp/about/ir/toushika/toushihyoumei.html>