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Responses and Measures against Novel Coronavirus Infectious Disease (COVID-19)



At Hisamitsu Pharmaceutical, all of us in the corporate group are united toward a new society in consideration of response to COVID-19. We are positively cooperating with one another in proceeding with efforts to create new value.

COVID-19 Talk Session Held Mainly by the Leaders of Our Main Divisions in Charge of Promoting ESG Measures

Date : August 28, 2020 **Venue** : Kyushu Head Office and Tokyo Head Office, Hisamitsu Pharmaceutical (in the form of an online meeting)

Participants



Hiroyuki Taketomi
Executive Officer
Manufacturing Improvement



Koji Takiyama
Executive Officer,
Director General of the President
Office and Director
General of the Tokyo 2020
Olympic and Paralympic Games
Promotion Office



Kazunori Ito
Division Manager,
HR Division



Yoshihiro Maegawa
Director General
Corporate Strategy Office



Akihito Fujii
Division Manager
Medical Business Division
Medical Marketing Division

【 Efforts Amidst the COVID-19 Pandemic 】

Takiyama : To realize the philosophy of “Delivering a Better QOL to the World” even amidst the COVID-19 pandemic, all of us at Hisamitsu Pharmaceutical need to deliver new value to customers who need our products. To do so, we need to change our conventional business model.

Maegawa : I was transferred back from the U.S. last year. The U.S. has a breeding ground for creating new innovation constantly, making me think about incorporating the process into our corporate strategies, thereby further improving our work styles and making even better use of IT. The current COVID-19 pandemic has made us work on these efforts, whether we like it or not. Looking back at what we have done so far, I find not only many challenges but also new forms of ingenuity.



▲ At the talk session held at the Tokyo Head Office

Ito : In the HR Department, we have proceeded with a shift to work-from-home step by step in consideration of the pandemic status and each division's operation content. When realizing this new work style, we need to maintain corporate productivity and vigor, but the driving force for generating corporate profitability is human resources. We also need to pay attention to the labor environment and mental health of those working from home. Today, while making a shift toward the new work style, we are incorporating work style reform and the promotion of diversity, both of which we have been working on so far, and the analysis results of our morale surveys.

Fujii : As for sales activities, MRs (medical representatives) could not meet directly with medical workers and had many other problems. However, each of them responded appropriately, making us reaffirm the importance of relationships of trust with customers. Moreover, there were some cases where the quality of communication with medical workers was enhanced mainly due to online meetings.

Taketomi : At our manufacturing sites, we have always been fully aware of the necessity to manufacture products and deliver them to customers in any circumstances. However, the coronavirus pandemic is a totally new experience for us, generating a sense of crisis and a feeling of tension among employees in a positive manner. We tended to proceed with measures in a top-down approach, but this is being replaced with a bottom-up approach. Furthermore, the pandemic has enabled us to recognize our cross-sectional ties, such as cooperation with other divisions, and I think that this is also good.

【 Response to Future Challenges 】

Ito : We have challenges that we need to review once again, such as those in the fields of recruitment testing and interviewing, employee training, and HR evaluation. We are also faced with newly identified challenges, such as an appropriate form of work-from-home. While identifying what to begin and where to begin in consideration of the entire company's risk and benefit, we will establish an appropriate system.

Fujii : As for sales activities, we are faced with challenges in ensuring good health of employees amidst the rise in the number of opportunities to work from home. Meanwhile, we have been working on environmental challenges, for example, by using eco-friendly medicine bags and packages. We will address these challenges from the perspective of ESG and take firm steps toward solving them.

Taketomi : As for products, we would like to ensure once again that the benefits of our patches appeal to customers. It is said that the present COVID-19 pandemic is related to climate change, and I think that we need to make further environmental efforts in the field of manufacturing without slackening our pace.

Maegawa : The COVID-19 pandemic has greatly affected our ongoing 6th Mid-Term Management Policy. However, I think that the wide variety of challenges that we have identified today do not consist of only those extraordinary but contain not a few challenges that we could foresee. From now on, to respond to changes in the operational environment even more quickly and strategically, we need to engage in in-house discussion from a broad perspective.

Takiyama : The COVID-19 pandemic has enabled us to reaffirm the significance of our backbone, namely our corporate philosophy and company mission of showing the "Distinctive Identities of Hisamitsu." However, I feel that there are still many points that we need to improve. I believe that it is important from now on to disseminate our ESG efforts both internally and externally in the forms of specific actions and messages manifesting the "Distinctive Identities of Hisamitsu."

Nobuo Tsutumi

Director & Executive Officer Legal Department

What is Legal Department amidst the COVID-19 Pandemic?

Even in the social environment of continual dramatic change amidst the COVID-19 pandemic, we must ensure legal compliance. Without doing so, we cannot continue corporate activities, no matter how excellent the performance we have achieved is. As a pharmaceutical corporate group operating globally, we, of course, need to ensure compliance with the law and the industry's regulations. In addition, our employees are required not only to ensure such compliance but also to engage in all activities with a high level of ethics. As for anti-coronavirus measures to be taken from the perspective of legal compliance, we need to inspect such measures' impact on governance and compliance from both short-term and long-term aspects. To this end, I feel that it is important to scrutinize newly identified risk factors related to the coronavirus and implement measures promptly against expected challenges. For example, I think that it is important to evaluate the impact of the COVID-19 pandemic on our contracts with business partners and to reinforce our measures against the risk of information leakage arising from an increase in the number of remote work opportunities. Of particular note is remote work. We need to proceed with remote work based on the introduction of a wide variety of measures in terms of both governance and an information system with our eyes on a future working system and organizational reform. I believe that we need to ensure that our management is based on the attitude of integrating legal compliance with both internal and external challenges, thereby accelerating our ESG efforts.



Takaaki Terahara

Senior Executive Officer Head of the Research and Development Headquarters

Hisamitsu Pharmaceutical's R&D to Respond to Changes in Society

I feel that the COVID-19 has led us to reaffirm not a few challenges that we need to tackle at Hisamitsu Pharmaceutical. The expertise and products of Hisamitsu Pharmaceutical, a skin expert familiar with TDDS, help to address health concerns rising in step with an increase in the time of staying home and serve as self-care tools. In that sense, our expertise and products can respond to changes in the medical environment, especially those related to the contact points between patients and medical workers. In the R&D process, I think that we can not only make direct contribution to responding to the COVID-19 but also use our TDDS technology so that the monitoring of skin condition will become possible, and we can apply our expertise and products to remote medicine, which is showing progress today. In addition, the widespread use of online systems has enabled people to access the latest information extensively, raising the expectation that the expansion of open innovation, for example through industrial alliances, will be achieved at a dramatic pace. When disseminating information, I think that we need to pay attention to information security and presentation ingenuity. Regarding future measures against the COVID-19 pandemic, there are still many challenges, such as those regarding HR development management for researchers and response to a new work style. By utilizing the “distinctive features of Hisamitsu (i.e. product development capability underpinned by the TDDS technology)” from the viewpoint of the Research and Development Headquarters, we would like to continue to contribute to making a post-pandemic world even better.



Message from the Director in Charge of CSR

Shinichiro Takao

Managing Director, Executive Officer

The corporate activities of Hisamitsu Pharmaceutical have been greatly affected by the spread of the COVID-19. People's values and behaviors have also changed dramatically, changing our business model greatly. Looking back at our responses to the coronavirus pandemic, such as implementing measures against the disease, proceeding with remote work, and changing our sales activity style, I find that we are not addressing newly emerging issues but only the existing problems that have just become evident at one time. To promptly respond to such changes far exceeding the expectations, I believe that it is important to scrutinize, analyze and evaluate the risk factors of the entire Hisamitsu Pharmaceutical Group and establish a resilient management system. Today, when social attention is paid to corporate efforts for the elements of “G (governance)” and “E (environment)” of ESG, we have steadily been proceeding with themes related to the element “S (social),” such as HR development, work style reform, diversity, and support for female employees to fully demonstrate their capabilities. Amidst the COVID-19 pandemic, “S” has become even more important, making us recognize once again that corporate value is greatly affected by “S”-related efforts, such as providing an environment where employees can work without worry, ensuring their employment, and establishing favorable relationships with local communities. While continuing to incorporate the perspective of ESG into our management, we will further reinforce measures against ESG risks. At Hisamitsu Pharmaceutical, in order to survive the post-pandemic era (and the coronavirus era) and fulfill our social responsibilities as a pharmaceutical company, we will always take steps forward continuously.



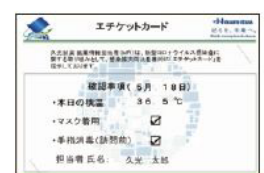
Go Together! Project

At Hisamitsu Pharmaceutical, we are proceeding with the Go Together! Project throughout the corporate group. Against the ongoing unprecedented crisis caused by the COVID-19, all employees are cooperating in unison in forming ties toward a future society. Together with our employees, together with our customers, and together with society, we would like to create new forms of compassion and vigor and smiles.



Etiquette Cards at Meetings with Medical Workers

In the Medical Business Division, when visiting a client, each of us offers an Etiquette Card together with a business card at the client's reception. This card is intended to provide information on the visiting employee's body temperature on the day and whether or not he/she is wearing a mask and has disinfected his/her hands. By providing this card, we are aiming to alleviate medical workers' concern about meeting with us to the extent possible.



On-site Sales Sessions Tailored for the New Normal

In the Medical Cosmetics Division, while paying due attention to preventing the spread of COVID-19, we are engaged in product sampling, which is the key strategy that we have adopted since our establishment. For customers who need our products, we have conducted direct sales to supply products safely and provided relaxation through product sampling. We have also organized on-site sales sessions as sales support for our business partners.



▲ At a product sampling campaign, called "Jissen".

Support for Those Working at the Front Line in Foreign Countries

In the International Division, we have provided samples of SALONPAS_R for medical workers at the front line in foreign countries and other essential workers underpinning the social infrastructure, such as government officials, police officers, and supermarket staff members. In light of the prevention of the spread of COVID-19, we conducted sampling in different manners from usual, for example by handing or mailing such samples to representatives and making donations to the Red Cross and NGOs to ensure that many more people could receive them. At the Manila Branch of the Philippines, we distributed a total of 10,180 patches of SALONPAS_R at 13 locations, such as hospitals, quarantine stations and the municipal office.



▲ At a sampling campaign at a medical center (Manilla, Philippines)