In order to continue providing society with the value of “innovative and valuable pharmaceutical creation,” and to achieve sustained growth ourselves, we believe that it is necessary to deepen dialogue and further strengthen relationships with our stakeholders.

**Relationship with Stakeholders**

**Business Partners**
- Fair and positive partnership with business partners
- Initiatives to fulfill social responsibilities throughout the supply chain

**Patients & Healthcare Professionals**
- Providing pharmaceuticals in fields with high unmet medical needs
- Building trusting relationships through prompt and reliable provision of information

**Shareholders and Investors**
- Sound and highly transparent management
- Sustained enhancement of corporate value and return of profits to shareholders
- Active information disclosure and constructive dialogue

**Local Communities**
- Regional contribution activities including support for the education of the next generation
- Initiatives to improve access to medicines
- Environmental activities including building a low-carbon society

**Employees**
- Personnel system in which a diverse workforce can fulfill their potential
- Workplace environment where employees can achieve a work-life balance
- Supporting the development of employees’ skills through a range of training

**Collaboration Partners**
- Creating innovative therapeutic medications through collaborations with external research institutions such as academia and biotech companies
- Implementing our Competitive Open Innovation Program framework

*Details on p.36*  
*Details on p.43–44*  
*Details on p.13, 66*  
*Details on p.47–50*  
*Details on p.4*  
*Details on p.01–55*
We held an ESG Meeting (discussion meeting) in November 2018.

In November 2018, we held our first ESG Meeting as a forum for explaining our ESG initiatives as well as exchanging opinions with stakeholders.

In this section, we will introduce some of our answers to the questions we received on the day. See our corporate website for details.

Main Questions and Answers

Q In the area of governance, how do you evaluate the balance between risk and return?
A Research and development is the core of our business, and we make firm decisions about whether to proceed to the next stage for individual projects at suitable times in the research and development stage.

Q What is behind your entry to frontier business in healthcare areas other than pharmaceuticals?
A Rather than being a major departure from the conventional pharmaceutical business, we would like to work on frontier business to provide patients with ways to improve their quality of life (QOL) without being limited to pharmaceuticals. (See p.34 for details about Frontier business.)

Q How do you select the participants for DSP Academy, your selective skill-(career grade-) specific education and training program?
A For example, for the Management Course, which is the highest grade of the DSP Academy, rather than recommendations from departments, the members of the HR Strategy Meeting select 10 people who stand out in a variety of departments as executive candidates for the following fiscal year. The HR Strategy Meeting selects Key talents who have not necessarily worked at Sumitomo Dainippon Pharma for their entire careers, and at least 20% of those selected are women. (See p.48 for details about the DSP Academy.)

Q Is remuneration for officers determined taking into account the solution of long-term non-financial issues? Are there mechanisms in employee evaluations for increasing the effectiveness of non-financial materiality?
A At the beginning of the fiscal year, the President prepares the management issues and shares them internally. Going forward, by including non-financial materiality in the management issues, we plan to link it with the setting of employee targets. Remuneration for officers is determined on the basis of evaluation through the Company’s performance and individual evaluations. In the future, we would like to consider including elements relating to the solution of long-term issues.