













Relationship Between Materiality and Capitals

We think it is important to leverage the strengths of our Group companies and maximize the use of capitals. We will work on enhancing and expanding our capitals through the material sustainability tasks (materiality).

Material Sustainability Tasks (Materiality)	Relationship Between Materiality and Capitals	Non-Financial Capitals					Financial Capital
		Human capital	Distribution facilities capital	Intellectual capital	Social and relationship capital	Natural capital	
							
Sustainable Distribution in the “Pharmaceuticals, Health, and Beauty” Fields 	Programs to build new distribution networks or develop a model for sharing logistics infrastructure enhance social and relationship capital or distribution facilities capital while also increasing the value of intellectual capital through expertise development or patenting. The contributions such programs make to sales and profits also help us to develop a more resilient financial capital base.		○	○	○		○
Enhancement of Profitability through New Value Creation 	We expect better synergies across the Group to enhance intellectual capital and distribution facilities capital, while also increasing financial capital as the Company generates new profits. Examples of how we are creating Group synergies include the development of new business models through R&D into rare disease medications, programs aimed at overseas market entry, or business integration in the Food Processing Raw Materials Wholesale and Related Business. We also expect to increase social and relationship capital through the activities of Regional Medical Coordinators, who engage with various partners to resolve healthcare issues in regional communities.		○	○	○		○
Development of Future-Oriented Human Resources 	Our programs to improve engagement, introduce new performance review systems, or develop the next generation of leaders may enhance human capital through access to more transformative human resources and increase intellectual capital through greater expertise and organizational strength. Such programs improve our competitive edge and increase productivity, resulting in increased financial capital.	○		○			○
Promotion of Diversity and Inclusion 	Human capital can be maximized if we ensure diversity through our women's activity promotion and other programs, retain talented staff by creating employee-friendly workplaces, and foster a corporate culture that respects human rights. On top of this, we can increase the value of intellectual capital through innovation and new value creation, which in turn increases financial capital. We also think that improving our reputation and position of trust with society will help to strengthen our social and relationship capital.	○		○	○		○
Initiatives for Decarbonization 	Our programs to reduce greenhouse gas emissions by the Company can enhance distribution facilities capital through green technology installation and help to reduce the degradation of natural capital through climate change mitigation. Helping business partners to decarbonize may increase not only social and relationship capital but also financial capital because of the sales boost from such initiatives.		○		○	○	○
Sound and Transparent Corporate Management 	Programs aimed at rigorous compliance help to strengthen human capital by increasing the number of employees with a strong sense of morality. They also develop a sound organization culture that can enhance financial capital. In addition, more sophisticated risk management systems can increase the value of intellectual capital as we accumulate expertise in risk management, and also enhance social and relationship capital by, for example, helping the Company build relationships of trust with our business partners.	○		○	○		○