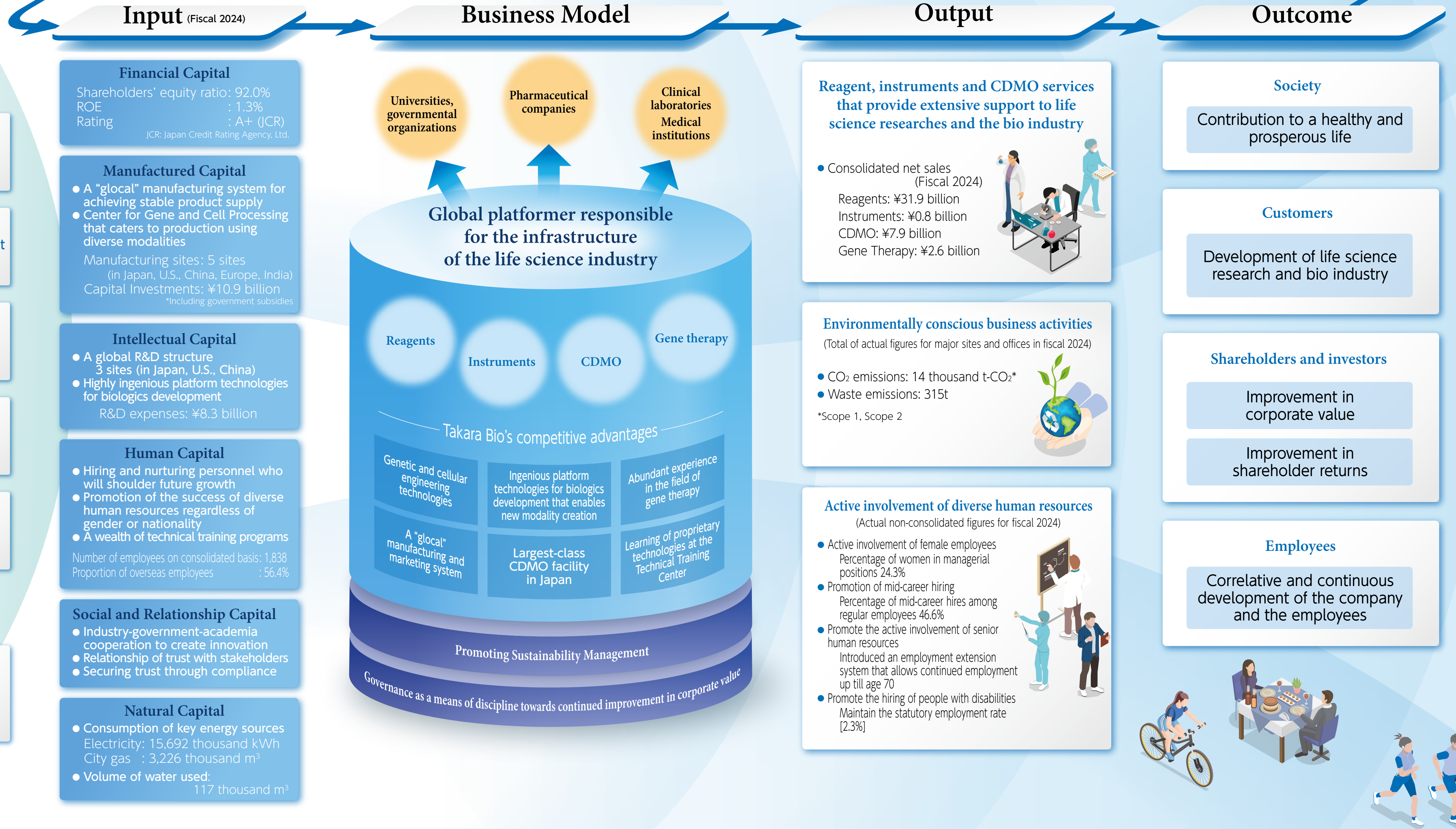


# Value Creation Process

Corporate Philosophy Contributing to the health of humankind through the development of revolutionary biotechnologies such as gene therapy



## Risks and Opportunities

Priority area	Risks and opportunities	Relevant materiality
Product liability	<p><b>Risk</b> Economic loss due to product recall and compensation and loss of trust in case a problem occurs</p> <p><b>Opportunity</b> Establish superiority based on excellent quality and build brand power</p>	Safety →
Competition	<p><b>Risk</b> Increased competition driven by new entrants and M&amp;As</p> <p><b>Opportunity</b> Increase profit by establishing advantages in business</p>	Wellness →
R&D	<p><b>Risk</b> Delay or failure in R&amp;D projects</p> <p><b>Opportunity</b> Establish technological competitive advantage</p>	Wellness →, Human resources →
Intellectual property rights	<p><b>Risk</b> Loss of competitive advantage due to invalidation or expiration of registered patent rights, infringement of rights of other companies</p> <p><b>Opportunity</b> Stable business expansion, advantages in business</p>	Wellness →, Governance →
Climate change	<p><b>Risk</b> Introduction of greenhouse gas emissions regulations, carbon tax and other new systems and standards (transitional risks)</p> <p><b>Opportunity</b> Opportunities to develop new business or new products</p>	Environment →, Wellness →
Human resources	<p><b>Risk</b> Shortage or loss of talents, difficulty in securing talents with expert knowledge or skills</p> <p><b>Opportunity</b> Establish superiority in R&amp;D, manufacturing, sales, etc.</p>	Human resources →, Human rights →
Overseas business	<p><b>Risk</b> Increased geopolitical risks (procurement, human rights, tax affairs)</p> <p><b>Opportunity</b> Business expansion through global operation and risk dispersion by having multiple bases</p>	Procurement →, Human rights →, Governance →
Legal regulations	<p><b>Risk</b> Restraint on business activities due to tightening of legal regulations</p> <p><b>Opportunity</b> Creation of new business opportunities</p>	Wellness →, Governance →
Disasters, accidents, and pandemics	<p><b>Risk</b> Discontinuation of or delay in business activities due to disaster, accidents or pandemic, disruption in supply chain</p> <p><b>Opportunity</b> Increase in sales of infectious disease testing reagents</p>	Governance →, Procurement →, Community →
Information security	<p><b>Risk</b> Losses and loss of trust due to system failure or information leakage</p> <p><b>Opportunity</b> More added value to products and services</p>	Governance →

## Process for identifying materialities

