



Mega Lifesciences' purpose and values are the basis of the business activities we pursue to create shared value with society and increase corporate value. In these business activities, Mega Lifesciences regards risk as any phenomenon that hinders the achievement of management goals and the execution of strategy.

To support appropriate strategic decision-making and smooth business operations, we have formulated the Risk Appetite Statement that sets out our policy in response to risk. It is intended not only to promote a healthy risk culture but also to serve as a comprehensive basis for the judgments and actions of individual employees.

Risk associated with the introduction of new products

Mega Lifesciences will analyze the business environment surrounding the Company, our strengths, and patient needs, and the outlook for science and technology, and understand the expectations and demands of society in a timely and appropriate manner while identifying the potential risks in our management strategies and individual projects. We will also take risks to boldly and aggressively pursue process and sourcing innovation while taking necessary measures such as the selective concentration of management resources, enhancement of collaboration and cooperation with external partners, and utilization of digital technologies.

Mega Lifesciences considers Human Wellness by bringing affordable and good quality medicinal supplements and pharmaceutical products in developing and frontier countries. We aim to improve Human Wellness by providing affordable solutions. Accordingly, we will carefully source the products from credible sources and with due diligence for quality and with risk assessment about business continuity and economic feasibility.

In order to manage such sourcing, Mega Lifesciences relies heavily on the efficacy of its quality assessment and regulatory assessment staff. We are trying to minimize all the risks related to sourcing of products by ensuring regular checks/ audits on our vendors and our own manufacturing facilities. Cheaper solutions do not mean compromise in quality/ regulatory compliances.

Risks of safety and efficacy of our Products

Efficacy and safety of products is of paramount importance in our journey to deliver value added and affordable products which serve as stable alternatives.

Our Quality and regulatory team needs to ensure a high level of quality with minimum or no unexpected side effects. This requires employment of effective risk management systems and use of technologies and continued corroboration such as ensuring appropriate division of labor and collaboration in our business processes (research, development, marketing, medical affairs, pharmaceutical safety, intellectual property / quality assurance), enhancing global supply chain management, and maintaining



and enhancing global quality systems. In addition, on the economic side we optimize productivity and inventory management and strive to avoid and reduce risks that may interfere with the stable supply of products whose efficacy and safety are ensured.

Risks of non-compliance

Mega Lifesciences has repeatedly emphasized that corporate ethics and compliance with laws have a higher priority than corporate performance. We will comply with applicable laws and will also ensure that our decisions and actions comply with the values and ethics. We have published our code of conduct, anti-bribery policy, human rights policy and other policies announced from time to time. In addition, in order to ensure compliance throughout the supply chain, we require good faith activities based on high ethical standards not only within our group but also for our business partners. We will not tolerate any risks that go against the above framework of ethics and policies.

Risks related to our social responsibilities as a good citizen.

We believe it is our responsibility as a corporate citizen to maintain and develop the global environment and social systems upon which our existence is based.

We strive to address the issues faced by the local and international community, consider how we should contribute as a Company, and contribute to the resolution of environmental issues and social discrimination / human rights violations in society by striving to preserve the environment and respect human rights in all of our business activities in cooperation with various stakeholders. At the same time, by actively engaging in social contribution activities, particularly in the area of healthcare and welfare, we will strive to reduce the risk of failing to fulfill our role and responsibilities as a corporate citizen and damaging the trust placed in us by society.