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(Securities Code 4521)
June 6, 2025

To Our Shareholders:

Hiroyuki Horiuchi
President and Representative Director
KAKEN PHARMACEUTICAL CO., LTD.
28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo, Japan

NOTICE OF CONVOCATION
THE 105th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are hereby informed that the 105th Ordinary General Meeting of Shareholders of KAKEN PHARMACEUTICAL CO., LTD. (the “Company”) (the “Meeting”) will be held for the purposes as described below.

In convening the Meeting, the Company has taken measures for electronic provision and has posted the matters subject to measures for electronic provision on the following website on the Internet as the Notice of Convocation of the 105th Ordinary General Meeting of Shareholders (the “Notice”).

<<The Company’s website>>

https://www.kaken.co.jp/english/invest/stock/shareholders_meeting.html

<<Sumitomo Mitsui Trust Bank: The Portal of Shareholders’ Meeting>>

<https://www.soukai-portal.net>

(in Japanese only)

*Please refer to “Information on The Portal of Shareholders’ Meeting” on page 5 of the Japanese original version (in Japanese only).

<<Tokyo Stock Exchange website>>

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website shown on the left, enter or search for the Company name or the securities code “4521,” select “Basic information” and “Documents for public inspection/PR information” in that order, and view the information.

If you are unable to attend the Meeting, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the Meeting and exercise your voting rights by 5:30 p.m. on June 26, 2025 (Japan Standard Time).

In addition, the proceedings of the Meeting will be streamed live on the Internet (viewing only) for shareholders. For details, please refer to the enclosed “Information on Live Streaming of the General Meeting of Shareholders” (in Japanese only).

- 1. Date and Time:** Friday, June 27, 2025, at 10:00 a.m. (Japan Standard Time) (reception desk opens at 9:00 a.m.)
- 2. Place:** Bellesalle Jimbocho, 3F meeting room (Sumitomo Realty & Development
CHIYODA FIRST BUILDING SOUTH)
2-1, Nishikanda 3-chome, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters for Reporting:**
1. Report on Business Operations, Consolidated Financial Statements, and the audit reports by the Independent Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements for the Company's 105th Fiscal Year (April 1, 2024 - March 31, 2025)
 2. Non-Consolidated Financial Statements for the Company's 105th Fiscal Year (April 1, 2024 - March 31, 2025)
- Matters for Resolution:**
- Proposal No. 1:** Approval for the Appropriation of Surplus
- Proposal No. 2:** Election of Eight Directors
- Proposal No. 3:** Election of One Audit & Supervisory Board Member
- Proposal No. 4:** Election of One Substitute Audit & Supervisory Board Member
- Proposal No. 5:** Grant of Bonuses to Directors
- 4. Other Matters with regard to Convocation of the Meeting:**
- (1) If voting rights are exercised both in writing and via the Internet, the vote submitted via the Internet shall be treated as the valid exercise of voting rights.
If voting rights are exercised via the Internet more than once, the final vote submitted shall be treated as the valid exercise of voting rights.
If there is no indication of approval or disapproval of a proposal on the Voting Rights Exercise Form that was used to exercise voting rights in writing, it will be treated as an indication of approval.
If you are exercising your voting rights in writing, please indicate your approval or disapproval for the proposals on the enclosed Voting Rights Exercise Form and return it to the Company to be received by the deadline mentioned on the previous page.
If you are exercising your voting rights via the Internet, please follow the on-screen instructions to exercise your approval or disapproval for the proposals by the deadline mentioned on the previous page.
- (2) As to exercising your voting right by proxy, it can only be entrusted to one shareholder of the Company who also holds a voting right. In this case, a written proof of proxy must be submitted to the Company.

Notes: 1. If you attend the Meeting, please present the enclosed Voting Right Exercise Form at the reception desk at the Meeting.

2. Should the matters subject to measures for electronic provision require revisions, this information, as well as the matters before and after revision, will be posted on the Company's website, on the Sumitomo Mitsui Trust Bank: The Portal of Shareholders' Meeting and on the Tokyo Stock Exchange website listed on the previous page.

<<Materials for the Meeting>>

The materials for the Meeting that were sent to shareholders exclude the following items from the matters subject to measures for electronic provision, pursuant to the provisions of the relevant laws and regulations and the Company's Articles of Incorporation. The Audit & Supervisory Board members and the Independent Auditors audit the documents subject to audit, including the following items. Please note that these materials will be sent uniformly regardless of whether or not a request for delivery of the documents has been made.

[Report on Business Operations]

- The following items from Matters regarding the status of the group (the corporate group)
“Principal business,” “Major offices and plants,” “Status of employees,” “Principal lenders and amount of borrowings,”
“Other important matters regarding the status of the group (the corporate group)”
- Matters regarding the Company's share acquisition rights, etc.
- The following items from Matters regarding company officers
“Outline of the contents of liability limitation agreements,” “Outline of the contents of directors and officers liability insurance contract,” “Matters regarding outside officers”
- Status of Independent Auditors
- Systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, other systems to ensure the properness of operations, and the status of operation of the systems
- Basic policy regarding persons who control the decisions on the Company's financial and business policies
- Policy on determination of the dividends of surplus

[Consolidated Financial Statements] Consolidated Statements of Changes in Net Assets, Notes to Consolidated Financial Statements

[Non-Consolidated Financial Statements] Non-Consolidated Balance Sheets, Non-Consolidated Statements of Income, Non-Consolidated Statements of Changes in Net Assets, Notes to Non-Consolidated Financial Statements

[Audit Reports] Independent Auditor's Audit Report on the Consolidated Financial Statements, Independent Auditor's Audit Report on the Non-Consolidated Financial Statements, Audit Report of the Audit & Supervisory Board

<<Measures for shareholders with physical disabilities or impairments>>

- The following arrangements are available at the venue of the Meeting. Shareholders who need to use any of them are requested to inform the staff.
 - Dedicated space for wheelchair
 - Rental wheelchair
 - Writing board for communication
- Subtitles are displayed in real time on the monitors available at the venue and on the Internet live streaming screens. Please note that the subtitles are AI-generated and therefore may not be accurate.

Reference Documents for the Meeting

Proposals and References

Proposal No. 1: Approval for the Appropriation of Surplus

Considering the financial results, future business development, and other factors, the Company proposes to pay the following as the year-end dividend for the fiscal year 2024:

(1) Form of dividends

Cash

(2) Allocation of dividends to shareholders and total amount of allocation

¥75 per common share

Total amount of ¥2,887,310,700

Since the Company has paid a bonus dividend of ¥40 in addition to the ordinary dividend of ¥75, bringing the interim dividend to ¥115, the annual dividend for the fiscal year under review will be ¥190 per share.

(3) Effective date of distribution of surplus for dividends

June 30, 2025

Proposal No. 2: Election of Eight Directors

Since the Articles of Incorporation of the Company stipulates that the term of office of Director should be one year, the term of all eight Directors of the Company will expire at the closing of the Meeting.

Accordingly, the Company proposes the election of eight Directors (including three Outside Directors). The candidates for Director were determined by the Board of Directors upon deliberation by the Nomination and Compensation Committee, the majority of whose members are Outside Directors.

The candidates for Director are as follows:

No.	Name			Positions and Responsibilities at the Company	Attendance at the Board of Directors' Meetings
1	Male	Hiroyuki Horiuchi	Reappointment	President and Representative Director	100% (26/26 meetings)
2	Male	Masashi Suzudo	Reappointment	Managing Director, Production Division, Corporate Planning & Coordination Department, Human Resources Department, Secretary Department, Corporate Communications Department, and Global Business Division Chief Officer, Global Business Division	100% (26/26 meetings)
3	Male	Mitsuru Watanuki	Reappointment	Director, R&D Division, Regulatory Affairs Division, and Business Development Department Chief Officer, R&D Division	100% (26/26 meetings)
4	Male	Yasuhiro Umeda	Reappointment	Director, Accounting & Finance Department, Agribusiness Division, Information System Department, and Global Sourcing & Alliance Department	100% (21/21 meetings)
5	Female	Akemi Okuyama	New Candidate	General Manager, Regulatory Affairs Department	-
6	Male	Shoichiro Takagi	Reappointment Outside Independent	Outside Director	100% (26/26 meetings)
7	Male	Yasutomo Inoue	Reappointment Outside Independent	Outside Director	96% (25/26 meetings)
8	Female	Satoko Ishikawa	Reappointment Outside Independent	Outside Director	100% (21/21 meetings)

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
1	Hiroyuki Horiuchi (March 21, 1962) Male Reappointment	<p>April 1984 October 2010 April 2014 July 2015</p> <p>April 2016 June 2016 April 2017 June 2018 June 2020 June 2021</p>	<p>Joined the Company General Manager, Hiroshima Branch General Manager, Osaka Branch Corporate Officer, General Manager, Osaka Branch Corporate Officer, General Manager, Marketing & Sales Department Director, General Manager, Marketing & Sales Department Director, Chief Officer, Marketing & Sales Division Managing Director, Chief Officer, Marketing & Sales Division President and Representative Director Chief Officer, Marketing & Sales Division President and Representative Director (to present)</p>	8,700 shares
<p>[Reasons for selection as candidate for Director] Mr. Hiroyuki Horiuchi has extensive experience in marketing sections, and has demonstrated achievements as an executive after appointment as President and Representative Director of the Company in 2020. Thus, the Company has determined Mr. Horiuchi to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</p>				

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
2	Masashi Suzudo (August 12, 1962) Male Reappointment	<p>April 1985 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>September 2009 President, ZAO Mizuho Corporate Bank (Moscow)</p> <p>April 2014 General Manager, Global Career Management Division, Mizuho Financial Group, Inc.</p> <p>April 2016 Joined the Company</p> <p>April 2018 General Manager, General Affairs Department</p> <p>July 2019 Corporate Officer, General Manager, General Affairs Department</p> <p>April 2020 Corporate Officer, General Manager, Corporate Planning & Coordination Department</p> <p>June 2021 Director, General Manager, Corporate Planning & Coordination Department (in charge of Production Division and Corporate Planning & Coordination Department)</p> <p>April 2023 Director (in charge of Production Division, Corporate Planning & Coordination Department and Secretary Department)</p> <p>January 2024 Director (in charge of Production Division, Corporate Planning & Coordination Department, Human Resources Department, Secretary Department and Corporate Communications Department)</p> <p>June 2024 Managing Director (in charge of Production Division, Corporate Planning & Coordination Department, Human Resources Department, Secretary Department and Corporate Communications Department)</p> <p>March 2025 Managing Director, Chief Officer, Global Business Division (in charge of Production Division, Corporate Planning & Coordination Department, Human Resources Department, Secretary Department, Corporate Communications Department, and Global Business Division) (to present)</p>		3,800 shares
<p>[Reasons for selection as candidate for Director]</p> <p>With extensive experience and knowledge acquired through international operations at financial institutions, Mr. Masashi Suzudo has served as General Manager of General Affairs Department and then as General Manager of Corporate Planning & Coordination Department after joining the Company. He also has abundant insight and achievements in IR, management strategy, and corporate governance. Thus, the Company has determined Mr. Suzudo to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</p>				

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
3	Mitsuru Watanuki (September 4, 1964) Male Reappointment	April 1989 April 2015 April 2017 April 2020 July 2021 July 2022 June 2023	Joined the Company General Manager, Clinical Development Department General Manager, R&D Planning & Project Management Department Deputy Chief Officer, R&D Division Chief Officer, R&D Division Corporate Officer, Chief Officer, R&D Division Director, Chief Officer, R&D Division (in charge of R&D Division, Regulatory Affairs Division and Business Development Department) (to present)	3,100 shares
	[Reasons for selection as candidate for Director] Mr. Mitsuru Watanuki has extensive experience in R&D sections, and has served as General Manager of the Clinical Development Department, General Manager of the R&D Planning & Project Management Department, and Chief Officer of the R&D Division. He also has broad knowledge and insight into the group’s R&D-related businesses based on his achievements in product development. Thus, the Company has determined Mr. Watanuki to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.			
4	Yasuhiro Umeda (December 2, 1970) Male Reappointment	April 1993 July 2017 April 2018 April 2021 April 2024 June 2024 April 2025	Joined The Norinchukin Bank General Manager, Food & Agri Business Planning Division., The Norinchukin Bank General Manager, Corporate Business Division. III, The Norinchukin Bank Managing Executive Officer, The Norinchukin Bank Executive Advisor, The Norinchukin Bank Director (in charge of Accounting & Finance Department, Agribusiness Division, Information System Department, and Purchasing Department) Director (in charge of Accounting & Finance Department, Agribusiness Division, Information System Department, and Global Sourcing & Alliance Department) (to present)	300 shares
	[Reasons for selection as candidate for Director] Mr. Yasuhiro Umeda has extensive corporate experience serving at financial institutions, insight including financial analysis fostered in his previous career. He also has extensive knowledge and achievements mainly in information systems as well as agricultural chemicals and veterinary drugs after assuming the post of Director of the Company in 2024. Thus, the Company has determined Mr. Umeda to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.			

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
5	Akemi Okuyama (April 15, 1967) Female New candidate	April 1994 October 2018 April 2023	Joined the Company General Manager, Pharmacovigilance Department General Manager, Regulatory Affairs Department (to present)	0 shares
	<p>[Reasons for selection as candidate for Director]</p> <p>Ms. Akemi Okuyama has extensive experience and a high level of expertise in the fields of pharmacovigilance and regulatory affairs, and also gains a broad perspective of the entire life cycle of pharmaceutical products in dealing with regulatory authorities in Japan and overseas, planning and executing strategies for obtaining approval as well as safety management after marketing authorization. The Company believes that such knowledge and experience will contribute to the promotion of the Company's regulatory affairs strategy, and thus the Company has determined Ms. Okuyama to be suitable to serve as Director of the Company and selected her as a candidate for Director.</p>			
6	Shoichiro Takagi (January 13, 1961) Male Reappointment Outside Director Independent Director	April 1983 November 2002 March 2007 June 2011 June 2013 March 2019 March 2019 December 2019 June 2020	<p>Joined the Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.)</p> <p>Representative Director and President, Iipingshang Foods Corporation</p> <p>Representative Director and President, Saint-Germain Co., Ltd.</p> <p>Member of the Board, Director, Deputy Leader of Pharmaceutical Marketing & Promotion Group, TORII PHARMACEUTICAL CO., LTD.</p> <p>Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD.</p> <p>Resigned from Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD.</p> <p>Part-time Advisor, Pharmaceutical Business, Japan Tobacco Inc.</p> <p>Retired from Japan Tobacco Inc.</p> <p>Director of the Company (to present)</p>	700 shares
	<p>[Reasons for selection as candidate for Outside Director and an overview of expected roles]</p> <p>Mr. Shoichiro Takagi has experience, achievements, and insight from corporate management at several companies including the pharmaceutical industry. The Company believes that Mr. Takagi will contribute to the Company by providing advice for the medium- to long-term growth of Company based on his knowledge fostered as a corporate management and serving as a supervisor of business execution as an independent director, and thus, the Company has selected him again as a candidate for Outside Director.</p>			

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
7	Yasutomo Inoue (July 14, 1960) Male Reappointment Outside Director Independent Director	April 1999 April 1999 October 2011 June 2012 September 2015 June 2021 [Significant concurrent positions]	Registered as attorney at law Joined Takahashi Sogo Law Office Established Nagahama, Mizuno & Inoue Partner, Nagahama, Mizuno & Inoue (to present) Dispute Resolution Committee Member, the General Insurance Association of Japan (to present) Outside Auditor, Synchro Food Co., Ltd. (to present) Director of the Company (to present) Partner, Nagahama, Mizuno & Inoue Outside Auditor, Synchro Food Co., Ltd. Dispute Resolution Committee Member, the General Insurance Association of Japan	300 shares
	[Reasons for selection as candidate for Outside Director and an overview of expected roles] As an attorney at law, Mr. Yasutomo Inoue has experience and professional expertise acquired through corporate legal work. The Company believes that Mr. Inoue will contribute to the Company by providing advice for the medium- to long-term growth of Company based on his knowledge as an attorney and serving as a supervisor of business execution as an independent director, and thus, the Company has selected him again as a candidate for Outside Director.			
8	Satoko Ishikawa (December 24, 1964) Female Reappointment Outside Director Independent Director	April 2012 April 2015 April 2017 October 2018 April 2023 June 2024 [Significant concurrent positions]	Director, Tokyo Pharmaceutical Association Associate Professor, Education Research Center for Pharmaceutical Sciences, Faculty of Pharmacy, Keio University Director, Pharmaceutical Common Achievement Tests Organization (to present) Board Member, Japan Society for Pharmaceutical Education (to present) Professor, Education Research Center for Pharmaceutical Sciences, Faculty of Pharmacy, Keio University (to present) Director of the Company (to present) Professor, Education Research Center for Pharmaceutical Sciences, Faculty of Pharmacy, Keio University Director, Pharmaceutical Common Achievement Tests Organization Board Member, Japan Society for Pharmaceutical Education	0 shares
	[Reasons for selection as candidate for Outside Director and an overview of expected roles] Ms. Satoko Ishikawa has extensive professional expertise as a Doctor of Pharmacy and a Professor at a university. The Company believes that Ms. Ishikawa will contribute to the Company by providing advice for the medium- to long-term growth of the Company based on her specialized knowledge fostered at a university etc. and serving as a supervisor of business execution as an independent director, and thus, the Company has selected her again as a candidate for Outside Director.			

- (Notes)
1. There is no special interest between the Company and any of the above candidates for Director.
 2. Ms. Akemi Okuyama, a candidate for Director, holds equity interest equivalent to 1,539 shares of the Company in the employee stock ownership association.
 3. Mr. Shoichiro Takagi, Mr. Yasutomo Inoue and Ms. Satoko Ishikawa are candidates for Outside Directors.
 4. Mr. Shoichiro Takagi, Mr. Yasutomo Inoue and Ms. Satoko Ishikawa have been designated as Independent Directors/Auditors by the Company under the provisions of Tokyo Stock Exchange, and the notification was submitted to Tokyo Stock Exchange. If their reappointment is approved, the Company will continue to have them serve as Independent Directors/Auditors.
 5. Mr. Shoichiro Takagi's term as Outside Director of the Company will be five years at the closing of the Meeting.
 6. Although Mr. Yasutomo Inoue does not have any experience in corporate management other than as an outside officer, the Company considers that he can properly carry out his duties as Outside Director due to his experience and professional expertise through corporate legal work as an attorney at law. Mr. Yasutomo Inoue's term as Outside Director of the Company will be four years at the closing of the Meeting. There are no advisory agreements between the Company and Nagahama, Mizuno & Inoue. There are no business transactions between the Company and Synchro Food Co., Ltd. or the General Insurance Association of Japan.
 7. Although Ms. Satoko Ishikawa does not have any experience in getting directly involved in corporate management before assuming the office of Director of the Company, the Company considers that she can properly carry out her duties as Outside Director due to her extensive professional expertise and an insight based on her experience as a Doctor of Pharmacy and a Professor of a university. Ms. Satoko Ishikawa's term as Outside Director of the Company will be one year at the closing of the Meeting.
Ms. Satoko Ishikawa serves as a Professor of Education Research Center for Pharmaceutical Sciences, Faculty of Pharmacy at Keio University, to which the Company group makes donations. This donation is not provided to individual professors or her affiliated division, Education Research Center for Pharmaceutical Sciences, Faculty of Pharmacy, Keio University. In addition, the donation amount is less than 0.1% of the annual total income of the university in the latest fiscal year, and is less than ¥10 million throughout the year, and in light of its amount and nature, the Company considers there is no risk of conflicts of interest with the general shareholders.
There is no business transaction between the Company and both Pharmaceutical Common Achievement Tests Organization or Japan Society for Pharmaceutical Education, and no donation has been made to both Pharmaceutical Common Achievement Tests Organization and Japan Society for Pharmaceutical Education.
 8. The Company has agreements with Mr. Shoichiro Takagi, Mr. Yasutomo Inoue and Ms. Satoko Ishikawa to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations. If Mr. Shoichiro Takagi and Mr. Yasutomo Inoue and Ms. Satoko Ishikawa are reappointed at the Meeting, the Company will continue the said agreements with them.
 9. The Company has entered into a directors and officers liability insurance contract with an insurance company that insures Directors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Directors as a result of execution of their duties and assuming liability for such execution duties. Each candidate, if elected, will be included as the insured under the insurance contract. The Company plans to renew the contract with the same terms and condition at the time of the next renewal.

Proposal No. 3: Election of One Audit & Supervisory Board Member

At the closing of the Meeting, Audit & Supervisory Board member Hiroaki Matsumoto's term will expire.

Accordingly, the Company proposes the election of one Audit & Supervisory Board member.

The Audit & Supervisory Board has already given its approval to this proposal.

The candidate for Audit & Supervisory Board member is as follows:

Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions	Number of Shares of the Company Held
Hiroaki Matsumoto (October 7, 1958) Male Reappointment Outside Audit & Supervisory Board Member Independent Auditor	<p>April 1981 Joined Tokyo Regional Taxation Bureau</p> <p>July 2006 District Director, Chichibu Tax Office</p> <p>July 2016 Chief Internal Inspector, Commissioner's Secretariat of National Tax Agency</p> <p>July 2018 Regional Commissioner, Kumamoto Regional Taxation Bureau</p> <p>September 2019 Registered as Certified Tax Accountant Established Hiroaki Matsumoto Certified Tax Accountant Office (to present)</p> <p>September 2020 Outside Audit & Supervisory Board Member, Yazaki Corporation (to present)</p> <p>June 2021 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2022 External Audit & Supervisory Board Member, MARUI GROUP CO., LTD. (to present)</p> <p>March 2023 Part-time Audit & Supervisory Board Member, K.O. Dental Corporation (to present)</p> <p>[Significant concurrent positions] Hiroaki Matsumoto Certified Tax Accountant Office Outside Audit & Supervisory Board Member, Yazaki Corporation External Audit & Supervisory Board Member, MARUI GROUP CO., LTD. Part-time Audit & Supervisory Board Member, K.O. Dental Corporation</p>	500 shares
<p>[Reasons for selection as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Hiroaki Matsumoto is a certified tax accountant and also has extensive experience and achievements at the National Tax Agency, and deep knowledge and insight into finance and accounting. The Company believes that Mr. Matsumoto will contribute to the Company by bringing his expertise to the audit system, and thus, the Company has selected him again as a candidate for Outside Audit & Supervisory Board member.</p>		

- (Notes) 1 There is no special interest between the Company and the above candidate for Audit & Supervisory Board member.
- 2 Mr. Hiroaki Matsumoto is a candidate for Outside Audit & Supervisory Board member.
- 3 Mr. Hiroaki Matsumoto has been designated as Independent Director/Auditor by the Company under the provisions of Tokyo Stock Exchange, and the notification was submitted to Tokyo Stock Exchange. If his reappointment is approved, the Company will continue to have him serve as Independent Director/Auditor.
4. Mr. Hiroaki Matsumoto is a certified tax accountant and also has extensive experience and achievements at the National Tax Agency, and deep knowledge and insight into finance and accounting. The Company believes that Mr. Hiroaki Matsumoto will contribute to the Company by bringing his expertise to the audit system, and thus, the Company has selected him as a candidate for Outside Audit & Supervisory Board member. Although Mr. Hiroaki Matsumoto does not have any experience in corporate management other than as an outside officer, the Company considers that he can properly carry out his duties as Outside Audit & Supervisory Board member due to the above reasons. Mr. Hiroaki Matsumoto's term as Outside Audit & Supervisory Board Member of the Company will be four years at the closing of the Meeting. There are no advisory agreements between the Company and Hiroaki Matsumoto Certified Tax Accountant Office. There are no business transactions between the Company and Yazaki Corporation, MARUI GROUP CO., LTD., or K.O. Dental Corporation.
5. The Company has an agreement with Mr. Hiroaki Matsumoto to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations. If Mr. Hiroaki Matsumoto is reappointed at the Meeting, the Company will continue the said agreement with him.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company that insures Audit & Supervisory Board members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Audit & Supervisory Board members as a result of execution of their duties and assuming liability for such execution duties. The candidate, if elected, will be included as the insured under the insurance contract. The Company plans to renew the contract with the same terms and condition at the time of the next renewal.

[Reference] Expertise, etc., of Directors and Audit & Supervisory Board members (Skill Matrix)

In order for the Company to provide value to society and grow sustainably through the realization of its corporate philosophy, the Company formulated the Long-Term Business Plan 2031 (the “Plan”) and established three transformations: 1) R&D, 2) Overseas Expansion, and 3) Management Base. The Company has identified the knowledge, experience, skills, etc. required to achieve the Plan and properly ensure the functions of the Board of Directors.

The definition of each skill is as follows.

Skill	Definition
Corporate management	Skills and experience necessary for corporate management, such as strategic thinking, leadership, financial management, and innovation abilities
R&D / Life science	Skills and experience necessary to promote R&D in the Plan, such as medical and pharmaceutical knowledge, as well as abilities to formulate R&D plans and strategies
International experience	Skills and experience necessary for overseas expansion in the Plan, such as knowledge of global expansion, overseas work experience, and an understanding of international business
Sales / Marketing	Skills and experience necessary to execute the Plan, such as knowledge of pharmaceuticals, business promotion, and an ability to formulate marketing strategies
Pharmaceutical administration and regulations	Skills and experience necessary for pharmaceutical administration and regulations including dealing with regulatory authorities in Japan and overseas, planning and executing strategies for obtaining approval as well as safety management after marketing authorization
Accounting / Finance	Skills and experience necessary to execute the Plan, such as financial analysis, cash flow management, and investment analysis
Legal affairs / Compliance / Risk management	Skills and experience necessary to ensure stable management, such as internal controls, and identifying, evaluating, monitoring and formulating countermeasures for principal risks
ESG / Sustainability	Skills and experience necessary for increasing corporate values, such as environmental management, human capital management, and management abilities to carry out corporate governance

The main skills of Directors and Audit & Supervisory Board members at the closing of the Meeting are as follows.

Position	Name	Gender	Corporate management	R&D / Life science	International experience	Sales / Marketing	Pharmaceutical administration and regulations	Accounting / Finance	Legal affairs / Compliance / Risk management	ESG / Sustainability
President and Representative Director	Hiroyuki Horiuchi	Male	●			●				●
Managing Director	Masashi Suzudo	Male			●			●		●
Director	Mitsuru Watanuki	Male		●			●			
Director	Yasuhiro Umeda	Male			●			●		
Director	Akemi Okuyama	Female					●			
Outside Director	Shoichiro Takagi	Male	●					●		
Outside Director	Yasutomo Inoue	Male							● (Attorney at law)	
Outside Director	Satoko Ishikawa	Female		● (Pharmacy)						
Audit & Supervisory Board Member (Standing)	Kazumori Ishiguro	Male				●				●
Audit & Supervisory Board Member (Standing)	Naoyuki Ishida	Male				●				●
Outside Audit & Supervisory Board Member	Hiroaki Matsumoto	Male						● (Certified tax accountant)		
Outside Audit & Supervisory Board Member	Masahiro Koyama	Male	●							

(Note) The table above represents the areas in which each candidate demonstrates their primary expertise based on their experience, etc., and does not show all of the knowledge possessed by them.

Proposal No. 4: Election of One Substitute Audit & Supervisory Board Member

The effect of election of the current Substitute Audit & Supervisory Board member shall expire at the beginning of the Meeting. The Company proposes the election of one Substitute Audit & Supervisory Board member in case of a shortfall in the number of Audit & Supervisory Board members prescribed by laws and regulations.

The Company will, only before the election, be able to cancel the election by the approval of the Audit & Supervisory Board and the resolution of the Board of Directors.

The Audit & Supervisory Board has already given its approval to this proposal.

The candidate for Substitute Audit & Supervisory Board member is as follows:

Name (Date of Birth)	Career Summary and Significant Concurrent Positions	Number of Shares of the Company Held
<p>Makiko Kumagai (November 24, 1971)</p> <p>Female</p> <p>Outside Audit & Supervisory Board Member</p> <p>Independent Auditor</p>	<p>October 1996 Joined Asahi Audit Corp. (currently KPMG AZSA LLC)</p> <p>April 2000 Registered as certified public accountant</p> <p>August 2000 Registered as certified tax accountant</p> <p> Established Makiko Kumagai Certified Tax Accountant Office (to present)</p> <p>January 2002 Established Kumagai Certified Public Accountant Office (to present)</p> <p>July 2023 Auditor (part-time), Organization for Workers' Retirement Allowance Mutual Aid (to present)</p> <p>[Significant concurrent positions]</p> <p>Certified tax accountant, Makiko Kumagai Certified Tax Accountant Office</p> <p>Certified public accountant, Kumagai Certified Public Accountant Office</p> <p>Auditor (part-time), Organization for Workers' Retirement Allowance Mutual Aid</p>	<p>0 shares</p>
<p>[Reasons for selection as candidate for Substitute Outside Audit & Supervisory Board Member]</p> <p>In addition to her experience at a major audit firm, Ms. Makiko Kumagai has expertise and insight in corporate management as a certified public accountant and tax accountant. The Company believes that Ms. Kumagai will contribute to the Company by bringing her expertise to the audit system, and thus, the Company has selected her as a candidate for Substitute Outside Audit & Supervisory Board member.</p>		

- (Notes) 1 There is no special interest between the Company and the above candidate for Substitute Audit & Supervisory Board member.
- 2 Ms. Makiko Kumagai is a candidate for Outside Audit & Supervisory Board member.
3. With regards to Ms. Makiko Kumagai, the Company uses her professional name in this Notice of Convocation, while her name on the family register is Ms. Makiko Kunugi.
4. If Ms. Makiko Kumagai, the candidate for Substitute Outside Audit & Supervisory Board member, assumes the office of Audit & Supervisory Board member, the Company will designate her as an Independent Director/Auditor under the provisions of Tokyo Stock Exchange and submit the notification to Tokyo Stock Exchange.
5. In addition to her experience at a major audit firm, Ms. Makiko Kumagai has expertise and insight in corporate management as a certified public accountant and tax accountant. The Company believes that Ms. Kumagai will contribute to the Company by bringing her expertise to the audit system, and thus, the Company has selected her as a candidate for Substitute Outside Audit & Supervisory Board member. Although Ms. Makiko Kumagai does not have any experience in getting directly involved in corporate management, the Company considers that she can properly carry out her duties as Outside Audit & Supervisory Board member due to the above reasons. There are no advisory agreements between the Company and Makiko Kumagai Certified Tax Accountant Office or Kumagai Certified Public Accountant Office. In addition, the Company is not enrolled in the system operated by Organization for Workers' Retirement Allowance Mutual Aid.
6. Upon Ms. Makiko Kumagai's assumption of office as Outside Audit & Supervisory Board member, the Company will enter into an agreement with her to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations.
7. The Company has entered into a directors and officers liability insurance contract with an insurance company that insures Audit & Supervisory Board members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Audit & Supervisory Board members as a result of execution of their duties and assuming liability for such execution duties. If Ms. Makiko Kumagai assumes office, she will be included as the insured under the insurance contract.

Proposal No. 5: Grant of Bonuses to Directors

The Company proposes that, based on bonuses given in previous years and the Company's performance during this fiscal year, bonuses amounting to the total of ¥86,070,000 be paid to the five Directors (excluding Outside Directors) who were in office as Directors as of the end of the fiscal year under review. The bonuses to Directors (excluding Outside Directors) will be based on key performance indicators (KPIs), and such compensation will be made in cash. This is in an attempt to enhance Directors consciousness for better business performance in each fiscal year. The Company plans to calculate the amount of bonus based on a coefficient obtained by prorating the degree of achievement of KPI targets (for consolidated net sales, consolidated adjusted operating profit*, the number of in-licensed projects and M&As, and the number of projects under development for each fiscal year). The Company has determined this calculation method to be appropriate.

This Proposal was approved by the Board of Directors after the review by the Nomination and Compensation Committee. The majority of the members of the Nomination and Compensation Committee are Outside Directors.

The Company also proposes that the bonus amount to each Director be decided at the Board of Directors meeting.

* Excluding the impact of one-time in-licensing fees for strategic investment from operating profit