

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 4886

June 5, 2026

Start date of measures for electronic provision: May 26, 2026

To: Shareholders

Sohta Yamaguchi
President, Member of the Board of Directors, Representative Director
ASKA Pharmaceutical Holdings Co., Ltd.
5-1, Shibaura 2-chome, Minato-ku, Tokyo

NOTICE OF CONVOCATION OF THE 5th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 5th Ordinary General Meeting of Shareholders of ASKA Pharmaceutical Holdings Co., Ltd. (the “Company”) will be held as stated below.

In convening this meeting, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of those websites to confirm the information.

[The Company’s website]

<https://www.aska-pharma-hd.co.jp/invest/stock/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/4886/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Enter “ASKA Pharmaceutical Holdings Co., Ltd.” in “Issue name (company name)” or the Company’s securities code “4886” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Rather than attending the meeting on the day, we request that you exercise your voting rights via the Internet or in writing. Please review the attached Reference Materials for the General Meeting of Shareholders and exercise your voting rights no later than 5:35 p.m., Tuesday, June 23, 2026 (JST).

Exercise of voting rights via the Internet

Please access the Company's designated voting rights exercise website (<https://evote.tr.mufg.jp/>) (in Japanese), follow the onscreen guidance, and enter your approval or disapproval for each proposal by the above deadline.

Exercise of voting rights in writing

Please indicate your approval or disapproval for each proposal on the voting rights exercise form sent out with this convocation notice and return the form to us by the above deadline.

Particulars

1. Date:	10:00 a.m., Wednesday, June 24, 2026 (JST) (Reception will open at 9:00 a.m.)	
2. Venue:	Hall on the 2nd floor of the head office of ASKA Pharmaceutical Holdings Co., Ltd. 5-1, Shibaura 2-chome, Minato-ku, Tokyo	
3. Purpose:	Matters to be reported	<ol style="list-style-type: none">1. Report on the Business Report and the Consolidated Financial Statements for the 5th Fiscal Year (from April 1, 2025 to March 31, 2026), and the Results of the Audit of the Consolidated Financial Statements for the 5th Fiscal Year (from April 1, 2025 to March 31, 2026) by the Accounting Auditor and the Audit & Supervisory Board2. Report on the Non-consolidated Financial Statements for the 5th Fiscal Year (from April 1, 2025 to March 31, 2026)
	Matters to be resolved	<p style="text-align: center;"><Company proposals></p> <p>Proposal No. 1: Appropriation of Surplus</p> <p>Proposal No. 2: Partial Amendments to the Articles of Incorporation</p> <p>Proposal No. 3: Election of Ten (10) Directors (Excluding Directors who are Audit & Supervisory Committee Members)</p> <p>Proposal No. 4: Election of Three (3) Directors who are Audit & Supervisory Committee Members</p> <p>Proposal No. 5: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member</p> <p>Proposal No. 6: Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit & Supervisory Committee Members)</p> <p>Proposal No. 7: Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members</p> <p>Proposal No. 8: Revision of the Restricted Stock Compensation Plan for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)</p> <p>Proposal No. 9: Determination of Remuneration for Outside Directors (Excluding Directors who are Audit & Supervisory Committee Members) to Grant Restricted Shares Thereto</p> <p>Proposal No. 10: Election of Accounting Auditor</p> <p>Proposal No. 11: Approval of Implementation of Countermeasures, in Light of the Current Situation in Which a Large-scale Purchase etc. by Dalton etc. Is Being Contemplated (Emergency Phase), in the Event that Dalton etc. Fail to Comply with the Company's Response Policies and Carry Out a Large-scale Purchase etc.</p> <p style="text-align: center;"><Shareholder proposal></p> <p>Proposal No. 12: Election of Two (2) Directors who are not Audit & Supervisory Committee Members</p>

- If neither approval nor disapproval are indicated for each of the proposals on the voting rights exercise form, it shall be treated as an intention to indicate your approval for the company proposals and disapproval for the shareholder proposal.
- If you are attending the meeting, please submit the enclosed voting rights exercise form to the reception desk upon arrival.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the websites listed on page 1.
- Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Company's Articles of Incorporation, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit including the following items.
 1. Systems for Ensuring Appropriate Business Operations
 2. Summary of Operational Status of Systems for Ensuring Appropriate Business Operations
 3. Notes to Consolidated Financial Statements
 4. Notes to Non-consolidated Financial Statements
- We do not prepare souvenirs for shareholders attending the General Meeting of Shareholders. We ask for your understanding.

The Company's website: <https://www.aska-pharma-hd.co.jp/english/>

Reference Materials for the General Meeting of Shareholders

<Company proposals (Proposal 1 to Proposal 11)>

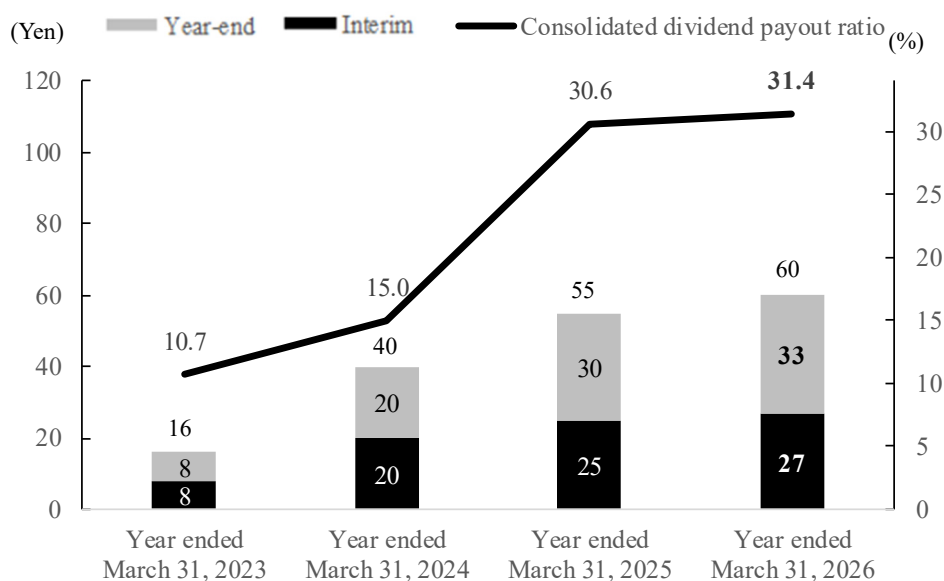
Proposal No. 1: Appropriation of Surplus

The Company has positioned the return of profits to its shareholders as one of its important management issues, and its dividend policy is to aim for a consolidated dividend payout ratio of 30% as performance-based profit distribution. In addition, the minimum amount of the annual dividend per share shall be 30 yen and we will redistribute profits based on performance while maintaining stable dividends. In consideration of the steady business results and future business development, the Company would like to pay 33 yen per share for the year-end dividend for FY2025 (from April 1, 2025 to March 31, 2026) (the “current fiscal year”) as follows. As a result, the annual dividend for the full fiscal year will be 60 yen per share including the interim dividend of 27 yen, with the consolidated dividend payout ratio of 31.4%.

Matters on year-end dividends

- | | |
|--|---|
| (1) Type of dividend property: | Cash |
| (2) Allotment of dividend property and total amount thereof: | 33 yen per common share of the Company
Total amount: 937,137,762 yen |
| (3) Effective date of distribution of surplus: | June 25, 2026 |

(Reference) Change of dividends per share over time



(Reference) Change in dividend policy

From the fiscal year ending March 31, 2027, we will change the dividend policy as follows.

(1) Details of the amendments

The following changes are proposed.

Before the change	After the change
The Company has positioned the return of profits to its shareholders as one of its important management issues, and its dividend policy is to aim for a consolidated dividend payout ratio of 30% as performance-based profit distribution. In addition, the minimum amount of the annual dividend per share shall be 30 yen and we will redistribute profits based on performance while maintaining stable dividends.	The Company has positioned the return of profits to its shareholders as one of its important management issues, and with regard to its dividend policy, it will return profits to shareholders with a target total return ratio of 40% as performance-based profit distribution, aiming to enhance dividend levels in line with profit growth. In addition, in order to clarify the Company's stance on returning profits to shareholders, the Company will introduce progressive dividends (excluding special dividends) and, in principle, adopt a policy of not reducing dividends, thereby striving to maintain stable dividends.

(2) Reasons for the amendments

The Company positions the return of profits to shareholders as one of its important management issues. In the Medium-Term Management Plan 2028, which begins from the fiscal year ending March 31, 2027, the Company will consider agile purchases of treasury shares with a total payout ratio of 40% as a guideline. Under such policy, during the period of this medium-term management plan, the Company will further enhance shareholder returns and, for the purpose of increasing the stability and predictability of dividends, introduce progressive dividends (excluding special dividends), thereby changing the dividend policy.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

- (1) Since its founding in 1920, the Company has conducted its business with a mission to contribute to people’s health and society through the research, development, and stable supply of pharmaceuticals. Building on the principle and values cultivated over the years, the Company operates under its corporate philosophy “Contribute toward the improvement of people’s health and progress in society through the development of innovative products.”

This corporate philosophy forms the foundation of the Company’s management decisions and business operations, and serves as the basis for value creation from a long-term perspective. Moving forward, the Company will work to solve social issues through the development of innovative products under this corporate philosophy, aiming for sustainable growth and medium- to long-term enhancement of corporate value.

The Company decided to incorporate this corporate philosophy into its Articles of Incorporation to clearly affirm that this fundamental principle of the Company will remain unchanged in the future and to clearly communicate such principle to the various stakeholders with whom it interacts through business activities.

- (2) The Company plans to transition to a company with an audit committee, subject to approval at the 5th Ordinary General Meeting of Shareholders, in order to further improve management transparency and accelerate decision-making. Accordingly, the Company decided to make the necessary changes, including the establishment of new provisions regarding the Audit & Supervisory Committee and Audit & Supervisory Committee Members, as well as the deletion of provisions regarding the Audit & Supervisory Board and Audit & Supervisory Board Members.
- (3) In addition, the Company will make necessary changes such as moving up article numbers and revising wording associated with each of the above amendments.

2. Details of the Amendments

The contents of the amendments are as follows. (Provisions of the existing articles that are not amended are omitted.)

Note that the amendments to the Articles of Incorporation under this proposal shall take effect at the conclusion of this Ordinary General Meeting of Shareholders.

(Underlines indicate amended sections)

Existing Articles	Proposed Amendments
<p>Chapter 1. General Provisions</p> <p>Article 1 (Omitted) <u>(Newly established)</u></p> <p>Article <u>2-3</u> (Omitted)</p> <p>Article <u>4</u> (Organs) In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organs: (1) Board of Directors, (2) <u>Audit & Supervisory Board Members,</u> (3) <u>Audit & Supervisory Board, and</u> (4) Accounting Auditor.</p> <p>Article <u>5</u> (Omitted)</p> <p>Chapter 2. Shares</p> <p>Article <u>6-12</u> (Omitted)</p>	<p>Chapter 1. General Provisions</p> <p>Article 1 (Unchanged)</p> <p><u>Article 2 (Corporate Philosophy)</u> <u>The Company upholds the corporate philosophy of “Contribute toward the improvement of people’s health and progress in society through the development of innovative products.” The Company’s reason for existence is to realize “For a healthy tomorrow and future” for all life, and by working to solve global healthcare issues through ASKA’s unique specialties, it creates new value and provides sustainable value to all stakeholders. The Company contributes to stakeholders by stably providing high-quality products and services.</u></p> <p>Article <u>3-4</u> (Unchanged)</p> <p>Article <u>5</u> (Organs) In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organs: (1) Board of Directors, (2) <u>Audit & Supervisory Committee, and</u> <u>(Deleted)</u> (3) Accounting Auditor.</p> <p>Article <u>6</u> (Unchanged)</p> <p>Chapter 2. Shares</p> <p>Article <u>7-13</u> (Unchanged)</p>

Existing Articles	Proposed Amendments
<p style="text-align: center;">Chapter 3. General Meeting of Shareholders</p> <p>Article <u>13-18</u> (Omitted)</p>	<p style="text-align: center;">Chapter 3. General Meeting of Shareholders</p> <p>Article <u>14-19</u> (Unchanged)</p>
<p style="text-align: center;">Chapter 4. Members of the Board of Directors and Board of Directors</p>	<p style="text-align: center;">Chapter 4. Board Members, the Board of Directors, and the Audit & Supervisory Committee</p>
<p>Article <u>19</u> (Number of Members of the Board of Directors)</p> <ol style="list-style-type: none"> 1. The Company shall have no more than <u>ten (10)</u> Members of the Board of Directors. 2. <u>(Newly established)</u> 3. <u>(Newly established)</u> 	<p>Article <u>20</u> (Number of Board Members)</p> <ol style="list-style-type: none"> 1. The Company shall have no more than <u>fourteen (14)</u> Board Members. 2. <u>The Company shall have no more than ten (10) Board Members (excluding Board Members who are Audit & Supervisory Committee Members).</u> 3. <u>The Company shall have no more than four (4) Board Members who are Audit & Supervisory Committee Members.</u>
<p>Article <u>20</u> (Method of Election of Members of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Members of the Board of Directors shall be elected at a general meeting of shareholders by its resolution. 2. (Omitted) 3. (Omitted) 	<p>Article <u>21</u> (Method of Election of Board Members)</p> <ol style="list-style-type: none"> 1. Board Members shall be elected at a general meeting of shareholders by its resolution <u>by distinguishing between Board Members who are Audit & Supervisory Committee Members and other Board Members.</u> 2. (Unchanged) 3. (Unchanged)
<p>Article <u>21</u> (Term of Office)</p> <ol style="list-style-type: none"> 1. The term of office of Members of the Board of Directors shall be until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within <u>two (2) years</u> after election. 2. The term of office of a Member of the Board of Directors who has been elected to increase the number of Members of the Board of Directors or fill the vacancy of another Member of the Board of Directors who retired from his or her post before the expiry of his or her term of office shall expire at the expiration of the term of office of the Member of the Board of Directors in office. 3. <u>(Newly established)</u> 4. <u>(Newly established)</u> 5. <u>(Newly established)</u> 	<p>Article <u>22</u> (Term of Office)</p> <ol style="list-style-type: none"> 1. The term of office of Board Members <u>(excluding Board Members who are Audit & Supervisory Committee Members)</u> shall be until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within <u>one (1) year</u> after election. 2. The term of office of a Board Member elected as an addition or as a substitute for a Board Member <u>(excluding a Board Member who is an Audit & Supervisory Committee Member)</u> who has retired before the expiration of his or her term of office shall be until the time when the term of office of the <u>other</u> currently serving Board Members <u>(excluding Board Members who are Audit & Supervisory Committee Members)</u> expires. 3. <u>The term of office of Board Members who are Audit & Supervisory Committee Members shall be until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two (2) years after election.</u> 4. <u>The term of office of a Board Member who is an Audit & Supervisory Committee Member elected as a substitute for a Board Member who is an Audit & Supervisory Committee Member who has retired before the expiration of his or her term of office shall be until the time when the term of office of the retired Board Member who is an Audit & Supervisory Committee Member expires.</u> 5. <u>The period during which the election resolution for a substitute Board Member who is an Audit & Supervisory Committee Member elected pursuant to Article 329, paragraph 3 of the Companies Act is effective shall, unless shortened by such resolution, be until the start of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two (2) years after election.</u>

Existing Articles	Proposed Amendments
<p>Article <u>22</u> (Representative Directors and Members of the Board of Directors with Special Titles)</p> <p>1. The Board of Directors may, by its resolution, appoint one (1) Chairman and Member of the Board of Directors, one (1) President and Member of the Board of Directors, one (1) Vice President and Member of the Board of Directors, one (1) or a small number of Senior Managing Members of the Board of Directors, and one (1) or a small number of Managing Members of the Board of Directors.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p>	<p>Article <u>23</u> (Representative Directors and Board Members with Special Titles)</p> <p>1. The Board of Directors may, by its resolution, appoint <u>from among the Board Members (excluding Board Members who are Audit & Supervisory Committee Members)</u> one (1) Chairman and Board Member or, one (1) President and Member of the Board of Directors, one (1) Vice President and Member of the Board of Directors, one (1) or a small number of Senior Managing Members of the Board of Directors, and one (1) or a small number of Managing Members of the Board of Directors.</p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p>
<p>Article <u>23</u> (Notice of Convocation of the Board of Directors)</p> <p>1. The notice of convocation of the Board of Directors meeting shall be notified to each Member of the Board of Directors <u>and each Audit & Supervisory Board Member</u> at least three (3) days prior to the date of such meeting. However, the period of notice may be shortened in the case of urgent needs.</p> <p>2. The Board of Directors meeting may be held without following the calling procedures if the consent of all Members of the Board of Directors <u>and Audit & Supervisory Board Members</u> is obtained.</p> <p style="text-align: center;"><u>(Newly established)</u></p>	<p>Article <u>24</u> (Notice of Convocation of the Board of Directors)</p> <p>1. The notice of convocation of the Board of Directors meeting shall be notified to each Member of the Board of Directors at least three (3) days prior to the date of such meeting. However, the period of notice may be shortened in the case of urgent needs.</p> <p>2. The Board of Directors meeting may be held without following the calling procedures if the consent of all Board Members is obtained.</p>
<p style="text-align: center;"><u>(Newly established)</u></p> <p>Article <u>24</u> (Omitted)</p> <p>Article <u>25</u> (Omission of Resolutions of Board of Directors Meetings)</p> <p>The Company may, when all Members of the Board of Directors indicate their consent for a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal, <u>unless Audit & Supervisory Board Members have stated their objection to that proposal.</u></p> <p style="text-align: center;"><u>(Newly established)</u></p>	<p><u>Article 25 (Notice of Convocation of the Audit & Supervisory Committee Meetings)</u></p> <p><u>1. The notice of convocation of the Audit & Supervisory Committee meeting shall be notified to each Audit & Supervisory Committee Member at least three (3) days prior to the date of such meeting. However, the period of notice may be shortened in the case of urgent needs.</u></p> <p><u>2. The Audit & Supervisory Committee meeting may be held without following the calling procedures if the consent of all Audit & Supervisory Committee Members is obtained.</u></p>
<p>Article <u>24</u> (Omitted)</p> <p>Article <u>25</u> (Omission of Resolutions of Board of Directors Meetings)</p> <p>The Company may, when all Members of the Board of Directors indicate their consent for a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal, <u>unless Audit & Supervisory Board Members have stated their objection to that proposal.</u></p> <p style="text-align: center;"><u>(Newly established)</u></p>	<p>Article <u>26</u> (Unchanged)</p> <p>Article <u>27</u> (Omission of Resolutions of Board of Directors Meetings)</p> <p>The Company may, when all Board Members indicate their consent for a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal.</p>
<p>Article <u>26-27</u> (Omitted)</p> <p style="text-align: center;"><u>(Newly established)</u></p>	<p>Article <u>28</u> (Delegation to Board Members)</p> <p><u>Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to Board Members the determination of important business execution (excluding the matters listed in items of paragraph 5 of the same Article).</u></p>
<p>Article <u>28</u> (Omitted)</p> <p style="text-align: center;"><u>Chapter 5.</u> <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p> <p>Article <u>29</u> (Number of Audit & Supervisory Board Members)</p> <p><u>The Company shall have no more than five (5) Audit & Supervisory Board Members.</u></p>	<p>Article <u>29-30</u> (Unchanged)</p> <p>Article <u>31</u> (Regulations of the Audit & Supervisory Committee)</p> <p><u>Other matters relating to the Audit & Supervisory Committee shall be governed by the Regulations of the Audit & Supervisory Committee separately established by the Audit & Supervisory Committee.</u></p> <p>Article <u>32</u> (Unchanged)</p> <p style="text-align: center;"><u>(Deleted)</u></p> <p style="text-align: center;"><u>(Deleted)</u></p>

Existing Articles	Proposed Amendments
<p><u>Article 30 (Method of Election of Audit & Supervisory Board Members)</u></p> <ol style="list-style-type: none"> <u>1. Audit & Supervisory Board Members shall be elected at a general meeting of shareholders by its resolution.</u> <u>2. A resolution for the election of Audit & Supervisory Board Members shall be adopted when at least one-third (1/3) of shareholders who are entitled to exercise voting rights are present at such meeting, and a majority of such shareholders exercise their voting rights for the proposal.</u> 	(Deleted)
<p><u>Article 31 (Term of Office)</u></p> <ol style="list-style-type: none"> <u>1. The term of office of Audit & Supervisory Board Members shall be until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four (4) years after election.</u> <u>2. The term of office of an Audit & Supervisory Board Member who has been elected to fill the vacancy of another Audit & Supervisory Board Member who retired from his or her post before the expiry of his or her term of office shall expire at the expiration of the term of office of the retired Audit & Supervisory Board Member.</u> 	(Deleted)
<p><u>Article 32 (Notice of Convocation of Audit & Supervisory Board Meetings)</u></p> <ol style="list-style-type: none"> <u>1. The notice of convocation of the Audit & Supervisory Board meeting shall be notified to each Audit & Supervisory Board Member at least three (3) days prior to the date of such meeting. However, the period of notice may be shortened in the case of urgent needs.</u> <u>2. The Audit & Supervisory Board meeting may be held without following the calling procedures if the consent of all Audit & Supervisory Board Members is obtained.</u> 	(Deleted)
<p><u>Article 33 (Method for Adopting Resolutions of Audit & Supervisory Board)</u></p> <p><u>Unless otherwise provided in laws and regulations, resolutions of the Audit & Supervisory Board shall be adopted by a majority of the votes of the Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 34 (Regulations of the Audit & Supervisory Board)</u></p> <p><u>Other matters relating to the Audit & Supervisory Board shall be governed by the regulations of the Audit & Supervisory Board separately established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>Article 35 (Exemption from Liability of Audit & Supervisory Board Members)</u></p> <ol style="list-style-type: none"> <u>1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) from the liability for damages set forth in Article 423, paragraph 1 of the Companies Act to the extent permitted by laws and regulations.</u> <u>2. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with Audit & Supervisory Board Members that limits the amount of liability for damages set forth in Article 423, paragraph 1 of the Companies Act, if a case falls under requirements specified by laws and regulations regarding such liability for damages; provided, however, that the maximum amount of the liability for damages under the relevant agreement shall be the amount set by laws and regulations.</u> 	(Deleted)
<p>Chapter 6. Accounts</p> <p>Article 36-39 (Omitted)</p>	<p>Chapter 5. Accounts</p> <p>Article 33-36 (Unchanged)</p>

Existing Articles	Proposed Amendments
<u>(Newly established)</u>	<p data-bbox="809 197 1066 226"><u>Supplementary Provisions</u></p> <p data-bbox="809 230 1426 286"><u>(Transitional Measures Regarding Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p data-bbox="823 291 1442 486"><u>The Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) from the liability for damages set forth in Article 423, paragraph 1 of the Companies Act with respect to acts performed before the conclusion of the 5th Ordinary General Meeting of Shareholders, to the extent permitted by laws and regulations.</u></p>

Proposal No. 3: Election of Ten (10) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved and adopted as proposed, the Company will transition to a company with an Audit & Supervisory Committee, and the terms of office of all nine (9) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, we propose to elect ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members).

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation under Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” become effective.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows.

Candidate No.	Name	Gender	Position in the Company	Number of Board of Directors meetings attended
1	Takashi Yamaguchi <u>Reelection</u>	Male	Member of the Board of Directors, Representative Director, Chairman of the Board	100% (15/15)
2	Sohta Yamaguchi <u>Reelection</u>	Male	Responsible for the Entire Group Management President, Member of the Board of Directors, Representative Director	100% (15/15)
3	Atsushi Maruo <u>Reelection</u>	Male	Senior Managing Member of the Board of Directors, Representative Director Assistant to the President, in charge of Sustainability	100% (15/15)
4	Maiko Mori <u>Reelection</u>	Female	Member of the Board of Directors, Executive Corporate Officer	100% (15/15)
5	Fumiyoshi Yamaguchi <u>Reelection</u>	Male	Member of the Board of Directors, Executive Corporate Officer	100% (15/15)
6	Minoru Awabayashi <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Male	Member of the Board of Directors, Outside Director	93.3% (14/15)
7	Yasuji Enokido <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Male	Member of the Board of Directors, Outside Director	100% (15/15)

Candidate No.	Name	Gender	Position in the Company	Number of Board of Directors meetings attended
8	Kanae Karita Reelection Outside Independent	Female	Member of the Board of Directors, Outside Director	100% (15/15)
9	Kiyoko Kato Reelection Outside Independent	Female	Member of the Board of Directors, Outside Director	90.9% (10/11)
10	James C. Feliciano New appointment Outside Independent	Male	–	–

Note: The attendance of Ms. Kiyoko Kato covers only the Board of Directors meetings held since her appointment on June 24, 2025.

Candidate No. 1	Takashi Yamaguchi (Date of birth: May 10, 1952)	<u>Reelection</u>
Number of the Company's shares held: 707,758 shares Term of office served as Director (at the conclusion of this Ordinary General Meeting of Shareholders) 5 years and 3 months	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1978	Joined ASKA Pharmaceutical Co., Ltd.
	Dec. 1987	Member of the Board of Directors of ASKA Pharmaceutical Co., Ltd.
	Jun. 1991	President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	President, Member of the Board of Directors, Representative Director of the Company
	Jun. 2021	Member of the Board of Directors, Representative Director, Chairman of the Board of ASKA Pharmaceutical Co., Ltd. (current position)
	Jun. 2025	Member of the Board of Directors, Representative Director, Chairman of the Board of the Company (current position)
<p>[Reasons for nomination as candidate for Director] Takashi Yamaguchi has a wealth of experience and advanced knowledge of overall business activities of the Company and its subsidiaries (the "Group"). As President and Representative Director of ASKA Pharmaceutical for 30 years since June 1991, as President of the Company since April 2021 and as Chairman of the Company since June 2025, he has been appropriately supervising the Group's overall management and exercising his strong leadership to enhance further its corporate value. Since we have concluded that he continues to be essential for achieving the Group's sustained growth and management vision in the future, we propose that he be reelected as Director.</p>		

Candidate No. 2	Sohta Yamaguchi (Date of birth: December 17, 1983)	<u>Reelection</u>
Number of the Company's shares held: 144,600 shares Term of office served as Director (at the conclusion of this Ordinary General Meeting of Shareholders) 5 years and 3 months	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 2008	Joined Hitachi, Ltd.
	May 2011	Registered as patent attorney
	Feb. 2016	Joined ASKA Pharmaceutical Co., Ltd.
	Jun. 2017	Member of the Board of Directors, Executive Corporate Officer (responsible for Innovative Drug Discovery) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2019	Managing Director (responsible for Innovative Drug Discovery, Development, and Business Strategy) of ASKA Pharmaceutical Co., Ltd.
	Apr. 2020	Managing Director (responsible for Innovative Drug Discovery, Development, Business Development, and Medical Affairs) of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	Member of the Board of Directors of the Company
	Jun. 2021	Senior Managing Member of the Board of Directors, Representative Director of the Company
Jun. 2021	President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd. (current position)	
Jun. 2025	President, Member of the Board of Directors, Representative Director of the Company (current position)	
<p>[Reasons for nomination as candidate for Director] Sohta Yamaguchi, as a patent attorney, has expertise in intellectual property rights and a wealth of business experience in the intellectual property division of the well-established company. In June 2017, he took office as Director of ASKA Pharmaceutical and was responsible for its innovative drug discovery division, development division and business strategy division. He assumed the office of President, Member of the Board of Directors, Representative Director of the company in June 2021 and of the Company in June 2025. Since we can expect that he continues to lead further development of the Group in the future, we propose that he be reelected as Director.</p>		

Candidate No. 3	Atsushi Maruo (Date of birth: February 10, 1959)	<u>Reelection</u>
Number of the Company's shares held: 49,000 shares Term of office served as Director (at the conclusion of this Ordinary General Meeting of Shareholders) 5 years and 3 months	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1981	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
	Apr. 2009	Tohoku Region Manager and Sendai Branch Manager of The Mitsubishi Bank, Ltd.
	Oct. 2010	Corporate Officer of ASKA Pharmaceutical Co., Ltd.
	Jun. 2011	Member of the Board of Directors, Executive Corporate Officer of ASKA Pharmaceutical Co., Ltd.
	Jun. 2014	Executive Director of ASKA Pharmaceutical Co., Ltd.
	Jun. 2015	Director of ASKA Pharma Medical Co., Ltd. and Director of ASKA Animal Health Co., Ltd.
	Jun. 2019	Executive Director, Representative Director of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	Member of the Board of Directors of the Company
	Jun. 2021	Senior Managing Member of the Board of Directors, Representative Director of the Company
Jun. 2021	Member of the Board of Directors, Vice Chairman of the Board of ASKA Pharmaceutical Co., Ltd. (current position)	
Apr. 2023	Senior Managing Member of the Board of Directors, Representative Director, in charge of Sustainability of the Company (current position)	
<p>[Reasons for nomination as candidate for Director]</p> <p>Atsushi Maruo has a wealth of experience and achievements in the major banking corporation. He has a high level of expertise and broad insight of management and finance. He has been supervising Group-wide strategies, governance, etc. since he took office as Executive Director of ASKA Pharmaceutical in June 2014. Since we can expect that he continues to lead further development of the Group in the future, we propose that he be reelected as Director.</p>		

Candidate No. 4	Maiko Mori (Date of birth: April 20, 1964)	<u>Reelection</u>
Number of the Company's shares held: 16,200 shares Term of office served as Director (at the conclusion of this Ordinary General Meeting of Shareholders) 4 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1987	Joined ASKA Pharmaceutical Co., Ltd.
	Jun. 2011	Director of Pharmaceutical Information Division of ASKA Pharmaceutical Co., Ltd.
	Jul. 2017	Director of Pharmaceutical Affairs Division of ASKA Pharmaceutical Co., Ltd.
	Apr. 2020	Division Director, Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd.
	Jun. 2020	Corporate Officer (Division Director, Quality & Safety Assurance Division) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2022	Member of the Board of Directors, Executive Corporate Officer (Division Director, Quality & Safety Assurance Division) of ASKA Pharmaceutical Co., Ltd. (current position)
	Jun. 2022	Member of the Board of Directors, Executive Corporate Officer of the Company (current position)
<p>[Reasons for nomination as candidate for Director]</p> <p>Maiko Mori has a wealth of practical experience and profound insight because she has held an important position in quality & safety assurance division of ASKA Pharmaceutical and has become Corporate Officer. In addition, since we can expect that she continues to lead further development of the Group in the future through various discussions from a woman's perspective, we propose that she be reelected as Director.</p>		

Candidate No. 5	Fumiyoshi Yamaguchi (Date of birth: November 3, 1986)	<u>Reelection</u>
Number of the Company's shares held: 9,400 shares Term of office served as Director (at the conclusion of this Ordinary General Meeting of Shareholders) 4 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Jul. 2011	Joined ASKA Pharmaceutical Co., Ltd.
	Apr. 2019	Corporate Officer, in charge of New Business Development and Deputy Director of Healthcare Business Unit of ASKA Pharmaceutical Co., Ltd.
	Jun. 2020	Corporate Officer, in charge of Special Assignment of ASKA Pharmaceutical Co., Ltd. (Member of the Board of Directors of ASKA Animal Health Co., Ltd.)
	Jan. 2021	President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd. (current position)
	Jun. 2021	Corporate Officer, in charge of Special Assignment of the Company (President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd.)
	Jun. 2022	Member of the Board of Directors, Executive Corporate Officer of the Company (current position)
	[Reasons for nomination as candidate for Director] Fumiyoshi Yamaguchi has a high level of knowledge about business management and oversight of business execution because he has held positions in management division and sales division of ASKA Pharmaceutical and has become Corporate Officer of the Company and the President, Member of the Board of Directors, Representative Director of its subsidiary. Since we can expect that he continues to lead further development of the Group in the future, we propose that he be reelected as Director.	

Candidate No. 6	Minoru Awabayashi (Date of birth: December 19, 1952)	<u>Reelection</u> <u>Outside</u> <u>Independent</u>
Number of the Company's shares held: None Term of office served as Outside Director (at the conclusion of this Ordinary General Meeting of Shareholders) 3 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Jul. 1978	President and Representative Director of Nihon Yo Flow Co., Ltd. on establishment
	Jul. 1983	Managing Director of Pacific Marketing Partners, Inc. on establishment
	Jul. 1997	Vice President and Representative Director of Omniglow Japan Co., Ltd. on establishment
	Apr. 2005	President and Representative Director of Omniglow Japan Co., Ltd.
	Apr. 2016	Senior Vice President of Takenaka Partners Corp.
	Jun. 2023	Member of the Board of Directors, Outside Director of the Company (current position)
Oct. 2024	CEO of M&A Strategy Advisors Co., Ltd. (current position)	
	[Reasons for nomination as candidate for Outside Director and outline of expected role] Minoru Awabayashi has engaged in consulting work related to advancing into overseas markets for Japanese and foreign companies for many years, and has profound insight about business management and oversight of business execution. He also has a wealth of knowledge on trade and distribution in Japan and abroad, in addition to experience working overseas at a consulting firm in the U.S. Since we can expect him to provide appropriate advice, oversight, etc. of the Group's management, we propose that he be reelected as Outside Director.	

Candidate No. 7	Yasuji Enokido (Date of birth: June 30, 1960)	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent
Number of the Company's shares held: None Term of office served as Outside Director (at the conclusion of this Ordinary General Meeting of Shareholders) 3 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1983	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
	Aug. 2007	President of Panasonic Avionics Corporation
	Jun. 2015	Managing Director of Panasonic Corporation, President of AVC Networks Company
	Apr. 2016	Representative Director and Senior Managing Director of Panasonic Corporation
	Nov. 2017	Representative Director and President of Soen Co., Ltd. (current position)
	Sep. 2021	Outside Director of cars Inc. (current position)
	Nov. 2021	Outside Director of Farmnote Holdings, Inc. (current position)
	Jun. 2023	Member of the Board of Directors, Outside Director of the Company (current position)
	Mar. 2024	Outside Director of Daiwa House Ventures Co.,Ltd. (current position)
Mar. 2025	Outside Director of EneCoat Technologies Co., Ltd. (current position)	
[Reasons for nomination as candidate for Outside Director and outline of expected role] Yasuji Enokido has keen insight into business management and oversight of business execution because he has worked for top management teams at the renowned electronics giant and several other companies for many years. He also has a wealth of experience in the fields of business revitalization and new businesses, as well as a global perspective cultivated through working overseas. Since we can expect him to provide appropriate advice, oversight, etc. of the Group's management, we propose that he be reelected as Outside Director.		

Candid ate No. 8	Kanae Karita (Date of birth: July 2, 1963)	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent
Number of the Company's shares held: None Term of office served as Outside Director (at the conclusion of this Ordinary General Meeting of Shareholders) 2 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Mar. 1986	Graduated from the School of Health Sciences of the Faculty of Medicine, the University of Tokyo
	Mar. 1988	Completed master course of the Graduate School of Medicine, the University of Tokyo
	Sep. 2007	Associate Professor of the Department of Hygiene and Public Health, Faculty of Medicine, Kyorin University
	Apr. 2015	Professor of the Department of Hygiene and Public Health, Faculty of Medicine, Kyorin University (current position) Director of the Kyorin University Gender Equality Promotion Office
	Jun. 2019	Director of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences (current position)
	Mar. 2022	Member of the Photochemical Oxidant Health Impact Assessment Committee, Ministry of the Environment
	Apr. 2024	Member of the Food Safety Standards Council, Cabinet Office (current position)
	Jun. 2024	Member of the Board of Directors, Outside Director of the Company (current position)
	Jun. 2025	Auditor of the Japanese Medical Science Federation (current position)
[Reasons for nomination as candidate for Outside Director and outline of expected role] Kanae Karita, a medical scientist, has the high level of expertise and extensive experience in the public health field. In addition, as she actively tackles gender equality, we can expect that she takes an active part as Outside Director of the Group that aims at "contributing to women's health." Therefore, we propose that she be reelected as Outside Director.		

Candid ate No. 9	Kiyoko Kato (Date of birth: September 6, 1960)	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	
Number of the Company's shares held: None Term of office served as Outside Director (at the conclusion of this Ordinary General Meeting of Shareholders) 1 year	Career record, positions and assignments in the Company (Significant concurrent position)		
	Mar. 1986 Jul. 2009 Aug. 2012 Nov. 2015 Jun. 2023 Jun. 2025 Apr. 2026	Graduated from the School of Medicine, Kyushu University Associate Professor of the Department of Obstetrics and Gynecology, Juntendo University Graduate School of Medicine Professor, Reproductive Pathological Physiology, Faculty of Medical Sciences, Kyushu University Director, The Japan Society for Menopause and Women's Health (current position) Chairperson of Japan Society of Obstetrics and Gynecology Member of the Board of Directors, Outside Director of the Company (current position) Executive Director of Japan Society of Obstetrics and Gynecology (current position) Director of the Japanese Medical Science Federation (current position) Director of the Japanese Association of Medical Sciences (current position) Director of Fukuoka Sanno Hospital (current position) Professor, Faculty of Medicine of International University of Health and Welfare Graduate School (current position)	
	<p>[Reasons for nomination as candidate for Outside Director and outline of expected role] Kiyoko Kato, a medical scientist, has the top level of expertise and extensive experience in the obstetrics and gynecology field. We can expect that she plays her full part in deciding on key matters, overseeing business execution, etc. in the Group's pharmaceutical business development and other areas. Therefore, we propose that she be reelected as Outside Director.</p>		

Candid ate No. 10	James C. Feliciano (Date of birth: September 22, 1969)	<input type="checkbox"/> New appointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	
Number of the Company's shares held: None	Career record, positions and assignments in the Company (Significant concurrent position)		
	Oct. 2009 Nov. 2013 Jun. 2015 Mar. 2025 Sep. 2025	General Manager of Vaccine Business Department, Pfizer Japan Inc. Representative Director and President, Merck Serono Co., Ltd. (currently Merck Biopharma Co., Ltd.) President of AbbVie GK President of 3C Advisor GK (current position) Representative Director and President of Surzen Biotherapeutics Co., Ltd. (current position)	
	<p>[Reasons for nomination as candidate for Outside Director and outline of expected role] James C. Feliciano has served as a business unit head and as President and Representative Director of a Japanese subsidiary at foreign-affiliated pharmaceutical companies, and possesses extremely advanced knowledge in pharmaceutical company management and global business, as well as extensive personal networks within and outside the industry. We can expect that he plays his part in strengthening the Group's corporate management, globalization and diversity. Therefore, we propose that he be newly elected as Outside Director.</p>		

Notes:

- 1) There is no special interest between either of the candidates and the Company.
- 2) Messrs. Minoru Awabayashi and Yasuji Enokido, Mses. Kanae Karita and Kiyoko Kato, and Mr. James C. Feliciano are candidates for Outside Directors. The Company considers that they have the independence as Outside Officer since they have satisfied the “Standards for the Independence of Outside Officers” of the Company presented below.
- 3) The Company reported the designation of Messrs. Minoru Awabayashi and Yasuji Enokido, and Mses. Kanae Karita and Kiyoko Kato, and Mr. James C. Feliciano as independent officers under the provisions of Tokyo Stock Exchange, Inc. Mr. James C. Feliciano currently satisfies the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc. If the election of Messrs. Minoru Awabayashi, Yasuji Enokido and James C. Feliciano, and Mses. Kanae Karita and Kiyoko Kato is approved, this time, the Company will report their designation as independent officers to the said Exchange.
- 4) The Company entered into a limited liability agreement with Messrs. Minoru Awabayashi and Yasuji Enokido and Mses. Kanae Karita and Kiyoko Kato as stipulated in Article 427, paragraph (1) of the Companies Act. If Proposal No. 2 and this proposal are approved and adopted and Messrs. Minoru Awabayashi and Yasuji Enokido and Mses. Kanae Karita and Kiyoko Kato assume office as Directors (excluding Directors who are Audit & Supervisory Committee Members), we plan to continue the relevant agreement with them based on the Articles of Incorporation. If the election of Mr. James C. Feliciano is approved, the Company plans to enter into the same limited liability agreement with him. Limits on liability for damages under such agreements are set at the amounts stipulated by laws and regulations.
- 5) The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Damages borne by insured persons, including Members of the Board of Directors of the Company, in the performance of their duties, or expenses arising from disputes by legal action, are covered by this insurance policy. If Proposal No. 2 and this proposal are approved and adopted and each candidate assumes office as a Director (excluding Directors who are Audit & Supervisory Committee Members), each is expected to become an insured person under the relevant insurance policy. In addition, the Company plans to update the insurance policy with this same content at the time of the next update.
- 6) The number of shares in the Company owned by each candidate is that as of March 31, 2026.

Proposal No. 4: Election of Three (3) Directors who are Audit & Supervisory Committee Members

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved and adopted as proposed, the Company will transition to a company with an Audit & Supervisory Committee. Therefore, we propose to elect three (3) Directors who are Audit & Supervisory Committee Members. This proposal shall take effect on the condition that the amendments to the Articles of Incorporation under Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” become effective.

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

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name	Gender	Position at the Company	Number of Audit & Supervisory Board meetings attended
1	Kunihiro Gunji New appointment	Male	Audit & Supervisory Board Member	100% (17/17)
2	Takao Kimura New appointment Outside Independent	Male	Outside Audit & Supervisory Board Member	100% (17/17)
3	Koki Yamashita New appointment Outside Independent	Male	Outside Audit & Supervisory Board Member	100% (12/12)

Note: The attendance of Mr. Koki Yamashita covers only the Audit & Supervisory Board meetings held since his appointment on June 24, 2025.

Candidate No. 1	Kunihiro Gunji (Date of birth: September 26, 1961)	<u>New appointment</u>															
Number of the Company's shares held: 12,200 shares Term of office served as Audit & Supervisory Board Member (at the conclusion of this Ordinary General Meeting of Shareholders) 2 years	Career record and position in the Company (Significant concurrent position)																
	<table border="0"> <tr> <td data-bbox="387 324 539 362">Apr. 1984</td> <td data-bbox="539 324 1503 362">Joined ASKA Pharmaceutical Co., Ltd.</td> </tr> <tr> <td data-bbox="387 362 539 400">Oct. 2008</td> <td data-bbox="539 362 1503 400">Director of Sales Planning Department of ASKA Pharmaceutical Co., Ltd.</td> </tr> <tr> <td data-bbox="387 400 539 468">Oct. 2016</td> <td data-bbox="539 400 1503 468">Assistant Division Director of Sales Division of ASKA Pharmaceutical Co., Ltd.</td> </tr> <tr> <td data-bbox="387 468 539 535">Jun. 2018</td> <td data-bbox="539 468 1503 535">Corporate Officer (Division Director, Development Division) of ASKA Pharmaceutical Co., Ltd.</td> </tr> <tr> <td data-bbox="387 535 539 602">Jun. 2020</td> <td data-bbox="539 535 1503 602">Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of ASKA Pharmaceutical Co., Ltd.</td> </tr> <tr> <td data-bbox="387 602 539 669">Apr. 2021</td> <td data-bbox="539 602 1503 669">Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of the Company</td> </tr> <tr> <td data-bbox="387 669 539 736">Oct. 2022</td> <td data-bbox="539 669 1503 736">Corporate Officer (Director, Promotion Compliance Unit) of ASKA Pharmaceutical Co., Ltd.</td> </tr> <tr> <td data-bbox="387 736 539 891">Jun. 2024</td> <td data-bbox="539 736 1503 891">Audit & Supervisory Board Member, the Company (current position) Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. (current position) Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd. (current position)</td> </tr> </table>	Apr. 1984	Joined ASKA Pharmaceutical Co., Ltd.	Oct. 2008	Director of Sales Planning Department of ASKA Pharmaceutical Co., Ltd.	Oct. 2016	Assistant Division Director of Sales Division of ASKA Pharmaceutical Co., Ltd.	Jun. 2018	Corporate Officer (Division Director, Development Division) of ASKA Pharmaceutical Co., Ltd.	Jun. 2020	Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of ASKA Pharmaceutical Co., Ltd.	Apr. 2021	Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of the Company	Oct. 2022	Corporate Officer (Director, Promotion Compliance Unit) of ASKA Pharmaceutical Co., Ltd.	Jun. 2024	Audit & Supervisory Board Member, the Company (current position) Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. (current position) Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd. (current position)
Apr. 1984	Joined ASKA Pharmaceutical Co., Ltd.																
Oct. 2008	Director of Sales Planning Department of ASKA Pharmaceutical Co., Ltd.																
Oct. 2016	Assistant Division Director of Sales Division of ASKA Pharmaceutical Co., Ltd.																
Jun. 2018	Corporate Officer (Division Director, Development Division) of ASKA Pharmaceutical Co., Ltd.																
Jun. 2020	Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of ASKA Pharmaceutical Co., Ltd.																
Apr. 2021	Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of the Company																
Oct. 2022	Corporate Officer (Director, Promotion Compliance Unit) of ASKA Pharmaceutical Co., Ltd.																
Jun. 2024	Audit & Supervisory Board Member, the Company (current position) Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. (current position) Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd. (current position)																
	<p>[Reasons for nomination as candidate for Director who is an Audit & Supervisory Committee Member]</p> <p>Kunihiro Gunji has a broad range of expertise and a high level of knowledge about the oversight of business execution because he has held an important position in sales and development divisions of ASKA Pharmaceutical and has become Corporate Officer of the Company in charge of audit and legal affairs & regulatory compliance of the Group. Since we believe that these knowledge and experience are essential for maintaining and strengthening the Group's audit system, as well as for strategic discussions at the Board of Directors and further strengthening its supervisory function, we propose that he be elected as Director who is an Audit & Supervisory Committee Member.</p>																

Candidate No. 2	Takao Kimura (Date of birth: August 9, 1951)	New appointment Outside Independent	
Number of the Company's shares held: None Term of office served as Outside Audit & Supervisory Board Member (at the conclusion of this Ordinary General Meeting of Shareholders) 5 years and 3 months	Career record and position in the Company (Significant concurrent position)		
	Nov. 1975 Jul. 2000 Dec. 2002 Apr. 2010 Feb. 2016 Jun. 2017 Apr. 2021	Joined Hoechst Japan Ltd. (currently Sanofi K.K.) President and Representative Director of Nycomed Amersham PLC Executive Officer, General Manager of Business Development Division of Aventis Pharma Ltd. (currently Sanofi K.K.) Executive Officer, Supervising Manager of Business Development Division in Asia-Pacific Region of Sanofi-Aventis K.K. (currently Sanofi K.K.) Representative Partner of TK Pharma Partners LLC. on establishment Outside Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. Outside Audit & Supervisory Board Member, the Company (current position)	
	[Reasons for nomination as candidate for Director who is an Audit & Supervisory Committee Member] Takao Kimura held important positions in the business development divisions at foreign major pharmaceutical companies and has advanced and professional knowledge. Furthermore, in addition to being well acquainted with drug development, he has a wealth of experience in corporate management. Since we believe that these knowledge and experience are essential for maintaining and strengthening the Group's audit system, as well as for strategic discussions at the Board of Directors and further strengthening its supervisory function from an independent viewpoint, we propose that he be elected as Director who is an Audit & Supervisory Committee Member.		

Candidate No. 3	Koki Yamashita (Date of birth: February 28, 1963)	New appointment Outside Independent	
Number of the Company's shares held: None Term of office served as Outside Audit & Supervisory Board Member (at the conclusion of this Ordinary General Meeting of Shareholders) 1 year	Career record and position in the Company (Significant concurrent position)		
	Apr. 1988 Jul. 2014 Jul. 2019 Jul. 2020 Jul. 2022 Aug. 2023 Jun. 2025 Dec. 2025	Joined Tokyo Regional Taxation Bureau Deputy District Director of Kawasaki-nishi Tax Office District Director of Sakyo Tax Office Manager of Co-ordinated Examination and Information Management Division, First Examination Department, Tokyo Regional Taxation Bureau District Director of Kanda Tax Office Tax Accountant LR Partners Kawasaki Office Manager Outside Audit & Supervisory Board Member, the Company (current position) Representative of Koki Yamashita Tax Accountant Office (current position)	
	[Reasons for nomination as candidate for Director who is an Audit & Supervisory Committee Member] Koki Yamashita has a high level of knowledge and a wealth of business experience in taxation matters, finance, accounting, etc. as a certified public tax accountant. Since we believe that these knowledge and experience are essential for maintaining and strengthening the Group's audit system, as well as for strategic discussions at the Board of Directors and further strengthening its supervisory function from an independent viewpoint, we propose that he be elected as Director who is an Audit & Supervisory Committee Member.		

Notes:

- 1) There is no special interest between either of the candidates and the Company.
- 2) Messrs. Takao Kimura and Koki Yamashita are candidates for Outside Directors. The Company considers that they have the independence as Outside Officer since they have satisfied the “Standards for the Independence of Outside Officers” of the Company presented below.
- 3) The Company reported the designation of Messrs. Takao Kimura and Koki Yamashita as independent officers under the provisions of Tokyo Stock Exchange, Inc. If the election of both candidates is approved, this time, the Company will report their designation as independent officers to the said Exchange.
- 4) If Proposal No. 2 and this proposal are approved and adopted and each candidate assumes office as a Director who is an Audit & Supervisory Committee Member, we plan to enter into a limited liability agreement with each candidate based on the Articles of Incorporation. Limits on liability for damages under such agreements are set at the amounts stipulated by laws and regulations.
- 5) The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Damages borne by insured persons, including Members of the Board of Directors of the Company, in the performance of their duties, or expenses arising from disputes by legal action, are covered by this insurance policy. If Proposal No. 2 and this proposal are approved and adopted and each candidate assumes office as a Director who is an Audit & Supervisory Committee Member, each is expected to become an insured person under the relevant insurance policy. In addition, the Company plans to update the insurance policy with this same content at the time of the next update.
- 6) The number of shares in the Company owned by each candidate is that as of March 31, 2026.

Proposal No. 5: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved and adopted as proposed, the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of one (1) Substitute Director who is an Audit & Supervisory Committee Member as a contingency against an insufficient number of Directors who are Audit & Supervisory Committee Members provided for by laws and regulations.

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

In addition, this proposal shall take effect on the condition that the amendments to the Articles of Incorporation under Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” become effective.

The candidate for Substitute Director who is an Audit & Supervisory Committee Member is as follows:

Name	Gender	Position at the Company	Number of Audit & Supervisory Board meetings attended
Takeru Nishino Outside Independent	Male	–	–

Candidate	Takeru Nishino (Date of birth: December 30, 1963) Outside Independent														
Number of the Company’s shares held: None	Career record, positions and assignments in the Company (Significant concurrent position)														
	<table border="0"> <tr> <td style="padding-right: 20px;">Apr. 1987</td> <td>Joined Tokyo Regional Taxation Bureau</td> </tr> <tr> <td>Jul. 2013</td> <td>Official, Research Department, National Tax College</td> </tr> <tr> <td>Jul. 2014</td> <td>Senior Advisor (Mutual Agreement Procedure), National Tax Agency</td> </tr> <tr> <td>Jul. 2020</td> <td>District Director of Yukuhashi Tax Office</td> </tr> <tr> <td>Jul. 2022</td> <td>Deputy Director General, Third Examination Department, Tokyo Regional Taxation Bureau</td> </tr> <tr> <td>Jul. 2023</td> <td>District Director of Shinagawa Tax Office</td> </tr> <tr> <td>Aug. 2024</td> <td>Registered as a certified tax accountant with the Tokyo Certified Public Tax Accountants’ Association; established Takeru Nishino Tax Accountant Office</td> </tr> </table>	Apr. 1987	Joined Tokyo Regional Taxation Bureau	Jul. 2013	Official, Research Department, National Tax College	Jul. 2014	Senior Advisor (Mutual Agreement Procedure), National Tax Agency	Jul. 2020	District Director of Yukuhashi Tax Office	Jul. 2022	Deputy Director General, Third Examination Department, Tokyo Regional Taxation Bureau	Jul. 2023	District Director of Shinagawa Tax Office	Aug. 2024	Registered as a certified tax accountant with the Tokyo Certified Public Tax Accountants’ Association; established Takeru Nishino Tax Accountant Office
	Apr. 1987	Joined Tokyo Regional Taxation Bureau													
Jul. 2013	Official, Research Department, National Tax College														
Jul. 2014	Senior Advisor (Mutual Agreement Procedure), National Tax Agency														
Jul. 2020	District Director of Yukuhashi Tax Office														
Jul. 2022	Deputy Director General, Third Examination Department, Tokyo Regional Taxation Bureau														
Jul. 2023	District Director of Shinagawa Tax Office														
Aug. 2024	Registered as a certified tax accountant with the Tokyo Certified Public Tax Accountants’ Association; established Takeru Nishino Tax Accountant Office														
<p>[Reasons for nomination as candidate for Substitute Director who is an Audit & Supervisory Committee Member]</p> <p>Takeru Nishino has extensive experience and knowledge in international taxation, including mutual agreement procedures at the National Tax Agency, international taxation at the Tokyo Regional Taxation Bureau, and overseas assignments on two occasions, as well as knowledge of pharmaceutical companies, and because it is determined that he can sufficiently fulfill a role in audits, etc. of the execution of duties of the Group, we propose that he be elected as Substitute Director who is an Audit & Supervisory Committee Member.</p>															

Notes:

- 1) There is no special interest between Mr. Takeru Nishino and the Company.
- 2) He satisfies the Company's "Standards for the Independence of Outside Officers" presented below and the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc., and if he assumes office as an Outside Director who is an Audit & Supervisory Committee Member, we plan to notify said exchange of him as an independent officer.
- 3) The Company entered into a limited liability agreement with Members of the Board of Directors and Audit & Supervisory Board Members as stipulated in Article 427, paragraph (1) of the Companies Act. If Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and this proposal are approved and adopted as proposed and Mr. Takeru Nishino assumes office as a Director who is an Audit & Supervisory Committee Member, he will become an insured person under the relevant insurance policy. Limits on liability for damages under such agreements are set at the amounts stipulated by laws and regulations.
- 4) The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. If Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and this proposal are approved and adopted as proposed and Mr. Takeru Nishino assumes office as a Director who is an Audit & Supervisory Committee Member, he will become an insured person under the relevant insurance policy.

Proposal No. 6: Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The upper limit for monetary remuneration for Members of the Board of Directors of the Company was approved at the Extraordinary General Meeting of Shareholders held on June 24, 2021, as annual remuneration for Members of the Board of Directors of up to 500 million yen (of which the portion for Outside Directors is up to 70 million yen per year), and this remains in effect today; however, if Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved and adopted as proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and therefore we request approval to newly set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) after the transition to a Company with an Audit & Supervisory Committee as up to 500 million yen per year (of which the portion for Outside Directors is up to 100 million yen per year), and to have the specific amounts of remuneration for each Director, payment timing, etc. determined by resolution of the Board of Directors. The amount of such monetary remuneration, etc. shall not include the employee portion of salary for Members of the Board of Directors who also serve as employees of the Company.

The Company has established, at the meeting of the Board of Directors held on May 17, 2021, policies and procedures for Director remuneration as the policy for determining the details of remuneration, etc. for each individual Director; however, on the condition that Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” this proposal, Proposal No. 8, “Revision of the Restricted Stock Compensation Plan for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors),” and Proposal No. 9, “Determination of Remuneration for Granting Restricted Shares to Outside Directors (Excluding Directors who are Audit & Supervisory Committee Members),” are approved and adopted as proposed, the Company has resolved at the meeting of the Board of Directors held on May 25, 2026 to change the policies and procedures for Director remuneration as set forth on pages 42 to 43.

In submitting this proposal, the Company has determined that it is appropriate because, after considering various circumstances such as the responsibilities of Directors (excluding Directors who are Audit & Supervisory Committee Members) and economic conditions, it was decided by the Board of Directors upon receiving a recommendation from the advisory committee, the Group Remuneration Committee, which consists entirely of Outside Directors.

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” and Proposal No. 3, “Election of Ten (10) Directors (Excluding Directors who are Audit & Supervisory Committee Members),” are approved and adopted as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be 10 (including five Outside Directors).

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation under Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” become effective.

Proposal No. 7: Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” is approved and adopted as proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and therefore we request approval to set the amount of remuneration for Directors who are Audit & Supervisory Committee Members after the transition to a Company with an Audit & Supervisory Committee as up to 150 million yen per year, and to have the specific amounts of remuneration for each Director who is an Audit & Supervisory Committee Member, payment timing, etc. determined through discussions among the Directors who are Audit & Supervisory Committee Members.

This proposal is deemed necessary and appropriate as it determines the remuneration framework for Directors who are Audit & Supervisory Committee Members within a reasonable range, taking into account the responsibilities of Directors who are Audit & Supervisory Committee Members and the levels of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members).

If Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” and Proposal No. 4, “Election of Three (3) Directors who are Audit & Supervisory Committee Members,” are approved and adopted as proposed, the number of Directors who are Audit & Supervisory Committee Members will be three.

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation under Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” become effective.

Proposal No. 8: Revision of the Restricted Stock Compensation Plan for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

Based on the approval of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the remuneration amount for Members of the Board of Directors of the Company was set at 500 million yen per year (including 70 million yen for Outside Directors and excluding the portion of employee's salary for Members of the Board of Directors who also serve as employees of the Company). Separately from the remuneration described above, the Company has introduced a restricted stock plan for Members of the Board of Directors (excluding Outside Directors) of the Company for the purpose of providing continuous incentives to enhance corporate value and sharing shareholder value, and has received approval to set the total amount of monetary remuneration claims to be paid for the granting of restricted shares as up to 100 million yen per year, and the total number of the Company's common shares to be issued or disposed of as restricted stock compensation as up to 100,000 shares per year.

If Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and Proposal No. 6 and Proposal No. 7 are approved and adopted as proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and the amount of remuneration, etc. for Members of the Board of Directors of the Company will be up to 500 million yen per year (of which the portion for Outside Directors is up to 100 million yen, and excluding the employee portion of salary for Members of the Board of Directors who also serve as employees of the Company).

Accordingly, the Company proposes to revise the details of the restricted shares remuneration plan ("Plan") as follows for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) of the Company ("Eligible Directors") in order to provide them an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them, as part of the revision to its remuneration package for directors.

Specifically, we will partially revise the conventional service-based restricted stock compensation, under which continued service at the Company for a certain period is a condition for lifting the transfer restrictions, and we will newly introduce performance-based restricted stock compensation, under which achievement of performance targets predetermined by the Company's Board of Directors is a condition for lifting the transfer restrictions, in order to enhance linkage between the remuneration of the Eligible Directors and the Company's performance.

The number of Directors is currently nine (9) (including four (4) outside Directors). Subject to the approval and adoption of Proposal No. 2 and Proposal No. 3 as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be ten (10) (including five (5) outside Directors).

Under the Plan, the total amount of monetary claims to be provided to Eligible Directors shall be up to 70 million yen per year for service condition-based restricted stock compensation (of which up to 10 million yen is for Outside Directors excluding Directors who are Audit & Supervisory Committee Members) and up to 70 million yen per year for performance-based restricted stock compensation, for a combined total of up to 140 million yen per year (provided, however, that this does not include the employee portion of salary for Members of the Board of Directors who also serve as employees of the Company); and the total number of the Company's common shares to be issued or disposed of to Eligible Directors shall be up to 70,000 shares per year for service-based restricted stock compensation (of which up to 10,000 shares are for Outside Directors excluding Directors who are Audit & Supervisory Committee Members) and up to 70,000 shares per year for performance-based restricted stock compensation, for a combined total of up to 140,000 shares per year (provided, however, that if, on or after the date this proposal is approved and adopted, the Company conducts a stock split (including a gratis allotment) or a consolidation of the Company's common shares, or other events occur that make it necessary to adjust the total number of the Company's common shares to be issued or disposed of as restricted shares, such total number shall be adjusted within a reasonable range). The specific timing and allocation of the provision of remuneration to each Eligible Director shall be determined by the Board of Directors.

In addition, the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors regarding the allotment of shares (if there is no closing price on such date, the closing price on the closest preceding trading day), within the extent that the amount will not be particularly advantageous to Eligible Directors who subscribe the common shares. For the issuance or disposal of the common shares of the Company and the provision of monetary claims as properties contributed in kind therefor, it shall be a condition that an agreement on allotment of shares with transfer restrictions that includes the provisions below (the "Allotment Agreement") is entered into between the Company and each Eligible Director. In addition, the upper limit of remuneration under this proposal, the total number of the Company's common shares to be issued or disposed of, and other conditions for granting restricted shares to Eligible Directors under this proposal have been determined in consideration of the purposes described above, the Company's business performance, the policy regarding determination of the details of remuneration, etc. for each individual Director (for the content of such policy, please refer to pages 42 to 43 shown later), and other various circumstances, and we believe they are appropriate.

[Summary of contents of the Allotment Agreement]

(1) Restriction period

The Eligible Director shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”) for a period from 10 years to 50 years from the date of allotment under the Allotment Agreement as predetermined by the Board of Directors of the Company (the “Restriction Period”) (the restrictions described above shall hereinafter be referred to as the “transfer restrictions”).

(2) Treatment upon resignation or retirement

If an Eligible Director resigns or retires from the position of Member of the Board of Director, Executive Officer, Corporate Officer who does not concurrently serve as a Member of the Board of Director, or employee of the Company or its subsidiaries before the expiration of the Restriction Period, except where there is a justifiable reason such as expiration of term of office or death, the Company shall, as a matter of course, acquire without contribution the Allotted Shares.

(3) Lifting of transfer restrictions

(i) Service-based restricted stock compensation

Notwithstanding the provisions of (1) above, the Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position of Member of the Board of Director, Executive Officer, Corporate Officer who does not concurrently serve as a Member of the Board of Director, or employee of the Company or its subsidiaries throughout the Restriction Period. However, if the relevant Eligible Director retires or resigns from the position specified in (2) above before the expiration of the Restriction Period due to expiration of term of office, death or any other justifiable reason as set forth in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting as needed. Furthermore, in accordance with the above provisions, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(ii) Performance-based restricted stock compensation

Notwithstanding the provisions of (1) above, the Company shall, on the condition that, during the Restriction Period, the Eligible Director continuously serves as a Director, Executive Officer, Corporate Officer who does not concurrently serve as a Director, or employee of the Company or its subsidiaries, and achieves performance targets predetermined by the Company’s Board of Directors, lift the transfer restrictions on all of the Allotted Shares at the time the Restriction Period expires. However, if the relevant Eligible Director retires or resigns from the position designated in (2) above before the expiration of the Restriction Period due to expiration of term of office, death or any other justifiable reason as set forth in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting as needed. Furthermore, in accordance with the above provisions, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted. Furthermore, immediately after it becomes clear that such lifting conditions have not been satisfied and the transfer restrictions will not be lifted, the Company shall, as a matter of course, acquire without contribution all of the Allotted Shares for which such lifting conditions were not satisfied.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. Furthermore, in cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(5) Other matters to be determined by the Board of Directors

In addition to the above, the method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

Proposal No. 9: Determination of Remuneration for Granting Restricted Shares to Outside Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Based on the approval of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the remuneration amount for Members of the Board of Directors was set at 500 million yen per year (including 70 million yen for Outside Directors and excluding the portion of employee's salary for Members of the Board of Directors who also serve as employees of the Company).

If Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and Proposal No. 6 and Proposal No. 7 are approved and adopted as proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and the amount of remuneration, etc. for Members of the Board of Directors of the Company will be up to 500 million yen per year (of which the portion for Outside Directors is up to 100 million yen, and excluding the employee portion of salary for Members of the Board of Directors who also serve as employees of the Company).

In connection therewith, as part of the revision to its remuneration package for directors, the Company would like, for the purpose of further promoting value sharing with shareholders and enabling Outside Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, "Eligible Outside Directors") to fully demonstrate their supervisory function over management toward enhancing corporate value, to newly pay remuneration to Eligible Outside Directors for the granting of restricted shares, separately from the remuneration framework described above.

Under this proposal, the remuneration to be paid to Eligible Outside Directors for the granting of restricted shares shall be monetary claims, and the total amount shall be up to 10 million yen per year. In addition, the specific payment timing and allocation to each Eligible Outside Director shall be determined by the Board of Directors.

The number of Directors is currently nine (9) (including four (4) outside Directors). Subject to the approval and adoption of Proposal No. 2 and Proposal No. 3 as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be ten (10) (including five (5) outside Directors).

Furthermore, based on a resolution of the Board of Directors of the Company, Eligible Outside Directors shall pay in all monetary remuneration claims provided to them under this proposal, as property contributed in kind, and in return, shall receive the issuance or disposal of common shares of the Company. The total number of common shares of the Company to be issued or disposed of through this process shall be at most 10,000 shares per year (however, if, on or after the date of approval and resolution of this proposal, the Company conducts share splits of common shares of the Company (including allotment without contribution), consolidation of such shares, or in any other event in which the total number of common shares of the Company to be issued or disposed of as restricted shares requires adjustment, said total number shall be adjusted within a reasonable range).

In addition, the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors regarding the allotment of shares (if there is no closing price on such date, the closing price on the closest preceding trading day), within the extent that the amount will not be particularly advantageous to Eligible Outside Directors who subscribe the common shares. For the issuance or disposal of the common shares of the Company and the provision of monetary claims as properties contributed in kind therefor, it shall be a condition that an agreement on allotment of shares with transfer restrictions that includes the provisions below (the "Allotment Agreement") is entered into between the Company and each Eligible Outside Director. In addition, the upper limit of remuneration under this proposal, the total number of the Company's common shares to be issued or disposed of, and other conditions for granting restricted shares to Eligible Outside Directors under this proposal have been determined in consideration of the purposes described above, the Company's business performance, the policy regarding determination of the details of remuneration, etc. for each individual Director (for the content of such policy, please refer to pages 42 to 43 shown later), and other various circumstances, and we believe they are appropriate.

[Summary of contents of the Allotment Agreement]

(1) Restriction Period

The Eligible Outside Director shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the "Allotted Shares") for a period from 3 years to 15 years from the date of allotment under the Allotment Agreement as predetermined by the Board of Directors of the Company (the "Restriction Period"). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the "transfer restrictions."

(2) Treatment upon resignation or retirement

If an Eligible Outside Director resigns or retires from the position of Members of the Board of Director, Executive Officer, Corporate Officer who does not concurrently serve as a Member of the Board of Director,

or employee of the Company or its subsidiaries before the expiration of the Restriction Period, except where there is a justifiable reason such as expiration of term of office or death, the Company shall, as a matter of course, acquire without contribution the Allotted Shares.

(3) Lifting of transfer restrictions

Notwithstanding the provisions of (1) above, the Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Outside Director has remained in the position of Member of the Board of Director, Executive Officer, Corporate Officer who does not concurrently serve as Member of the Board of Director, or employee of the Company or its subsidiaries throughout the Restriction Period. However, if the relevant Eligible Outside Director retires or resigns from the position set forth in (2) above before the expiration of the Restriction Period due to expiration of term of office, death or any other justifiable reason as set forth in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting as needed. Furthermore, in accordance with the above provisions, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. Furthermore, in cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(5) Other matters to be determined by the Board of Directors

In addition to the above, the method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

Proposal No. 10: Election of Accounting Auditor

Seiyo Audit Corporation, the Company's Accounting Auditor, will retire upon expiration of its term of office at the conclusion of this General Meeting; therefore, we request the election of a new Accounting Auditor.

This proposal is based on a decision by the Audit & Supervisory Board.

In addition, the reason the Audit & Supervisory Board has selected Ernst & Young ShinNihon LLC as a candidate for Accounting Auditor is that, in addition to the expectation of audits from a new perspective, an audit structure suitable for the business policy of global expansion in the Group and the standardization of the audit structure, etc., has been established. After comprehensively considering the expertise, independence, quality control structure, and global audit structure based on the business content, it has been determined to be an appropriate candidate for the Company's Accounting Auditor.

A candidate for Accounting Auditor is as follows.

(As of June 30, 2025)

Name	Ernst & Young ShinNihon LLC		
Location of principal office	1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo Tokyo Midtown Hibiya, Hibiya Mitsui Tower		
History	Apr. 2000	Showa Ota & Co. and Century Audit Corporation merged and established Century Ota Showa & Co.	
	Jul. 2001	The firm name was changed from Century Ota Showa & Co. to Shin Nihon & Co.	
	Jul. 2008	Transitioned to a limited liability audit corporation, and the firm name was changed from Shin Nihon & Co. to Ernst & Young ShinNihon LLC.	
	Jul. 2018	The firm name was changed from Ernst & Young ShinNihon LLC to Ernst & Young ShinNihon LLC. (change in Japanese only)	
Overview	Share capital		¥1,221 million
	Personnel	Certified Public Accountants	3,061
		Successful candidates in the CPA examination, etc.	1,396
		Other	2,060
		Total	6,517
	Number of client companies		3,805
Offices, etc.	Japan: Tokyo and others	Total: 17 locations	
	Overseas: New York and others	Total: 42 locations	

Proposal No. 11: Approval of Implementation of Countermeasures, in Light of the Current Situation in Which a Large-scale Purchase etc. by Dalton etc. Is Being Contemplated (Emergency Phase), in the Event that Dalton etc. Fail to Comply with the Company’s Response Policies and Carry Out a Large-scale Purchase etc.

Reasons for Proposal and its Content

1 Overview

At its board of directors meeting held on July 1, 2025, the Company introduced response policies to address any other Large-scale Purchase etc. that could potentially be contemplated under circumstances where (1) the buying up of Company share certificates etc. by Dalton etc. (Note 1) and (2) the Large-scale Purchase etc. of Company share certificates etc. (as defined in section III 2(2) of the Company’s July 3, 2025 press release, “Notice Concerning Introduction of Response Policy to Large-scale Purchase etc. of Company Share Certificates etc. in Preparation for Large-scale Purchase etc. of Company Share Certificates etc. by Dalton etc.” (“Response Policy Press Release”); hereinafter the same) by Dalton etc. are continuing (the “Response Policies”) (Note 2).

(Note 1) “Dalton etc.” means collectively Dalton Investments, Inc. (“Dalton”), Nippon Active Value Fund PLC (“NAVF”), NAVF Select LLC (“NAVF Select”), Dalton Investments LLC, Dalton Advisory KK, Rosenwald Capital Management, Inc., Rising Sun Management Ltd. (“RSM”), Hikari Acquisition, Michael 1925, and JMBO Fund Limited.

(Note 2) For details of the Response Policies, see the Response Policy Press Release.

In the case not only where, as discussed in 2(1) below, at present, the Company is in the situation in which the Large-scale Purchase etc. by Dalton etc. is being contemplated (emergency phase), and it is specifically seen as probable that going forward Dalton etc. will not comply with the procedures under the Response Policies and will carry out a Large-scale Purchase, etc., but also where, as discussed in 2(2) below, Dalton etc. actually carry out a Large-scale Purchase etc., it will be judged that the possibility of damage to the Company’s medium-to-long-term corporate value and the common interests of shareholders cannot be denied; accordingly, this Proposal is a proposal, giving full respect to the advice of the Independent Committee as discussed in 3 below and subject to the condition that going forward, Dalton etc. are found to have commenced a Large-scale Purchase etc. without complying with the procedures under the Response Policies, asking Company shareholders whether to implement countermeasures based on the Response Policies (“Countermeasures”). The Company’s board of directors, by a unanimous vote of all directors (including the four independent outside directors), resolved to put the Proposal on the agenda.

It is noted that as discussed below in 2(1), under the Response Policies, in the event that a Large-scale Purchaser (defined in III 2(2) of the Response Policy Press Release; hereinafter the same) does not comply with the Response Policies, the Company’s board of directors, acting alone, can implement the Countermeasures, without holding a Shareholders’ Intent Confirmation Meeting; the purpose of this Proposal is for the Company, from the perspective of respecting the intent of shareholders, to ask for the advance approval of shareholders regarding the implementation of the Countermeasures by the Company’s board of directors (giving full respect to the advice of the Independent Committee as of such time), in the case where Dalton etc. commence a Large-scale Purchase etc. without complying with the procedures under the Response Policies.

2 Evaluation by the Board of Directors of Large-scale Purchase etc. by Dalton etc.

- (1) The current situation in which a Large-scale Purchase etc. by Dalton etc. is being contemplated (Emergency Phase) and the Probability that a Large-scale Purchase etc. will be Made without Compliance with Procedures under the Response Policies

Under the Response Policies, in the case where a Large-scale Purchaser is complying with procedures under the Response Policies, if the board of directors opposes the Large-scale Purchase etc. being made and believes that Countermeasures should be implemented in response, a Shareholders’ Intent Confirmation Meeting is to be held, where the board of directors is to obtain the approval of shareholders regarding such implementation (see the Response Policy Press Release, III 2(3) iv). Meanwhile, in the case where a Large-scale Purchaser is about to make a Large-scale Purchase etc. without complying with the procedures under the Response Policies and there will not be sufficient time for shareholders to think carefully regarding whether to accept the Large-scale Purchase etc. based on information disclosed by the Large-scale Purchaser and it will not be possible to ensure an opportunity to confirm the intent of shareholders, the board of directors is to implement the Countermeasures, unless there is any special reason, without holding a Shareholders’ Intent Confirmation Meeting (see the Response Policy Press Release, III 2(3) v).

In light of the course of events and the circumstances set forth below, at present, the Company is in the situation in which the Large-scale Purchase etc. by Dalton etc. is being contemplated (emergency phase), and it is specifically thought to be probable that going forward, Dalton etc. will carry out a Large-scale Purchase etc. without complying with the procedures under the Response Policies.

Following the introduction of the Response Policies, the Company received from Company shareholders Dalton, NAVF and NAVF Select (“Company Shareholder Dalton Group”) a Statement of Intent for Large-scale Purchase Actions etc. as specified in the Response Policies, dated August 18, 2025 (“Old Statement of Intent”). In response, in accordance with the Response Policies, the Company sent to Company Shareholder Dalton Group an information list dated August 25, 2025, including questions about the nature and past investment activities of Company Shareholder Dalton Group, the purpose and specific details of the Large-scale Purchase etc., management policy and capital policy for the Company after the implementation of the Large-scale Purchase etc., and valuation of Company shares and the basis for the valuation, and other wide-ranging questions, but on August 29, Company Shareholder Dalton Group provided only a unilateral opinion to the effect that answers to such questions should be collected on the Internet or by using generative AI, and exchanging the information list would be a wasteful process, thus substantially refusing to provide answers. Subsequently, the Company twice requested that Company Shareholder Dalton Group respond to the information list, but Company Shareholder Dalton Group has never provided substantial answers (for details of the above, please refer to the August 18, 2025 press release, “Notice Concerning Receipt of Statement of Intent for the Large-scale Purchase Actions etc. Pertaining to the Large-scale Purchase etc. of Company Share Certificates etc.”, the August 25, 2025 press release, “Notice Concerning Delivery of Information List Pertaining to the Large-scale Purchase etc. of Company Share Certificates etc.”, the September 2, 2025 press release, “Notice Concerning Request Made to Company Shareholders Dalton etc. for Responses to Information List Pertaining to the Large-scale Purchase etc. of Company Share Certificates etc.”, and the September 16, 2025 press release, “Notice Concerning Repeated Requests Made to Company Shareholders Dalton etc. for Responses to Information List Pertaining to Large-scale Purchase etc. of Company Share Certificates etc.”).

Subsequently, on September 30, 2025, approximately 40 days from the date of submission of the Old Statement of Intent, Company Shareholder Dalton Group withdrew the Old Statement of Intent. However, only five months later, on February 19, 2026, the Company received from RSM a letter (1) proposing that Company accept two outside directors from Dalton Group and execute a Standstill Agreement, and (2) stating that if the Company did not accept such proposal, subject to the withdrawal of the Response Policies by the Company, Dalton Group was ready to implement a tender offer (“Tender Offer”) with the goal of acquiring up to a 45% stake in Company shares including shares which Dalton Group already owns (“February 19 Letter”), as well as a draft of the tender offer statement pertaining to the Tender Offer.

Thus, (1) even though Dalton etc., with the Response Policies having been introduced, began the procedures for commencing a Large-scale Purchase etc. set forth in the Response Policies, Dalton etc. unilaterally declaring that the procedures were a “wasteful process” on the grounds of cumbersomeness, and failed to complete the procedures; (2) subsequently, Dalton etc. withdrew the Old Statement of Intent, and in light of the course of action and the period leading to the February 19 Letter, it is reasonably inferred that the reason for withdrawal is that Dalton etc. merely wanted to avoid undertaking the procedures set forth in the Response Policies; and (3) in fact, it is clear from the content of the February 19 Letter that Dalton etc. continue to have the concrete intent of implementing, and are preparing for, a Large-scale Purchase etc. for Company shares (specifically, a tender offer with 45% of shares as the upper limit of shares planned for purchase); thus, it is believed that Dalton etc. continue to have a specific intent to implement a Large-scale Purchase etc., and do not intend to undertake the procedures set forth in the Response Policies. Given the above, at present, the Company is in the situation in which the Large-scale Purchase etc. by Dalton etc. is being contemplated (emergency phase), and it is specifically thought to be probable that going forward Dalton etc. will implement a Large-scale Purchase etc. without complying with the procedures under the Response Policies.

- (2) Damage to the Company’s Medium-to-Long-Term Corporate Value and the Common Interests of Shareholders through the Large-scale Purchase etc. by Dalton etc.

As discussed in (1) above, in the case where a Large-scale Purchaser does not comply with the procedures under the Response Policies and is about to make a Large-scale Purchase etc., the Countermeasures are to be implemented, unless there is any special reason, without holding a Shareholders’ Intent Confirmation Meeting. Because the Countermeasures are to be implemented in order to maximize the Company’s medium-to-long-term corporate value and the common interests of shareholders (see III 1 of the Response Policy Press Release), “a case where there is a special reason” refers to a case where it is clear that the Large-scale Purchase etc. that

a Large-scale Purchaser is intending to make will not impede maximization of the Company's medium-to-long-term corporate value or the common interests of shareholders.

In light of the course of events and the circumstances set forth below, the possibility cannot be denied that the Company's medium-to-long-term corporate value and the common interests of shareholders will be damaged if going forward Dalton etc. carry out a Large-scale Purchase etc. without following the procedures under the Response Policies.

As discussed in the Response Policy Press Release, under circumstances where Dalton etc. were continuing to buy up Company share certificates etc., the Company received a proposal from RSM, in the January 28, 2025 Document to delist the Company by a management buyout ("MBO") with RSM and its investor group as partners; since then, the Company has received repeated proposals from Dalton etc. for an MBO led by a private equity fund ("PE Fund"). Furthermore, the February 19 Letter urged the Company to consider an MBO, stating, "if it turns out that an MBO wasn't seriously considered, then this will become an issue of management responsibility."

Further, NAVF, in its 2024 annual report, itself admitted the possibility of forcefully compelling an MBO, stating, "We have stepped up our engagement with several of our largest holdings and continue to urge capital allocation improvements, even to the extent of calling for MBOs or threatening tender offers for controlling minorities of outstanding shares" (emphasis added).

Further, as described in the Response Policy Press Release, in a March 23, 2005 Nikkei Financial Daily article titled "U.S. Dalton Representative's 'Share Buying Up': Preparing for an MBO with Five Japanese Companies; Food, Chemicals, Trading, etc.," it was reported that Mr. James B. Rosenwald III, Dalton's Chief Investment Officer, "revealed that [Dalton] was newly buying up shares of five listed Japanese companies in preparation for proposing an MBO", showing that Dalton's investment method was to "buy up [Company Note: target company shares] behind the scenes for the time being, and when its holding ratio reached 5%, which is when the duty to submit a large-volume holding report arises, propose an MBO to the managers", and the article revealed that Teikoku Hormone Mfg. Co., Ltd., the predecessor of the Company, was one of the companies that was a target of this method. Teikoku Hormone Mfg. Co., Ltd., the predecessor of the Company, from around August 2004 to around February 2005, received a proposal for an MBO immediately after Dalton etc. had bought up Company shares rapidly and in large quantity, and then, after turning down the proposal, received demands for excessive dividend increase and purchase of Company shares held by Dalton etc. at a price with a premium.

More recently, Dalton etc. have, at multiple portfolio companies, accumulated substantial shareholdings of approximately 20% and subsequently implemented MBOs jointly with PE Funds, accompanied by their rollover investment. Against this background, there are concerns that Dalton etc. may, in substance, be strongly advocating for MBOs and going-private transactions involving such rollover investment structures.

In light of the foregoing circumstances, it is believed that if Dalton etc. implement a Large-scale Purchase etc. of Company shares, there is a strong possibility that one of the primary purposes for doing so will be to achieve an MBO.

In addition, even prior to the introduction of the Response Policies, Dalton etc. had been proposing to the Company an MBO led by a PE fund. As described in the Company's August 18, 2025 press release, "Notice Concerning Course of Dialogue with Company Shareholder Dalton etc." ("Dialogue Press Release"), the Company believes that an MBO led by a PE Fund would result in the Company bearing a large debt through a leveraged buyout (LBO) loan, which typically entails a heavy interest payment obligation, and the need to perform its duty to pay back the principal and interest may impede necessary investment including agile and large-scale research and development initiatives. Furthermore, the weakening of our financial base could hinder the development of new products, the maintenance and improvement of production equipment, and ultimately the stable supply of medicines; in light of this, there would be a danger of impeding the maximization of the Company's medium-to-long-term corporate value (and in turn the common interests of shareholders).

Furthermore, as discussed in the Dialogue Press Release, Dalton etc. are proposing to the Company an MBO premised on a rollover investment (a scheme whereby Dalton etc., when implementing the MBO, temporarily sell their Company shares, and after the purchaser has come to possess all Company shares, Dalton etc. reinvest in the Company); generally, when a rollover investment is expected after a tender offer, this means that for the rollover investor (Dalton etc.), in order to keep its subsequent investment amount low, it is desirable that the tender offer price in such tender offer not be high. For this reason, the problem of a conflict of interests arises between the rollover investor and general shareholders. Accordingly, it cannot be denied that the MBO

premised on a rollover investment as proposed by Dalton etc. is likely to harm the common interests of general shareholders of the Company.

Given the above circumstances, if Dalton etc. implements a Large-scale Purchase etc. without following the procedures under the Response Policies, (1) it is likely that Dalton etc. will compel the Company to undertake an MBO, and (2) the possibility cannot be denied that (i) if the Company refuses, Dalton etc. may demand an excessive dividend increase and the purchase of Company shares held by Dalton etc. at a price with a premium, (ii) if an MBO is implemented, a PE Fund-led MBO will be implemented, imposing on the Company a large debt from LBO loans and using a scheme including a rollover investment, which will cause a structural conflict of interests between Dalton etc. and the general shareholders of the Company, impeding the maximization of the Company's medium-to-long-term corporate value and the common interests of general shareholders.

In regard to the specific details of the Large-scale Purchase etc. that Dalton etc. are expected to implement, Dalton etc. asserted in the February 19 Letter that Dalton etc. are ready to implement the Tender Offer subject to the retraction of the Response Policies by the Company; since in the Tender Offer the upper limit of shares to be purchased is set at 45%, structural coercion exists, and this may harm the common interests of the general shareholders of the Company. Specifically, if Dalton etc. acquire 45% of Company shares, Dalton etc. will not only have veto power over matters subject to a special resolution at the general shareholders meeting (adopted with the support of at least two-thirds of the voting rights exercised), but also, in light of the exercise ratio of voting rights at the Company, will have the right to decide matters subject to an ordinary resolution (adopted with the support of a majority of the voting rights exercised). In such a case, if Company shareholders, under circumstances where Dalton etc. have strong impact on the management of the Company, think that it is possible that the Company's medium-to-long-term corporate value and the common interests of shareholders will be harmed, Company shareholders, though not wanting to, will be motivated to sell their Company shares with the thought that instead of remaining as a minority shareholder of such a company, even though they don't want to, it is better to sell Company shares as soon as possible on the market (in other words, they will be exposed to coercion), and thus may be placed in the situation where despite being dissatisfied with the Tender Offer terms, they have no other choice but to tender their shares in the Tender Offer. Accordingly, if Dalton etc. implement the Tender Offer as a Large-scale Purchase etc. without following the procedures under the Response Policies, it cannot be denied that there is a possibility that the general shareholders of the Company may be exposed to coercion and the maximization of their interests may be impeded.

From the foregoing, if Dalton etc. intend to execute a Large-scale Purchase etc. without complying with procedures under the Response Policies, the possibility cannot be denied that the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders will be harmed, and because it is not found that "there is a special reason", it will be necessary to implement the Countermeasures in accordance with the Response Policies in order to prevent harm to the maximization of the Company's medium-to-long-term corporate value and the common interests of shareholders.

3 Consultation with, and Advice from, the Independent Committee

As discussed in 2 above, the Company's board of directors has repeatedly evaluated and considered the impact of a Large-scale Purchase etc. by Dalton etc. on the Company's medium-to-long-term corporate value and the common interests of Company shareholders, as well as the advisability of implementing the Countermeasures in the event that Dalton etc. commence a Large-scale Purchase etc.

Under such circumstances, for the purpose of preventing arbitrary decisions by the board of directors and further enhancing the fairness and objectivity of the operation of the Response Policies, the Company's board of directors consulted with the Independent Committee consisting of three independent outside directors of the Company who are independent of the management team that executes the Company's business (for the details of the committee, please refer to the Company's July 1, 2025 press release, "Notice Concerning Establishment of Independent Committee and Appointment of Independent Committee Members") regarding the impact of the Large-scale Purchase etc. by Dalton etc. on the Company's medium-to-long-term corporate value and the common interests of Company shareholders, and the advisability of implementing the Countermeasures.

On May 25, 2026, the Company's board of directors received from the Independent Committee an advisory report dated the same date and supported by all members of the Independent Committee, stating that subject to approval of this Proposal, in the event that going forward, Dalton etc. are found to have commenced a Large-scale Purchase etc. without complying with the procedures under the Response Policies, it would be appropriate for the Company's board of directors, giving full respect to the advice of the Independent Committee as of that point in time, to implement the Countermeasures.

4 Putting the Proposal on the Agenda

As discussed in 2(1) above, at present, the Company is in the situation in which the Large-scale Purchase etc. by Dalton etc. is being contemplated (emergency phase), and it is specifically thought to be probable that following the Annual General Shareholders Meeting, Dalton etc. will not comply with the procedures under the Response Policies and will carry out a Large-scale Purchase, etc.; as discussed in 2(2) above, if Dalton etc. actually carry out a Large-scale Purchase etc., it will be judged that the possibility of damage to the Company's medium-to-long-term corporate value and the common interests of shareholders cannot be denied; and as discussed in 3 above, the advisory report was received from the Independent Committee; in light of the foregoing and from the perspective of respecting the intent of shareholders, the Company would like to ask shareholders for advance approval regarding the implementation of the Countermeasures by the Company's board of directors (giving full respect to the advice of the Independent Committee as of such time) in the event that going forward Dalton etc. are found to have commenced a Large-scale Purchase etc. without complying with the procedures under the Response Policies.

It should be noted that the number of shares underlying one share option allotted pursuant to the Countermeasures shall be one share. For other details of the Countermeasures, please refer to III 3 of the Response Policy Press Release. If this Proposal is approved, the Response Policies will continue to apply only to the extent necessary for the implementation etc. of the countermeasures as approved by the shareholders (however, at the latest, this shall be until the conclusion of the first meeting of the Company's board of directors held after the Company's annual general shareholders meeting to be convened in 2027). If this Proposal is rejected, the Countermeasures will not be implemented, and in accordance with the initial policy set forth in the Response Policies, the Response Policies will be abolished as of the conclusion of the first board of directors meeting held after the Annual General Shareholders Meeting.

Reference: Skill matrix

The Company has prepared a skill matrix by identifying skills that Members of the Board of Directors should possess in order for the Board of Directors to execute its decision-making and management supervisory functions. If Proposals No. 3 and No. 4 are approved as proposed, the composition, experience, and expertise of the Company's Members of the Board of Directors will be as below.

Name	Position	Corporate management	R & D / Intellectual property	Sales / Marketing	Medicine / Pharmacy	Global business	Finance / Accounting	Legal / Risk management	Sustainability / ESG
Directors (Excluding Directors who are Audit & Supervisory Committee Members)	Takashi Yamaguchi	Member of the Board of Directors, Representative Director, Chairman of the Board	●	●		●			
	Sohta Yamaguchi	President, Member of the Board of Directors, Representative Director	●	●			●	●	●
	Atsushi Maruo	Senior Managing Member of the Board of Directors, Representative Director	●				●	●	●
	Maiko Mori	Member of the Board of Directors, Executive Corporate Officer		●		●		●	
	Fumiyoshi Yamaguchi	Member of the Board of Directors, Executive Corporate Officer	●		●				●
	Minoru Awabayashi	Outside Director	●		●		●	●	●
	Yasuji Enokido	Outside Director	●		●		●	●	●
	Kanae Karita	Outside Director		●		●			●
	Kiyoko Kato	Outside Director		●		●			●
	James C. Feliciano	Outside Director	●		●		●	●	
Directors who are Audit & Supervisory Committee Members	Kunihiro Gunji	Member of the Board of Directors (Audit & Supervisory Committee Member)		●	●	●		●	
	Takao Kimura	Member of the Board of Directors, Outside Director (Audit & Supervisory Committee Member)		●		●	●	●	
	Koki Yamashita	Member of the Board of Directors, Outside Director (Audit & Supervisory Committee Member)	●				●	●	●

Note: Highly professional skills that the Members of the Board of Directors possess and which are expected of Members of the Board of Directors for achieving the medium-term management plan are indicated.

Reason for selection of each skill

Skill items	Reason for selection of skills
Corporate management	Amid major changes in the business environment with increasing uncertainty, we need directors with extensive knowledge, experience, and achievements in not only the medical and pharmaceutical industries but also in general corporate management to formulate and promote a medium- to long-term sustainable growth strategy for us to realize our Group's goal of becoming a total healthcare company with a strong foundation as a specialty pharma company.
R & D / Intellectual property	To continue creating products that meet unmet medical needs, it is essential that we strengthen our R&D capabilities through open innovation and globalize intellectual property activities. We need directors who have strong knowledge, experience, and achievements in the fields of R&D and intellectual property to promote these activities.
Sales / Marketing	Amid the rapidly changing environment surrounding medical care and animal health businesses, we need directors who have strong knowledge, experience, and achievements in sales and marketing fields to continue providing patients and healthcare professionals with information on the proper use of drugs and products by pursuing sales and marketing strategies utilizing digital/information technology.
Medicine / Pharmacy	In order to realize the Group's goal of becoming a total healthcare company, we need directors who have strong knowledge, experience, and achievements in the fields of medicine and pharmacy to widely contribute to human and animal health which ranges from prevention, testing, diagnosis to treatment, and prognosis management.
Global business	In the healthcare business, the adaptation and strategic expansion to international markets in addition to domestic markets are indispensable and we need to understand global regulations and market trends and control risk.
Finance / Accounting	In addition to accurate financial reporting, we need directors who have strong knowledge, experience, and achievements in the finance and accounting fields to formulate and promote a financial and capital strategy that balances ensuring a stable financial base and improving capital efficiency, and achieves appropriate shareholder returns.
Legal / Risk management	The establishment of an appropriate governance system is the foundation for sustainable corporate value improvement. To promote a compliance system that ensures thorough compliance with laws and corporate ethics, we need directors who have strong knowledge, experience, and achievements in legal and risk management.
Sustainability / ESG	With sustainability at the core of our management, the Group aims to enhance corporate value by not only maximizing our economic value but also by increasing our social value. To achieve this, we need directors who have strong knowledge, experience, and achievements in the sustainability and ESG fields.

Reference: Efforts for reduction in cross-shareholdings

(1) Basic principles

The Company will hold cross-shareholdings that it judges will contribute to the maintenance and improvement of the Group's corporate value from the perspective of business expansion and the maintenance and strengthening of business relationships.

However, the Board of Directors will examine and verify the corporate performance and financial conditions of each counterparty, management indicators of profitability and growth potential, and the comparison between the benefits of holding the shares and the cost of capital, and will reduce the number of shares held if the significance of holding such shares is not necessarily sufficient, based on the results of dialogue with the counterparty.

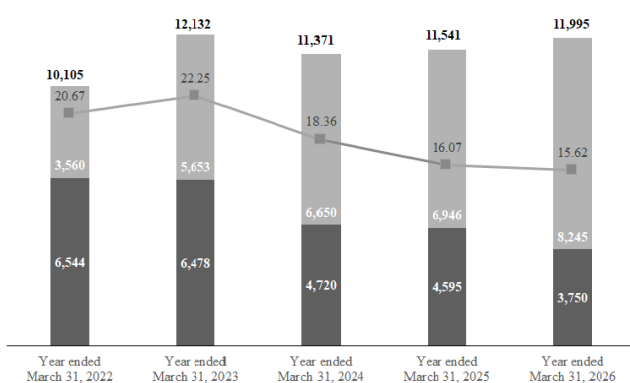
(2) Status of cross-shareholdings

As of the end of March 2026, the ratio of cross-shareholdings (11,995 million yen) to consolidated net assets of the Group declined 0.45% from the end of the previous fiscal year to 15.62%.

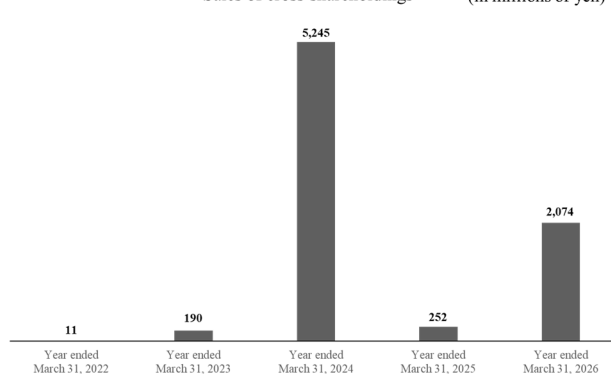
(3) Status of increase/decrease

Status of increase/decrease in cross-shareholdings

■ Book value at the end of period ■ Valuation difference — Ratio to consolidated net assets (%)



Sales of cross-shareholdings (in millions of yen)



Reference

Standards for the Independence of Outside Officers

1. Independent Outside Officers under these standards are defined as those who satisfy the legal requirements of Outside Officers and do not fall under any of the followings:

- (1) A person who executes business of the Company or its consolidated subsidiaries (the “Group”)¹, or who had executed the business of the Group for a period of 10 years before having been appointed to do so
- (2) A major shareholder of the Company² (including those that were major shareholders in the past three years) or a person who executes business of such a shareholder when the shareholder is a corporate entity, a cooperative or other such group (including those that were major shareholders in the past three years), or a person who executes business of a corporate entity, cooperative or other such group (including those that were major shareholders in the past three years) for which the Company is a major shareholder
- (3) A person that executes business of a company that has a significant transactional relationship with the Group³, or business of its parent or subsidiaries
- (4) A person who is a lawyer, certified public accountant, other kind of consultant, or a person who executes business of a corporate entity, a cooperative or other such group, and has received, apart from director remuneration from the Group, a significant amount of money or other property benefits⁴ from the Group
- (5) A person who executes business of a corporate entity, a cooperative or other such group that has received donations, etc. exceeding a certain amount⁵ from the Group
- (6) A person who belongs to an auditing firm that is an Accounting Auditor of the Group or who belonged to an accounting firm that was an Accounting Auditor of the Group in the past three years
- (7) A person who executes business of a company or of its parent or subsidiaries that employ a Director from the Group or employed a Director from the Group in the past three years
- (8) A spouse or a relative within two (2) degrees of kinship of a person who falls under any of the items (1) through (7) above
- (9) A person who might potentially pose continual and substantial conflict of interest with overall general shareholders of the Company due to reasons not provided in (1) through (8) above.

Notes:

- 1) A person who executes business refers to an executive director, executive, corporate officer, employees executing business, and other persons with similar authority
 - 2) A major shareholder refers to a shareholder who directly or indirectly holds 10% or more of the Company’s voting rights
 - 3) A company that has a significant transactional relationship with the Group refers to a company falling under any of the followings:
 - (i) A company for which the Group is a major business partner
A company that received payment from the Group of more than 2% of its total consolidated net sales in any of the most recent three fiscal years
 - (ii) A company that is a major business partner for the Group
A company that paid to the Group more than 2% of consolidated net sales of the Company in any of the most recent three fiscal years, or a company that had extended to the Group the amount of loans equivalent to more than 2% of the consolidated total assets of the Company as of the end of the latest fiscal year
 - 4) A significant amount of money or other property benefits refer to those exceeding 10 million yen per year on average over the last three fiscal years, or those exceeding 2% of the total annual revenue of the corporate entity, cooperative or other such group in the latest fiscal year on average over the last three fiscal years if a person receiving such a significant amount of money or other property benefits is a corporate entity, cooperative or other such group
 - 5) Donations, etc. exceeding a certain amount refer to donations/subsidies from the Company exceeding the amount of 10 million yen per year on average over the last three fiscal years or 2% of the total annual revenue of the corporate entity, cooperative or other such group in the latest fiscal year, whichever is greater
2. Even in the event a person falls under any of the items (1) through (9) set forth above, the Company may appoint the person as a candidate for its independent Outside Officer if the Group Nomination Committee believes the person is suitable for the position as an Outside Officer with sufficient independence based on overall evaluation of his/her independence, provided that the Committee externally provides an explanation as to why it believes such person fully satisfies the requirements as an Outside Officer stipulated in the Companies Act and thus qualifies as an Outside Officer with sufficient independence.

(Reference) Remuneration Policy for Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Policies on determining remuneration, etc. of directors

On the condition that proposals relating to remuneration are approved at the General Meeting of Shareholders scheduled to be held on June 24, 2026, the Company has resolved at the meeting of the Board of Directors held on May 25, 2026 the policy for determining the details of remuneration, etc. for each individual Director (excluding Directors who are Audit & Supervisory Committee Members).

In addition, the Group Remuneration Committee has determined this remuneration policy to be reasonable and appropriate after taking into account economic conditions, the Company's scale, the number of Members of the Board of Directors, and levels at other companies, etc.

Policy and procedures for remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members)

- (1) The Group's Remuneration Committee deliberates on the remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company after ensuring transparency, fairness and objectivity. Design of the remuneration system and the specific amount of remuneration are determined by the Board of Directors.
- (2) Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), shall be designed to contribute to continued increase in the corporate value. Specifically, it shall consist of base salary as well as performance-based bonus serving as short-term incentive and stock compensation system serving as medium- to long-term incentive.
- (3) With respect to remuneration for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), for the purpose of ensuring that the supervisory function over management fully functions, and with the expectation that they will play a role in speaking on behalf of minority shareholders' interests, remuneration shall consist of fixed remuneration and service-based restricted stock compensation at a guideline of 10% of the fixed remuneration.

<Policy on determining monetary remuneration not linked to performance indicator>

[Base salary]

Basic remuneration for Members of the Board of Directors shall be an annual base salary. Its amount shall be determined based on their position (rank), responsibilities and period of service. It shall be paid on a monthly basis.

<Policy on determining performance-based remuneration, etc.>

[Performance-based bonus]

Performance-based bonus for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), shall be paid at a certain time each year. The amount of bonus to be paid to Members of the Board of Directors with special titles shall be determined by multiplying the annual base salary by a bonus calculation coefficient defined for each position (rank) and a payment coefficient based on the Company's business performance (operating profit, etc.) for the previous fiscal year.

For Members of the Board of Directors who also serve as employees of the Company, incentives shall be provided by including the performance-based bonus into the bonuses provided to them as employees.

<Policy on determining non-monetary remuneration>

[Restricted stock compensation]

For purpose of providing incentives to sustainably increase the Company's corporate value, as well as for purpose of further promoting shared value between the shareholders and Members of the Board of Directors, restricted stock shall be granted at a certain time each year within the scope of the maximum amount and maximum number of shares approved at General Meeting of Shareholders. The number of shares of restricted stock to be granted to individual Members of the Board of Directors under the service-based restricted stock compensation shall be determined in consideration of their position (rank), responsibilities, period of service and other factors. With respect to performance-based restricted stock compensation, indicators shall be matters, etc. that Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) should address toward enhancing corporate value over the long term, and restricted shares shall be granted upon achievement.

<Policy on determining the proportion of each type of remuneration, etc.>

Based on an idea that it is important to work on management from medium- to long-term perspective, the proportion of base salary, performance-based bonus and restricted stock compensation shall be configured with

emphasis on the level and stability of basic remuneration (base salary) with additional consideration on improvement in single-year business performance and the pursuit of shareholder interests.

The proportion of each type of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) is not fixed because the amount of remuneration is determined according to the business performance in each fiscal year. However, in the standard case, the proportion of base salary, performance-based bonus and restricted stock compensation is as follows:

Base salary: performance-based bonus: restricted stock compensation = 50 : 20 : 30

<How to determine the specifics of remuneration, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members)>

The specific amount of remuneration for each Director (excluding Directors who are Audit & Supervisory Committee Members), shall be determined by the Board of Directors within the maximum amount of remuneration, etc. approved at the General Meeting of Shareholders, based on the report from the Group's Remuneration Committee, an advisory committee composed of Outside Directors.

<Shareholder proposal>

Proposal No. 12 was submitted by shareholders.

The Board of Directors opposes the shareholder proposal as described below.

The outline of the proposal and the reasons for the proposal are presented as originally submitted.

Proposal 12: Election of Two (2) Directors who are not Audit & Supervisory Committee Members

(1) Summary of the Resolution

The Company shall appoint the following two individuals as Directors who are not audit and supervisory committee members.

1. James B. Rosenwald III
2. Shiro Hayashi

(2) Reasons for Proposal

Since acquiring shares in the Company, the proposing shareholder has sought to engage in constructive and continuous dialogue with the Company through engagement activity as a long-term investor. During the process, the proposing shareholder has consistently held the Company's operations, competitive advantages and medium- to long-term growth potential in high regard and believes that there is sufficient room to further enhance the Company's enterprise value.

At the same time, with respect to the "response policy to large-scale purchase etc. of Company share certificates etc. in preparation for large-scale purchase etc. of Company share certificates etc. by Dalton etc." ("Anti-Takeover Measures") that the Company has introduced, the proposing shareholder opposes the measures from the viewpoint of the fact assumptions for their introduction and their reasonableness. Anti-Takeover Measures are extremely exceptional measures that may have a significant impact on the exercising of shareholder rights and the functions of the stock market, and their introduction requires the board of directors to engage in sufficient evaluation and exercise an oversight function from an independent standpoint, and to make reasonable and highly transparent decisions from the viewpoint of common shareholder interests.

Until now, the proposing shareholder has repeatedly explained that its proposal is aimed at enhancing the enterprise value and the common shareholder interests, that it does not have any intention to force or steer any specific option with respect to management options, including going private, and that the decision to go private and its terms fall exclusively within the authority of the board of directors and the proposing shareholder would never be involved and create a conflict of interest between shareholders. However, no indication has been found to date that the Company considered withdrawing or reviewing the Anti-Takeover Measures.

The proposing shareholder believes that free trading of shares and the principle of shareholder equity constitute the core of the capital markets, and the Anti-Takeover Measures are not just an issue specific to the Company but pose threat to undermine the objectives and results of the capital market reforms implemented thus far in Japan. As a shareholder, the proposing shareholder believes that the Board of Directors, at such a critical time, has conducted adequate evaluation from a truly independent standpoint and made decisions that benefit common shareholder interests should be carefully reviewed.

In light of the foregoing, the proposing shareholder has concluded that further strengthening the independence, objectivity and oversight functions of the Company's Board of Directors and ensuring decision-making that properly reflects shareholder viewpoints will contribute to the medium- to-long-term enhancement of the Company's enterprise value.

Based on this perspective, the proposing shareholder proposes the appointment of the following two individuals as outside directors of the Company: Mr. James B. Rosenwald III, who has extensive knowledge and experience concerning global capital markets and corporate governance; and Mr. Shiro Hayashi, who has years of investment and engagement with Japanese corporations and has a track record of enhancing enterprise value through constructive dialogue between shareholders and corporations.

The two are expected to work from an independent standpoint from the Company's management, provide objective and constructive viewpoints to the Board of Directors and perform proper oversight of senior management, as well as contribute to the enhancement of the quality of decision-making that will help maximize common shareholder interests. Further, they will draw on their extensive expertise in capital policy, governance and strategy and be able to facilitate in-depth discussion on achieving sustainable growth of the Company and enhancing its enterprise value.

For these reasons, and for the purpose of fortifying the Company’s governance structure and enhancing its enterprise value, the proposing shareholder proposes the appointment of the foregoing two individuals as outside directors of the Company.

(3) Nominee numbers, names and career summaries

1. James B. Rosenwald III Date of birth: January 19, 1958	
Career summary, positions held, responsibilities and significant concurrent positions	
1981	Oliver R. Grace & Family, senior investment advisor, portfolio manager
1984	Rosenwald Capital Management, Inc. founder, chairman and CEO (currently held position)
1996	Beach Front Properties LLC co-founder, Managing Partner (currently held position)
1998	Dalton Investments co-founder, Chief Investment Officer (currently held position)
2012	New York University, Leonard N. Stern School of Business, adjunct professor (currently held position)
2019	Rising Sun Management Ltd., Chief Investment Officer (currently held position)
2025	Hogy Medical Co., Ltd., director (currently held position)
	Significant concurrent positions: Dalton Investments, Inc., Chief Investment Officer Rising Sun Management Ltd., Chief Investment Officer
Company shares held: 0	
Reasons for nomination and overview of expected roles: As set forth above	
Conflict of interest: N/A	

2. Shiro Hayashi Date of birth: March 20, 1977	
Career summary, positions held, responsibilities and significant concurrent positions	
2001	JPMorgan Securities Japan Co., Ltd.
2005	SPARX Group Co., Ltd.
2009	Dalton Investments Group
2014	Dalton Advisory KK, Representative Director (currently held position)
2016	PRESTIGE International Inc., Director
2020	Tenma Corp., Director
	Significant concurrent positions: Dalton Advisory KK, Representative Director
Company shares held: 0	
Reasons for nomination and overview of expected roles: As set forth above	
Conflict of interest: N/A	

Notes:

- (1) Mr. James B, Rosenwald III and Mr. Shiro Hayashi are nominated as outside directors.
- (2) In a case where Mr. James B, Rosenwald III and Mr. Shiro Hayashi are appointed as outside directors, a limited liability agreement is expected to be executed with them. The limit on liability for damages under such agreement shall be the minimum liability amount provided by laws and regulations.

**[Opinion of the Board of Directors of the Company]
The Board of Directors of the Company opposes the Shareholder Proposal.**

For the purpose of enhancing the fairness and transparency of the deliberation process in the procedures for appointing and dismissing directors and auditors, the Company has the Group Nomination Committee as an advisory body independent of the Board of Directors. The committee consists of three members, all of whom are independent outside directors in order to ensure the independency of deliberation. The committee gives deliberation in light of the Company's management strategy so that a person who can contribute to maximization of the corporate value and the common interests of shareholders will be selected as a director candidate in accordance with the skill matrix published in the corporate governance report, and then recommends such person to the Board of Directors, and the Board of Directors will make the final decision through deliberation.

Specifically, in selecting director candidates for the Company, from the perspective of enhancing the medium-to-long-term corporate value and maximizing the common interests of shareholders through the management philosophy, the purpose and the medium-term management plan, the Group Nomination Committee assesses qualifications required for a director, and has careful discussions, also looking at the skill balance and diversity of the overall Board of Directors on the basis of the skill matrix. Qualifications required for a director by the Company in the skill matrix are knowledge, expertise and experience in corporate management, R&D and intellectual property, sales and marketing, medicine and pharmacy, global business, finance and accounting, legal and risk management, and/or sustainability and ESG.

With the aim of enhancing the transparency of management and speedy decision-making, at this point in time, the Company plans to be a company with an audit and supervisory committee subject to the approval of the General Shareholders Meeting, and in conjunction therewith, has decided a policy that a "majority" of the Board of Directors members shall be outside directors to reinforce governance.

In preparation for an increase in the number of outside directors due to this structural transformation, the Group Nomination Committee proceeded from June 2025 with selecting candidates toward the implementation of the medium-to-long term growth strategy (management experience at a pharmaceutical company, reinforcement of global development, etc.). As a result of repeated careful screenings, the committee determined that Mr. James Feliciano ("Mr. Feliciano"), who was the general manager of the business supervisory division at a foreign pharmaceutical company and the representative director of a Japanese corporation (for example, the former representative director of AbbVie GK), and has highly sophisticated knowledge about the management of a pharmaceutical company and global business, is the best qualified person, and plans to nominate him as an outside director candidate to be proposed by the Company at the General Shareholders Meeting. With the previous medium-term management plan for five years until the fiscal year ended March 2026, toward a "Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company," the Company established the status as a leader in the ob/gyn field, and steadily proceeded to build a foundation for global operations, thereby achieving all of the financial targets, namely, the net sales of 70 billion yen, the operating profit margin of 8%, and the ROE of 8%. Under these circumstances, with the aim of further enhancing the corporate value, the Company strongly believes, by welcoming to the Board of Directors Mr. Feliciano who has highly sophisticated knowledge about global management, it will be possible to appropriately monitor the promotion of the pharmaceutical business and global operations set forth in the medium-term management plan starting from fiscal year 2026, and the independence and objectivity of the Company's Board of Directors will be further enhanced, resulting in stronger management functions.

Given the above, in the event that the proposal for appointing Mr. Feliciano is approved at the General Shareholders Meeting, the composition of the Company's Board of Directors is considered appropriate in view of the independence and the skill matrix.

Meanwhile, the Group Nomination Committee also rigorously examined Mr. James B. Rosenwald III ("Mr. Rosenwald") and Mr. Shiro Hayashi ("Mr. Hayashi"; collectively with Mr. Rosenwald, "Shareholder Proposing Candidates") who are outside director candidates in the Shareholder Proposal, namely, by conducting interviews with the Shareholder Proposing Candidates and giving consideration in accordance with the skill matrix through the appropriate process above. As a result, the Group Nomination Committee has determined that the Shareholder Proposing Candidates do not meet the "Criteria for Independence of Outside Board Members" set by the Company, and lack roles and qualifications expected for an outside director.

The Group Nomination Committee also gave careful consideration to various factors including the facts that Dalton etc. (Note 1) has been demanding from last year that the Company promptly implement a management buyout ("MBO") in which Dalton etc. is included as an investor, and in this February, sent a letter to the effect that "if the Company refused accepting the directors, Dalton etc. would conduct a tender offer (the "Tender Offer") for up to 45% of shares on the condition that the Response Policies [Company Note: The response policies to a Large-scale Purchase etc. introduced by the Company on July 1, 2025; hereinafter the same] are withdrawn"; that Mr.

Rosenwald himself clearly stated that the purpose of share buyup by Dalton etc. was to propose an MBO; and that there are in fact multiple portfolio companies of Dalton etc. which were taken to private immediately after a related person of Dalton etc. had been appointed as a director.

Consequently, it is reasonably inferred that Dalton etc. has made the Shareholder Proposal for the purpose of pursuing its own profit including delisting through an MBO, and it has been determined that if the Shareholder Proposal is approved, a possibility of conflicts of interest arising between Dalton etc. and the general shareholders cannot be denied (in other words, if a related person of Dalton etc. assumes the position of the Company's outside director, such outside director will concurrently owe the duties under the engagement and employment agreement to Dalton etc. and the duty of care as an outside director to the Company, conflicts of interest will arise in the Company's Board of Directors on a permanent basis, impairing the independence and effective governance of the Company's Board of Directors, and resulting in harming the common interests of Company shareholders in exchange for Dalton etc. benefitting from such situation).

As a result of the above consideration, the Group Nomination Committee recommended to the Company that the Shareholder Proposing Candidates were not suitable as outside director candidates for the Company.

In view of this recommendation from the Group Nomination Committee, the Company's Board of Directors resolved to oppose the appointment of the Shareholder Proposing Candidates through careful deliberation. Specific reasons for the determination of the Group Nomination Committee and the Company's Board of Directors are as follows.

Note 1: "Dalton etc." means collectively Dalton Investments, Inc. ("Dalton"), Proposing Shareholder, NAVF Select LLC, Dalton Investments LLC, Dalton Advisory KK, Rosenwald Capital Management, Inc., Rising Sun Management Ltd. ("RSM"), Hikari Acquisition, Michael 1925, and JMBO Fund Limited.

[1] The Shareholder Proposing Candidates lack independence.

The Company's "Criteria for Independence of Outside Board Members" exclude from independent officers "a major shareholder (shareholder who holds 10% or more of the total voting rights) of the Company, and an executive officer of a corporation or organization that is a major shareholder of the Company" and "a person who is likely to have a substantial conflict of interest on a permanent basis." In this regard, of the Shareholder Proposing Candidates, Mr. Rosenwald is the Chief Investment Officer of Dalton and the founder of Dalton Group, and Mr. Hayashi is the Representative Director and CEO of Dalton Advisory KK, the Japanese corporation of Dalton Group; therefore, they are considered to substantially share the same interests with Dalton etc. Further, given the fact that Dalton etc. own more than 20% (21.6%) of the voting rights of the Company, the Shareholder Proposing Candidates both clearly conflict with the Company's criteria for independence.

Also on the basis of the criteria of major institutional investors and proxy advisory firms, the appointment of a related person of a large shareholder as an outside director has been negatively viewed from the perspective of a conflict of interest with general shareholders, and in conversations with the Company's major institutional investors, many opposing opinions have been indicated, such as, "The act of sending an officer of a shareholder who has 10% or more of the voting rights conflicts with our judgment criteria for independence; therefore, we will oppose such act."

An outside director is required to objectively and neutrally supervise the execution of duties by the management team from a standpoint independent from particular shareholders and related parties, and ensure the enhancement of the Company's medium-to-long-term corporate value and the maximization of the common interests of shareholders. However, as explained above, it cannot be considered that the substantial independence of the Shareholder Proposing Candidates from particular shareholders, which is required in performing these roles, is fully ensured, and the Shareholder Proposing Candidates cannot be determined appropriate as outside directors who represent minority shareholders.

It should be noted that in an interview with the Group Nomination Committee, Mr. Rosenwald stated that, even if he were appointed as a director of the Company, he would concurrently owe fiduciary duties as the owner of Dalton Group. In light of this statement, the Company considers it evident that Mr. Rosenwald himself acknowledges that there may be circumstances in which he would not be able to fully devote himself to his duty of care as a director of the Company, and that he lacks independence from particular shareholders.

- [2] Except for “leading the Company to an MBO or other delisting measures” as representatives of the interests of the Dalton etc., the Shareholder Proposing Candidates have no interest in the Company’s business or corporate value enhancement measures.

Dalton etc. have demanded that the Company implement measures, such as share buyback in a large amount and an MBO, which are considered to be intended solely to serve their own interests. In interviews with the Group Nomination Committee, the Shareholder Proposing Candidates both stated that they strongly supported an MBO or an MBO should be considered in a positive light, and that if they were appointed as the Company’s directors, their goal was to contribute to “facilitating the exit” of Dalton etc., and did not provide any response which could dispel concerns about the MBO proposal by Dalton etc. from the past. Among cases of other companies (for example, Trancom Co., Ltd. and Hogy Medical Co., Ltd.) in which Dalton etc. invested in the past, a case where a company was led to an MBO in a short period of time after a related person of Dalton etc. was appointed as a director, and the “rollover investment” (Note 2) in which Dalton etc. reinvests in the company after the company is delisted was incorporated therein can be seen from time to time.

The Company’s institutional investors also expressed strong skepticism, stating, for example, “Because the MBO proposed by Dalton etc. assumes the rollover investment by Dalton etc., and there are structural conflicts of interest with general minority shareholders, we cannot support such proposal ever,” and “Leading to an MBO etc. giving priority to the interests of particular shareholders is a deviation from the role of outside director.” The Company cannot allow delisting in a manner in which the Company’s medium-to-long-term corporate value and the common interests of shareholders will be impaired because a person who represents the interests of particular shareholders is appointed as a member of the Company’s Board of Directors.

In the interviews with the Group Nomination Committee, it was inferred that the Shareholder Proposing Candidates lacked specific proposals for the Company’s business and had little interest in the Company’s business, and it was observed that they had no medium-to-long-term corporate value enhancement measures. No reasonable explanation that the Shareholder Proposing Candidates have skills which may contribute to enhancement of the Company’s corporate value has been provided, and there is no positive reason to appoint the Shareholder Proposing Candidates as member of the current Board of Directors which is equipped with sufficient diversity and expertise, and optimized.

Note 2: In general, if the rollover investment is planned after delisting, it is desirable for the reinvestor that the purchase price in delisting is not too high in order to suppress the investment expenses in reinvestment; therefore, there is a risk that the purchase price in delisting is set at a level favorable to the reinvestor, and general shareholders are forced to sell their shares at an unreasonably low price. Because of such risk, reinvestment is viewed as a structural risk of conflicts of interest between the reinvestor and general shareholders. For more specific details, please also see page 17 et seq. of the Company’s “Supplementary Explanatory Materials Concerning Introduction of Response Policy to Large-scale Purchase etc. of Company Share Certificates etc. by Dalton etc.” dated August 18, 2025.

- [3] The Company was threatened by Dalton etc. that if the Company refused to accept their proposed outside directors, they would conduct a Large-scale Purchase etc. (a tender offer aimed at acquiring up to 45% of shares).

The Company held a meeting with the Dalton Group, including the Shareholder Proposing Candidates, on February 19, 2026, and at such meeting, Mr. Rosenwald stated that, if the Company did not immediately agree to implement an MBO, there would be an option for the Company to accept two directors from the Dalton Group and enter into a Standstill Agreement with the Dalton Group on the condition of forming a business alliance, while also stating that, if the Company did not agree to such option, the Dalton Group intended to conduct a tender offer for the Company.

On the same day, the Company received from RSM a letter (i) proposing that the Company accept two outside directors from Dalton Group and execute a Standstill Agreement, and (ii) stating that if the Company did not accept such proposal, subject to the withdrawal of the Response Policies by the Company, Dalton Group was ready to implement the Tender Offer with the goal of acquiring up to a 45% stake in Company shares including shares which Dalton Group already owns (“February 19 Letter”), as well as a draft of the tender offer statement pertaining to the Tender Offer (said tender offer statement did not describe any specific purposes of purchase or any corporate value enhancement measures except for acquiring up to 45% of Company shares, and typos and incomprehensible descriptions were observed, such as using the name of another portfolio company of Dalton Group as the target company; therefore, the Company has determined that it cannot be viewed as a sincere proposal).

As far as the Company understands from publicly available information, the Proposing Shareholder stated in its 2024 annual report (the latest publicly available material of the Proposing Shareholder when acquiring Company

shares), regarding their own investment strategy, on the premise that it has extensive experience of joint investment with Dalton across many investee companies, “We have stepped up our engagement with several of our largest holdings and continue to urge capital allocation improvements, even to the extent of calling for MBOs or threatening tender offers for controlling minorities of outstanding shares,” and acknowledged in such a publicly disclosed material conduct involving the use of threatening tender offers.

Given such course of events, the Company considers that the presently submitted Shareholder Proposal cannot be evaluated without taking into account the intentions behind a Large-scale Purchase etc. by Dalton etc., and that it is difficult to conclude that the Shareholder Proposal was submitted for sincere maximization of the Company’s corporate value and the common interests of shareholders. It cannot be denied that including the Shareholder Proposing Candidates in the Company’s Board of Directors may drastically distort the basis for the Company’s corporate governance; therefore, from the perspective of protecting the Company’s corporate value and the common interests of shareholders, such act is not appropriate. Given the above, the Company’s Board of Directors opposes the appointment of the Shareholder Proposing Candidates as the Company’s outside directors.

END

Business Report (from April 1, 2025 to March 31, 2026)

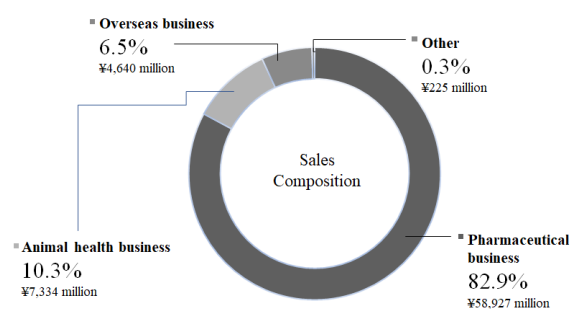
1. Current Status of the Corporate Group

(1) Progress and results of business

The Group's net sales for the current fiscal year were 71,127 million yen, up 6,988 million yen year on year (YoY). This was attributable to the medical pharmaceuticals business, which performed steadily mainly due to the product group in the obstetrics and gynecology area, as well as to factors including the consolidation of Ha Tay Pharmaceutical Joint Stock Company, a Vietnamese pharmaceutical company that was an equity-method affiliate, as a consolidated subsidiary. In addition, as the cost of sales ratio increased by 0.9% YoY and cost of sales amounted to 36,982 million yen (an increase of 4,178 million yen YoY), gross profit increased by 2,809 million yen YoY to 34,145 million yen due to the increase in net sales. Selling, general and administrative expenses rose by 2,307 million yen YoY to 28,311 million yen, which were mainly affected by increased costs due to the progressing research and development. As a result, operating profit increased by 502 million yen YoY to 5,834 million yen. Ordinary profit was 5,665 million yen, after recording 740 million yen in non-operating income and 908 million yen in non-operating expenses. In addition, while recording 96 million yen in gain on disposal of non-current assets and 1,474 million yen in gain on sale of investment securities as extraordinary income and recording 244 million yen in loss on valuation of investment securities as extraordinary losses, profit attributable to owners of parent increased by 323 million yen YoY to 5,424 million yen.

(In millions of yen)

	FY2024 (Year ended March 31, 2025)	FY2025 (Year ended March 31, 2026) (Current fiscal year)	Year-on-year change
Net sales	64,139	71,127	Up 6,988, or 10.9%
Operating profit	5,331	5,834	Up 502, or 9.4%
Ordinary profit	5,107	5,665	Up 557, or 10.9%
Profit attributable to owners of parent	5,101	5,424	Up 323, or 6.3%

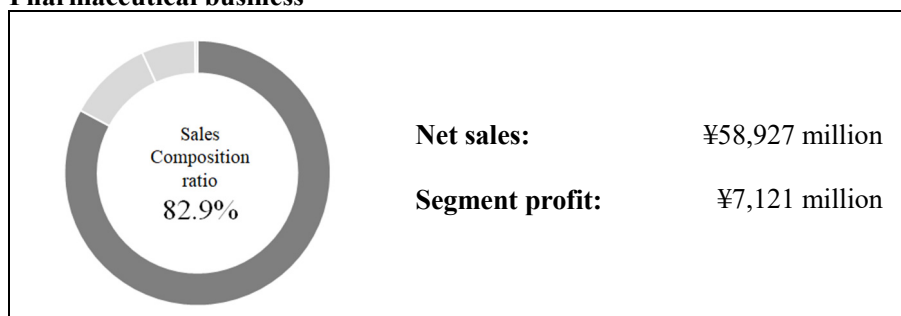


(Reference)

	FY2025 (Year ended March 31, 2026) (Current fiscal year)
Net sales	¥71.1 billion
Operating profit margin	8.2%
ROE	8.0%

[Operating performance by business segment]

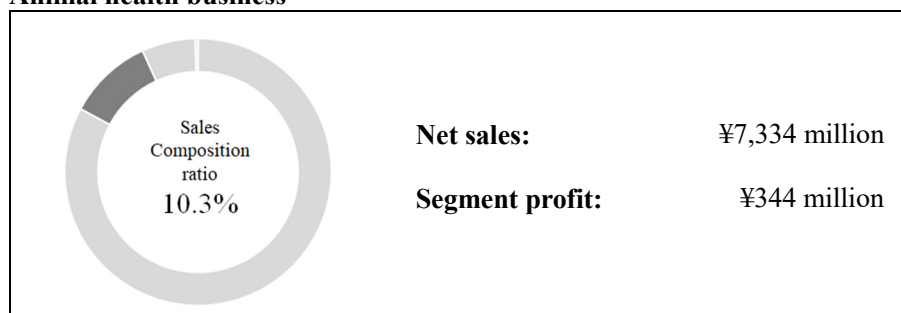
Pharmaceutical business



The pharmaceutical business, which focuses on the three fields of internal medicine, obstetrics and gynecology, and urology, showed favorable trends overall, despite the impact of the periodical NHI drug price revisions. A look at results by product shows that in the obstetrics and gynecology area, the uterine fibroid and endometriosis agent RELUMINA grew to 11,173 million yen (up 6.1% YoY), and the dysmenorrhea agent DroEthi, which went on sale in June 2022, grew to 8,312 million yen (up 10.8% YoY), continuing its growth from the previous year. Furthermore, the major products of internal medicine area, the thyroid hormone agent THYRADIN and the poorly absorbable rifamycin antimicrobial agent RIFXIMA showed significant growth of 8,775 million yen (up 8.2% YoY) and 7,883 million yen (up 22.1% YoY), respectively, partly due to the positive revision of drug prices. In the urology area, sales of the LH-RH derivative microcapsule sustained release agent LEUPRORELIN were 3,880 million yen (down 3.1% YoY).

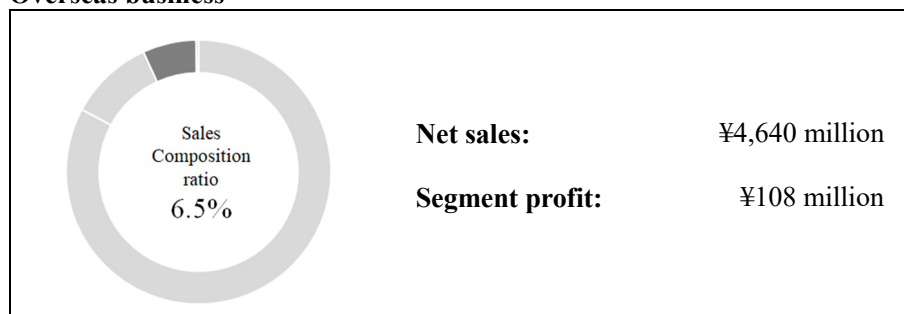
As a result of the above factors, net sales were 58,927 million yen (up 4.0% YoY) and segment profit was 7,121 million yen (up 12.1% YoY).

Animal health business



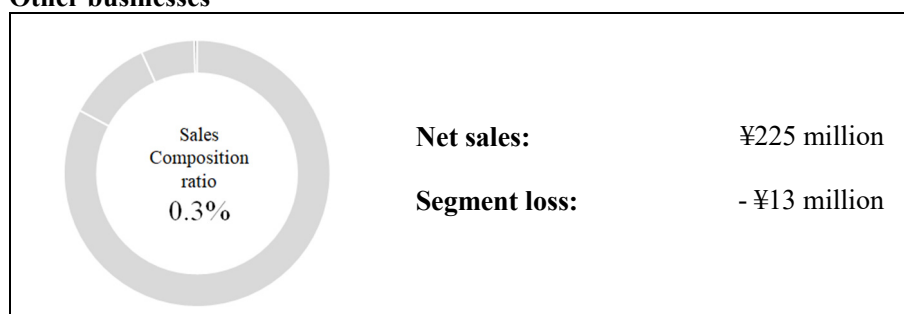
Sales of the animal health business, which sells products such as veterinary pharmaceuticals and feed additives, grew to 7,334 million yen (up 1.2% YoY), mainly driven by feed additives and veterinary pharmaceuticals. Segment profit was 344 million yen (up 14.7% YoY).

Overseas business



In the previous fiscal year, in connection with the consolidation of Ha Tay Pharmaceutical Joint Stock Company, a Vietnamese pharmaceutical company, as a consolidated subsidiary, we newly added the reportable segment “overseas business.” With respect to the overseas business, net sales were 4,640 million yen and segment profit was 108 million yen.

Other businesses



Net sales for other businesses, which include clinical testing and medical equipment, were 225 million yen (down 5.2% YoY) and segment loss was 13 million yen (vs. a profit of 2 million yen in the same period of the previous year).

[Status of R&D]

The Company carries out research and development including progress on drug-development research and clinical development centered on the internal medicine, obstetrics and gynecology, and urology areas that are core businesses of ASKA Pharmaceutical Co., Ltd. along with proactive deployment of out-licensing and in-licensing activities and business alliance strategies. In addition, the Company will address unmet medical needs in new areas, along with core businesses, by introducing a drug discovery fundamental technology against ion channels as a new drug-development platform.

Regarding clinical development, LF111 (drospirenone), which had been under development for contraceptive indications, obtained approval in May 2025. In addition, we are currently conducting six clinical trials. A Phase III clinical trial of AKP-022 (relugolix combination tablets) currently under development intended for endometriosis was initiated in June 2025. We have also entered into an agreement with MICIN, Inc. regarding the joint development and sale of an app for the treatment of irritable bowel syndrome (IBS), and are conducting a confirmatory clinical trial of MCN-009 (therapeutic app).

Preparations for development are underway for the pre-development themes of AKP-009 (ludaterone acetate) and AKP-017 (transnasal testosterone), with polycystic ovary syndrome (PCOS) as the indication. In addition, multiple themes are in the nonclinical stage following efforts including strengthening a drug-development platform through the introduction of ion channel drug discovery technology and securing drug development prospects through open innovation activities.

In our in-licensing and alliance activities, in November 2025 we entered into a joint research agreement with Perseus Proteomics Inc. aimed at creating novel antibody drugs. In February 2026, we entered into a joint research agreement with Teijin Pharma Limited for the purpose of creating candidate compounds for novel small-molecule drugs targeting the gynecological disease area. In March 2026, we expanded our partnership with Insilico Medicine in the exploration of novel targets related to women's health.

Based on the above efforts, R&D expenses in the fiscal year ended March 31, 2026 were 7,060 million yen (up 29 million yen YoY).

(2) Status of capital investments, etc.

During the current fiscal year, the Company made capital investments totaling 2,702 million yen (including intangible assets), which consist primarily of production facilities.

(3) Status of financing

The Company procured long-term borrowings of 3,500 million yen as operating funds and funds for share acquisition through M&A from a financial institution during the current fiscal year. In addition, the Company has signed an agreement on a commitment line, totaling 3,000 million yen, with a financial institution to raise working capital more efficiently; the balance of borrowings outstanding during the current fiscal year has reached 300 million yen.

(4) Status of material organizational restructuring

Not applicable

(5) Challenges to be addressed: Medium- to long-term management strategies

Under Medium-Term Management Plan 2025, our Group aimed to become a “Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company,” and while achieving net sales of 70.0 billion yen, an operating profit margin of 8%, and ROE of 8%, we have built a foundation for the next stage of growth, including achieving No. 1 sales in the obstetrics and gynecology area, launching new drugs, and global expansion.

Based on these results, we have formulated the long-term vision “ASKA VISION 2035” and Medium-Term Management Plan 2028, and are moving to a new stage that aims to achieve both sustainable growth and the resolution of social issues. In Medium-Term Management Plan 2028, we will challenge further growth based on the “Five Pillars” that drive the Group’s growth and the “Two Foundations” that support them.

■ Five Pillars

1. Domestic medical pharmaceuticals business: strengthening earnings power by expanding specialty areas
While deepening specialty areas centered on the obstetrics and gynecology and thyroid areas, we will contribute to society through addressing health issues arising from sex differences. In entering new areas, we will advance rights acquisitions and pipeline expansion and make investments with Asia expansion also in view.
2. Innovative drug discovery business: promoting global expansion
By strengthening our R&D platform including ion channels and utilizing open innovation, we will aim for continuous creation of new drugs and pipeline expansion. In addition, through out-licensing of in-house created products and the like, we will work to create medium- to long-term earnings opportunities.
3. Global business: strengthening the business foundation through the start-up of a new factory
At Hataphar in Vietnam, we will strengthen the production structure centered on the new factory scheduled to commence commercial production in 2026, and aim to improve profitability through the deployment of competitive products. We will also advance the development of a product supply structure in the Southeast Asia region and work to enhance our presence in overseas markets.
4. Animal health business: expanding the business through new product launches and overseas expansion
While advancing the expansion of products centered on the reproduction and endocrine areas, we will promote overseas expansion mainly in Asia and connect it to early creation of sales.
5. Investigation and around-pill business: expanding the investigation business and expanding into areas surrounding pharmaceuticals
While advancing the expansion of the investigation business through expanding the dissemination of non-invasive hormone measurement kits and utilizing trace analysis technology, we will leverage synergies with the pharmaceutical business and work to create new earnings opportunities.

■ Two Foundations

1. Financial strategy: advancing management with an awareness of the cost of capital
Under management with an awareness of the cost of capital, we will aim to improve capital efficiency through ROIC-based management and work to improve PBR. Through optimization of cash allocation, we will aim to achieve both growth investments and shareholder returns, and selectively execute R&D investments and M&A.
2. Strengthening the management foundation: strengthening governance and organizational capabilities to execute strategy
We will promote initiatives in the areas of governance, human resources, DX, and ESG. We will strengthen our supervisory function by transitioning to a company with an Audit & Supervisory Committee and increasing the ratio of Outside Directors, and will also aim to enhance organizational capabilities through human resource development and the promotion of DX.

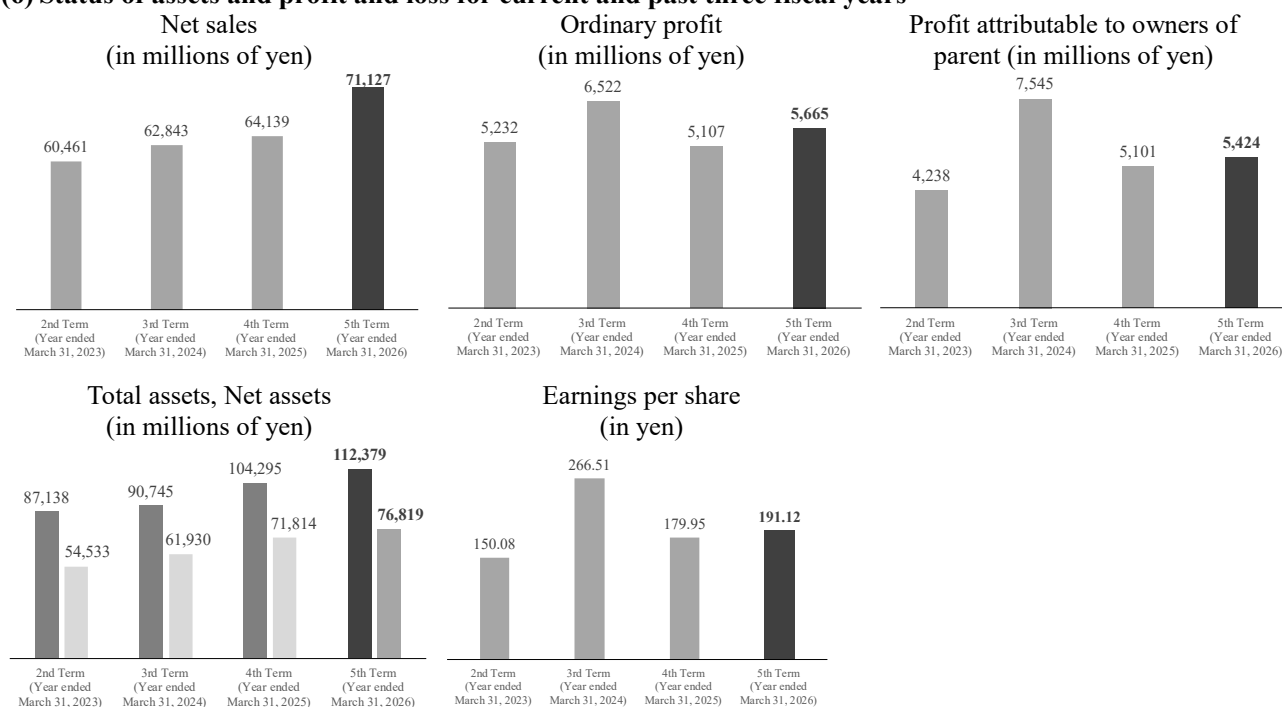
As specific initiatives, in the medical pharmaceuticals business, we will proceed with the steady stage-up of development products centered on the obstetrics and gynecology area and the launch of new products, and work to strengthen competitiveness in specialty areas. In addition, through upgrading our sales structure and utilizing digital tools, we will enhance the quality of information provision and further promote contributions to medical settings. In the innovative drug discovery field, in addition to strengthening our drug-development platform including ion channels, we will expand our pipeline through open innovation as well as out-licensing/in-licensing activities, and aim to create future earnings opportunities. In addition, in the overseas business, we will advance the strengthening of the production and supply structure triggered by the start-up of Hataphar’s new factory, while working to establish an earnings foundation through business development centered on Southeast Asia and

respond to regional medical needs. Furthermore, in addition to expanding the animal health business and the investigation and around-pill business, through collaboration with startup companies and the creation of new businesses, we will work to provide new value toward realizing total healthcare.

Through these initiatives, under our corporate philosophy of “Contribute toward the improvement of people’s health and progress in society through the development of innovative products,” our Group will steadily promote Medium-Term Management Plan 2028, the first stage toward realizing the long-term vision “ASKA VISION 2035,” and while achieving both business growth and the resolution of social issues, will strive to sustainably enhance corporate value.

We ask our shareholders to continue to have confidence in the Group’s medium- to long-term growth and appreciate your continued support and cooperation.

(6) Status of assets and profit and loss for current and past three fiscal years



(In millions of yen, unless otherwise stated)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)	FY2024 (Year ended March 31, 2025)	FY2025 (Year ended March 31, 2026) (Current fiscal year)
Net sales	60,461	62,843	64,139	71,127
Ordinary profit	5,232	6,522	5,107	5,665
Profit attributable to owners of parent	4,238	7,545	5,101	5,424
Earnings per share (yen)	150.08	266.51	179.95	191.12
Total assets	87,138	90,745	104,295	112,379
Net assets	54,533	61,930	71,814	76,819

(7) Information on parent company and significant subsidiaries (as of March 31, 2026)**1) Information on parent company**

Not applicable

2) Information on significant subsidiaries

Company name	Share capital (in millions of yen)	Ratio of the Company's voting rights (%)	Main lines of business
ASKA Pharmaceutical Co., Ltd.	1,197	100.0	Manufacture and sale of pharmaceuticals and healthcare business
ASKA Pharma Medical Co., Ltd.	30	100.0	Investigation business
ASKA Animal Health Co., Ltd.	100	100.0	Manufacture, sale, and import/export of veterinary medicines, feed, feed additives, etc.
Ha Tay Pharmaceutical Joint Stock Company	905,755 million VND	40.0	Manufacture, sale, and import of medical pharmaceuticals, over-the-counter drugs, health food, etc.

Note: The status of the specified wholly owned subsidiary on the last day of the current fiscal year is as follows.

Name of the specified wholly owned subsidiary	ASKA Pharmaceutical Co., Ltd.
Address of the specified wholly owned subsidiary	5-1, Shibaura 2-chome, Minato-ku, Tokyo
Book value of shares of the specified wholly owned subsidiary of the Company	¥40,063 million
Total assets of the Company	¥52,372 million

(8) Main lines of business (as of March 31, 2026)

The Group's main lines of business are as follows:

Business segment	Lines of business
Pharmaceutical business	Manufacture and sale of pharmaceuticals and healthcare business
Animal health business	Manufacture and sale of veterinary medicines
Overseas business	Manufacture, sale, and import of medical pharmaceuticals, over-the-counter drugs, health food, etc.
Other businesses	Investigation business, and medical equipment

(9) Main offices and works (as of March 31, 2026)

The Company	Head Office	5-1, Shibaura 2-chome, Minato-ku, Tokyo
ASKA Pharmaceutical Co., Ltd.	Head Office	Minato-ku, Tokyo
	Shonan Research Center	Fujisawa City, Kanagawa Prefecture
	Iwaki Factory	Iwaki City, Fukushima Prefecture
	Sales Office	Sapporo, Tohoku (Sendai City, Miyagi Prefecture), Koriyama, Tokyo (Minato-ku, Tokyo), Yokohama, Saitama, Chiba, Kitakanto (Utsunomiya City, Tochigi Prefecture), Niigata, Matsumoto, Kanazawa, Nagoya, Shizuoka, Kyoto, Osaka, Kobe, Takamatsu, Chugoku (Hiroshima City, Hiroshima Prefecture), Fukuoka, and Kumamoto
ASKA Pharma Medical Co., Ltd.	Head Office	Fujisawa City, Kanagawa Prefecture
ASKA Animal Health Co., Ltd.	Head Office	Minato-ku, Tokyo
Ha Tay Pharmaceutical Joint Stock Company	Head Office	Hanoi, Vietnam

(10) Information on employees (as of March 31, 2026)

Information on the Corporate Group's employees

Business segment	Consolidated number of employees		Increase/decrease from the previous fiscal year-end
Pharmaceutical business	629	(120)	Decrease of 6 (Increase of 16)
Animal health business	30	(10)	Decrease of 2 (Increase of 2)
Overseas business	845	(-)	Decrease of 12 (Increase of -)
Other businesses	17	(-)	Increase of 1 (Increase of -)
Corporate (shared)	90	(20)	Decrease of 2 (Decrease of 5)
Total	1,611	(150)	Decrease of 21 (Increase of 13)

Notes: 1) The number of employees shown above denotes that of full-time employees. The annual average number of part-timers and temporary employees is shown in brackets.

2) The number of employees included in "Corporate (shared)" are employees belonging to management divisions that cannot be classified into specific businesses.

(11) Information on main lenders (as of March 31, 2026)

Lender	Outstanding borrowings
Development Bank of Japan Inc.	¥2,700 million
MUFG Bank, Ltd.	¥1,765 million

Note: Other than those above, there are syndicated loans with the total amount of 3,250 million yen.

(12) Other important information on the Corporate Group

Not applicable

2. The Company's Current Status

(1) Investor information (as of March 31, 2026)

- 1) Number of shares authorized 90,000,000 shares
- 2) Total number of shares issued 28,763,199 shares
- 3) Number of shareholders 6,709
- 4) Top 10 major shareholders

Name of shareholder	Number of shares held (thousands)	Percentage of shares held (%)
Master Trust Bank of Japan, Ltd. (Trust account)	2,670	9.40
NIPPON ACTIVE VALUE FUND PLC	2,399	8.44
Takeda Pharmaceutical Company Limited	2,204	7.76
ZERIA Pharmaceutical Co., Ltd.	1,877	6.61
STATE STREET BANK AND TRUST COMPANY 505103	1,138	4.00
MUFG Bank, Ltd.	1,100	3.87
NAVF SELECT LLC	848	2.98
NOMURAPB NOMINEES LIMITED OMNIBUS MARGIN (CASHPB)	789	2.78
Takashi Yamaguchi	707	2.49
CACEIS BANK, LUXEMBOURG BRANCH/AIF CLIENTS ASSETS	593	2.08

Note: Shareholding ratio is based on the number of shares exclusive of treasury shares (365,085 shares).

- 5) Status of shares issued to Company executives and corporate officers as consideration for performance of duties in the current fiscal year

	Number of shares	Number of people to whom shares were issued
Members of the Board of Directors (excluding Outside Directors)	14,600	5
Corporate Officers not serving concurrently as Members of the Board of Directors	1,500	1

Note: Of the shares issued to Members of the Board of Directors of the Company, the number of shares issued to the four persons serving concurrently as Members of the Board of Directors of ASKA Pharmaceutical Co., Ltd. is 13,900 shares, and the number of shares issued to the one person serving concurrently as a Member of the Board of Directors of ASKA Animal Health Co., Ltd. is 700 shares.

(2) Information on share acquisition rights, etc.

Not applicable

(3) Information on the Company's Executives**1) Information on Members of the Board of Directors and Audit & Supervisory Board Members (as of March 31, 2026)**

Position	Name	Areas of responsibility in the Company and significant concurrent position
Member of the Board of Directors, Representative Director, Chairman of the Board	Takashi Yamaguchi	Member of the Board of Directors, Representative Director, Chairman of the Board of ASKA Pharmaceutical Co., Ltd.
President, Member of the Board of Directors, Representative Director	Sohta Yamaguchi	Responsible for the Entire Group Management President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd.
Senior Managing Member of the Board of Directors, Representative Director	Atsushi Maruo	Assistant to the President, in charge of Sustainability Member of the Board of Directors, Vice Chairman of the Board of ASKA Pharmaceutical Co., Ltd.
Member of the Board of Directors, Executive Corporate Officer	Maiko Mori	Member of the Board of Directors, Executive Corporate Officer, Division Director, Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd.
Member of the Board of Directors, Executive Corporate Officer	Fumiyoshi Yamaguchi	President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd.
Member of the Board of Directors, Outside Director	Minoru Awabayashi	CEO of M&A Strategy Advisors Co., Ltd.
Member of the Board of Directors, Outside Director	Yasuji Enokido	Representative Director and President of Soen Co., Ltd. Outside Director of cars Inc. Outside Director of Farmnote Holdings, Inc. Outside Director of Daiwa House Ventures Co.,Ltd. Outside Director of EneCoat Technologies Co., Ltd.
Member of the Board of Directors, Outside Director	Kanae Karita	Professor of Faculty of Medicine, Kyorin University Auditor of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences Member of the Food Safety Standards Council, Cabinet Office Expert Member of the Food Safety Commission of Japan, Cabinet Office
Member of the Board of Directors, Outside Director	Kiyoko Kato	Professor of Faculty of Medical Sciences, Kyushu University Executive Director of Japan Society of Obstetrics and Gynecology Director of The Japan Society for Menopause and Women's Health Director of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences
Audit & Supervisory Board Member	Kunihiro Gunji	Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd.

Position	Name	Areas of responsibility in the Company and significant concurrent position
Audit & Supervisory Board Member	Kazuhiro Chiku	Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. Audit & Supervisory Board Member of ASKA Animal Health Co., Ltd. Audit & Supervisory Board Member of Ha Tay Pharmaceutical Joint Stock Company
Outside Audit & Supervisory Board Member	Takao Kimura	Audit & Supervisory Board Member of Theravalues Co., Ltd.
Outside Audit & Supervisory Board Member	Koki Yamashita	Representative of Koki Yamashita Tax Accountant Office Auditor of Kase Real Estate Utilization Promotion Foundation Auditor of Kanda Hojinkai

- Notes: 1) Koki Yamashita, Outside Audit & Supervisory Board Member, is a certified public tax accountant and has considerable knowledge of finance and accounting.
- 2) Changes in Members of the Board of Directors and Audit & Supervisory Board Members during the current fiscal year are as follows.
- (i) Outside Director Yasunori Yoshimura, Full-time Audit & Supervisory Board Member Yuichiro Fukui, and Outside Audit & Supervisory Board Member Keiko Fukuchi retired upon expiration of their terms of office at the conclusion of the 4th Ordinary General Meeting of Shareholders held on June 24, 2025.
- (ii) Outside Director Kiyoko Kato, Audit & Supervisory Board Member Kazuhiro Chiku, and Outside Audit & Supervisory Board Member Koki Yamashita were elected and assumed office at the 4th Ordinary General Meeting of Shareholders held on June 24, 2025.
- 3) The Company reported the designations of all of its Outside Directors and Outside Audit & Supervisory Board Members as independent officers under the provisions of Tokyo Stock Exchange, Inc.

2) Overview of limited liability agreement

The Company has entered into an agreement with each of its Outside Directors and Audit & Supervisory Board Members, which limits their liability for damages stipulated in Article 423, paragraph (1) of the Companies Act up to the minimum liability amount stipulated in Article 425, paragraph (1) of the Act.

3) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Damages borne by insured persons in the performance of their duties, or expenses arising from disputes by legal action, are covered by this insurance policy.

The persons insured by the insurance policy are Members of the Board of Directors, Audit & Supervisory Board Members, and Corporate Officers of the Company and the Company's domestic subsidiaries (including employees seconded to overseas subsidiaries), and the insurance premiums for all insured persons are borne by the Company and the Company's subsidiaries.

4) Remuneration, etc. for Members of the Board of Directors and Audit & Supervisory Board Members

a) Policies on determining remuneration, etc. of directors

The Company made a resolution on the determination policy regarding remuneration, etc. for individual Members of the Board of Directors at the Board of Directors meeting held on May 17, 2021.

In addition, the Board of Directors has confirmed that the determination method for remuneration, etc. and the determined remuneration, etc. regarding remuneration, etc. for individual Members of the Board of Directors for the current fiscal year conforms with the determination policy resolved by the Board of Directors and that the findings of the Group's Remuneration Committee have been respected. They have judged that these are in accordance with the determination policy.

Policy and Procedure on Member of the Board of Directors Remuneration

- (1) The Group's Remuneration Committee deliberates on the remuneration for Members of the Board of Directors of the Company after ensuring transparency, fairness and objectivity. Design of the remuneration system and the specific amount of remuneration are determined by the Board of Directors.
- (2) Remuneration for Members of the Board of Directors excluding Outside Directors shall be designed to contribute to continued increase in the corporate value. Specifically, it shall consist of base salary as well as performance-based bonus serving as short-term incentive and stock compensation system serving as medium- to long-term incentive.
- (3) In order to ensure fully functional supervision of the management, remuneration for Members of the Board of Directors, Outside Directors shall consist of base salary only, without short-term or medium- to long-term incentive.

<Policy on determining monetary remuneration not linked to performance indicator>

[Base salary]

Basic remuneration for Members of the Board of Directors shall be an annual base salary. Its amount shall be determined based on their position (rank), responsibilities and period of service. It shall be paid on a monthly basis.

<Policy on determining performance-based remuneration, etc.>

[Performance-based bonus]

Performance-based bonus for Members of the Board of Directors excluding Outside Directors shall be paid at a certain time each year. The amount of bonus to be paid to Members of the Board of Directors with special titles shall be determined by multiplying the annual base salary by a bonus calculation coefficient defined for each position (rank) and a payment coefficient based on the Company's business performance (operating profit, etc.) for the previous fiscal year.

For Members of the Board of Directors who also serve as employees of the Company, incentives shall be provided by including the performance-based bonus into the bonuses provided to them as employees.

<Policy on determining non-monetary remuneration>

[Restricted stock compensation]

For purpose of providing incentives to sustainably increase the Company's corporate value, as well as for purpose of further promoting shared value between the shareholders and Members of the Board of Directors, restricted stock shall be granted at a certain time each year within the scope of the maximum amount and maximum number of shares approved at General Meeting of Shareholders. The number of shares of restricted stock to be granted to individual Members of the Board of Directors shall be determined in consideration of their position (rank), responsibilities, period of service and other factors.

<Policy on determining the proportion of each type of remuneration, etc.>

Based on an idea that it is important to work on management from medium- to long-term perspective, the proportion of base salary, performance-based bonus and restricted stock compensation shall be configured with emphasis on the level and stability of basic remuneration (base salary) with additional consideration on improvement in single-year business performance and the pursuit of shareholder interests.

The proportion of each type of remuneration for Members of the Board of Directors excluding Outside Directors is not fixed because the amount of remuneration is determined according to the business performance in each fiscal year. However, the proportion of base salary, performance-based bonus and restricted stock compensation fits roughly in the following scope:

Base salary: performance-based bonus: restricted stock compensation = 55-70%: 15-30%: 10-15%

<How to determine the specifics of remuneration, etc. for individual Members of the Board of Directors>

The specific amount of remuneration for each Member of the Board of Directors shall be determined by the Board of Directors within the maximum amount of remuneration, etc. approved at the General Meeting of Shareholders, based on the report from the Group's Remuneration Committee, an advisory committee a majority of which consists of Outside Officers, etc.

b) Total amount of remuneration, etc. for the current fiscal year.

Classification	Total amount of remuneration, etc. (In millions of yen)	Total amount by type of remuneration, etc. (In millions of yen)			Number of target Officers (person)
		Base salary	Performance-based bonus	Restricted stock compensation	
Members of the Board of Directors (Outside Directors)	40 (40)	40 (40)	– (–)	– (–)	5 (5)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	50 (13)	50 (13)	– (–)	– (–)	6 (3)
Total (Outside Officers)	90 (53)	90 (53)	– (–)	– (–)	11 (8)

- Notes: 1) The amount of remuneration or the like for Members of the Board of Directors does not include the portion of employee's salary for Members of the Board of Directors who also serve as employees of the Company.
- 2) The number of target Officers records the number of Officers paid remuneration by the Company. In addition to the above, the total amount of remuneration received from subsidiaries (ASKA Pharmaceutical Co., Ltd. and ASKA Animal Health Co., Ltd.) by five Members of the Board of Directors of the Company is 266 million yen which is a total of base salary, performance-based bonus, and restricted stock compensation.
- 3) The performance index for performance-based remuneration, etc. consists of financial indexes, namely operating profit, net sales and ROE, as well as non-financial indexes, namely CO₂ emission reduction rate, the ratio of female managers, and the rate of paternity leave taken by male employees. Those results are operating profit of 5,834 million yen, net sales of 71,127 million yen, and ROE of 8.0%. The reason the index was chosen is that it is important as an indicator of achievement of management goals; therefore, it was determined to be an appropriate index for performance-based remuneration. In addition, the calculation method for performance-based remuneration is as described in "a) Policies on determining remuneration, etc. of directors."
- 4) Non-monetary remuneration, etc. is Company shares, and the requirements when these are allocated are as described in "a) Policies on determining remuneration, etc. of directors." In addition, issuance for the current fiscal year is as described in "2. The Company's Current Status (1) Investor information 5) Status of shares issued to Company executives and corporate officers as consideration for performance of duties in the current fiscal year."
- 5) Based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the upper limit on remuneration for Members of the Board of Directors was set at 500 million yen per year (including 70 million yen for Outside Directors and excluding the portion of employee's salary for Members of the Board of Directors who also serve as employees of the Company). The number of Members of the Board of Directors at the end of the Extraordinary General Meeting of Shareholders was 6 (including 3 Outside Directors). Separately from this remuneration, the upper limit on restricted stock compensation was set at 100 million yen per year based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021. The number of Members of the Board of Directors at the end of the Extraordinary General Meeting of Shareholders was 3 (excluding Outside Directors).
- 6) Based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the upper limit on remuneration for Audit & Supervisory Board Members was set at 150 million yen per year. The number of Audit & Supervisory Board Members at the end of the Extraordinary General Meeting of Shareholders was 4.

5) Information relating to Outside Officers

a) Significant concurrent positions and their relationships with the Company

Classification	Name	Concurrent position
Outside Director	Minoru Awabayashi	CEO of M&A Strategy Advisors Co., Ltd.
	Yasuji Enokido	Representative Director and President of Soen Co., Ltd. Outside Director of cars Inc. Outside Director of Farmnote Holdings, Inc. Outside Director of Daiwa House Ventures Co.,Ltd. Outside Director of EneCoat Technologies Co., Ltd.
	Kanae Karita	Professor of Faculty of Medicine, Kyorin University Auditor of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences Member of the Food Safety Standards Council, Cabinet Office Expert Member of the Food Safety Commission of Japan, Cabinet Office
	Kiyoko Kato	Professor of Faculty of Medical Sciences, Kyushu University Managing Director of Japan Society of Obstetrics and Gynecology Director of The Japan Society for Menopause and Women's Health Director of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences
Outside Audit & Supervisory Board Member	Takao Kimura	Audit & Supervisory Board Member of Theravalues Co., Ltd.
	Koki Yamashita	Representative of Koki Yamashita Tax Accountant Office Auditor of Kase Real Estate Utilization Promotion Foundation Auditor of Kanda Hojinkai

Note: There is no significant transactions or other relationships between each of the concurrent positions and the Company.

b) Main activities during the current fiscal year

Classification	Name	Attendance to:		Overview of remarks and duties conducted regarding the role expected of Outside Director
		Board of Directors meeting	Audit & Supervisory Board meeting	
Outside Director	Minoru Awabayashi	14 out of 15 (93.3%)	–	He gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from an objective, unbiased, and wide-ranging perspective with his extensive experience of business management.
	Yasuji Enokido	15 out of 15 (100%)	–	He gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from an objective, unbiased, and wide-ranging perspective with his extensive experience of business management.
	Kanae Karita	15 out of 15 (100%)	–	She gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from a professional and independent standpoint as a medical scientist.
	Kiyoko Kato	10 out of 11 (90.9%)	–	She gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from a professional and independent standpoint as a medical scientist.
Outside Audit & Supervisory Board Member	Takao Kimura	15 out of 15 (100%)	17 out of 17 (100%)	He made remarks to ensure the appropriateness of the Board of Directors' decision-making from a perspective based on his extensive experience as an executive officer responsible for pharmaceutical business development. He also discussed important matters on audits as needed and made necessary remarks in Audit & Supervisory Board meetings.
	Koki Yamashita	11 out of 11 (100%)	12 out of 12 (100%)	He made remarks to ensure the appropriateness of the Board of Directors' decision-making from a perspective based on his specialized knowledge as a tax accountant. He also discussed important matters on audits as needed and made necessary remarks in Audit & Supervisory Board meetings.

- Notes: 1) Other than the above Board of Directors meetings held, there were four written resolutions that are deemed to be Board of Directors resolutions under the provisions of Article 370 of the Companies Act and Article 25 of the Articles of Incorporation.
- 2) The attendance of Kiyoko Kato and Koki Yamashita covers only the Board of Directors and Audit & Supervisory Board meetings held since their appointment on June 24, 2025.

(4) Status of Accounting Auditor

1) Name of accounting auditor: Seiyo Audit Corporation

2) Amount of remuneration paid or payable to the Accounting Auditor

	Amount (in millions of yen)
Remuneration payable to the Accounting Auditor for the current fiscal year	27
Total amount of money or other property benefits payable to the Accounting Auditor by the Company and its subsidiaries	49

- Notes:
- 1) The Audit Contract between the Company and the Accounting Auditor does not separate and cannot practically separate the remuneration for audit under the Companies Act from the remuneration for audit under the Financial Instruments and Exchange Act. Accordingly, the amount of remuneration payable to the Accounting Auditor for the current fiscal year above represents the total amount of these remunerations.
 - 2) The Audit & Supervisory Board has given an accord as to remuneration payable to the Accounting Auditor, as set forth in Article 399, paragraph (1) of the Companies Act, as a result of the review of the contents of the audit plan of the Accounting Auditor, the performance of its duties in prior fiscal years, and the basis for estimation of the remunerations, through acquisition of necessary materials and hearings from Members of the Board of Directors, related divisions/departments in the Company and the Accounting Auditor.
 - 3) Among the Company's significant subsidiaries, Ha Tay Pharmaceutical Joint Stock Company has been audited (limited to audits in accordance with the provisions of the Companies Act or the Financial Instruments and Exchange Act (including the laws and regulations of foreign countries corresponding to said Acts)) by a certified public accountant or an audit corporation (including those with qualifications equivalent to such qualifications in foreign countries) other than the Company's Accounting Auditor.
 - 4) In addition to the above, the amount of remuneration payable to the Accounting Auditor for the current fiscal year includes 4 million yen as an amount of additional remuneration related to the previous fiscal year.

3) Non-audit services

Not applicable

4) Policy for determining the dismissal or non-reappointment of the accounting auditor

Apart from the dismissal of the Accounting Auditor by the Audit & Supervisory Board for reasons of a circumstance falling under any of the items of Article 340 of the Companies Act, if it is deemed basically difficult for the Accounting Auditor to properly perform their duties, a proposal for the dismissal or non-reappointment of the Accounting Auditor shall be submitted to a General Meeting of Shareholders, upon such decision of the Audit & Supervisory Board.

5) Summary of contents of liability limitation agreements

Not applicable

(5) Basic Policy on Control over the Company

The Company has implemented the following basic policy that governs who will control decision-making over its financial and business policies.

The Company believes that a change of management control is an effective means of revitalizing corporate activities and economy, and the Company believes that when a large-scale purchase of ASKA Pharmaceutical Holdings Co., Ltd. shares, etc. is commenced, the shareholders of ASKA Pharmaceutical Holdings Co., Ltd. should, in principle, make decisions as to whether or not the large-scale purchase is acceptable. However, among a large-scale purchase of the Company shares, etc. or a proposal related to thereto, we also anticipate situations that could potentially impair the Company's corporate value and the common interests of our shareholders, or that could effectively force shareholders to sell their shares. Accordingly, from the perspective of safeguarding and improving our corporate value and shareholder interests, the Company will swiftly implement appropriate measures in each situation within the scope of the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and ordinances. This will include requiring any entity seeking a large-scale purchase of ASKA Pharmaceutical Holdings Co., Ltd. shares, etc. to provide shareholders with sufficient information necessary to appropriately determine whether the purchase is advisable as well as disclosing the opinions, etc. of the Board of Directors, including those of impartial Outside Officers, and securing sufficient time and information to enable shareholders to review all relevant matters.

Note: The amounts and the number of shares described in this Business Report are rounded down to the nearest whole unit, while percentages are rounded off. The shareholding ratios of major shareholders are rounded down to the second decimal place.

Consolidated Financial Statements

Consolidated Balance Sheet

As of March 31, 2026

(Unit: In millions of yen)

Account title	Amount	Account title	Amount
Assets		Liabilities	
Current assets:	61,424	Current liabilities:	22,291
Cash and deposits	10,126	Accounts payable - trade	5,288
Accounts receivable - trade	16,022	Electronically recorded obligations - operating	2,270
Securities	893	Short-term borrowings	1,707
Merchandise and finished goods	14,743	Current portion of long-term borrowings	1,562
Work in process	416	Accounts payable - other	6,446
Raw materials and supplies	14,022	Income taxes payable	1,574
Other	5,265	Provision for bonuses	1,250
Allowance for doubtful accounts	(67)	Provision for bonuses for directors	66
Non-current assets:	50,955	Other	2,124
Property, plant and equipment	19,244	Non-current liabilities:	13,268
Buildings and structures	5,676	Long-term borrowings	8,165
Machinery, equipment and vehicles	2,428	Retirement benefit liability	23
Land	4,186	Other	5,080
Other	6,953	Total liabilities	35,559
Intangible assets	8,869	Net assets	
Goodwill	2,354	Shareholders' equity:	63,923
Distribution rights	1,578	Share capital	1,197
Other	4,936	Capital surplus	31
Investments and other assets:	22,841	Retained earnings	63,352
Investment securities	17,299	Treasury shares	(658)
Deferred tax assets	2,085	Accumulated other comprehensive income	6,437
Retirement benefit asset	647	Valuation difference on available-for-sale securities	5,646
Other	2,827	Foreign currency translation adjustment	(292)
Allowance for doubtful accounts	(17)	Remeasurements of defined benefit plans	1,083
		Non-controlling interests	6,459
		Total net assets	76,819
Total assets	112,379	Total liabilities and net assets	112,379

(Note) Amounts less than one million yen have been rounded down.

Consolidated Statement of Income
(From April 1, 2025 to March 31, 2026)

(Unit: In millions of yen)

Account title	Amount	
Net sales		71,127
Cost of sales		36,982
Gross profit		34,145
Selling, general and administrative expenses		28,311
Operating profit		5,834
Non-operating income:		
Interest and dividend income	391	
Other	348	740
Non-operating expenses:		
Interest expenses	222	
Foreign exchange losses	161	
Share of loss of entities accounted for using equity method	293	
Other	231	908
Ordinary profit		5,665
Extraordinary income:		
Gain on sale of investment securities	1,474	
Other	96	1,570
Extraordinary losses:		
Loss on valuation of investment securities	244	244
Profit before income taxes		6,991
Income taxes - current	1,887	
Income taxes - deferred	(521)	1,366
Profit		5,625
Profit attributable to non-controlling interests		200
Profit attributable to owners of parent		5,424

(Note) Amounts less than one million yen have been rounded down.

Consolidated Statement of Changes in Equity
(From April 1, 2025 to March 31, 2026)

(Unit: In millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,197	–	59,545	(704)	60,039	4,853	–	417	5,271	6,504	71,814
Changes during period											
Dividends of surplus			(1,617)		(1,617)						(1,617)
Profit attributable to owners of parent			5,424		5,424						5,424
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		31		46	77						77
Net changes in items other than shareholders' equity						792	(292)	665	1,165	(44)	1,121
Total changes during period	–	31	3,807	45	3,883	792	(292)	665	1,165	(44)	5,004
Balance at end of current period	1,197	31	63,352	(658)	63,923	5,646	(292)	1,083	6,437	6,459	76,819

(Note) Amounts less than one million yen have been rounded down.

Non-consolidated Financial Statements

Balance Sheet As of March 31, 2026

(Unit: In millions of yen)

Account title	Amount	Account title	Amount
Assets		Liabilities	
Current assets:	8,031	Current liabilities:	978
Cash and deposits	4,075	Short-term borrowings	300
Other	3,956	Current portion of long-term borrowings	300
Non-current assets:	44,341	Accounts payable - other	113
Intangible assets	0	Income taxes payable	38
Investments and other assets:	44,340	Provision for bonuses	149
Investment securities	55	Other	76
Shares of subsidiaries and associates	44,222	Non-current liabilities:	5,900
Deferred tax assets	63	Long-term borrowings	5,900
		Total liabilities	6,878
		Net assets	
		Shareholders' equity:	45,493
		Share capital	1,197
		Capital surplus:	39,596
		Legal capital surplus	844
		Other capital surplus	38,751
		Retained earnings:	5,213
		Other retained earnings	5,213
		Retained earnings brought forward	5,213
		Treasury shares	(514)
		Total net assets	45,493
Total assets	52,372	Total liabilities and net assets	52,372

(Note) Amounts less than one million yen have been rounded down.

Statement of Income
(From April 1, 2025 to March 31, 2026)

(Unit: In millions of yen)

Account title	Amount	
Operating revenue		4,436
Operating expenses		1,726
Operating profit		2,709
Non-operating income:		
Interest and dividend income	81	
Other	5	86
Non-operating expenses:		
Interest expenses	103	
Commitment fees	2	
Foreign exchange losses	5	
Other	20	131
Ordinary profit		2,664
Extraordinary losses:		
Loss on valuation of investment securities	244	244
Profit before income taxes		2,419
Income taxes - current	41	
Income taxes - deferred	(5)	35
Profit		2,384

(Note) Amounts less than one million yen have been rounded down.

Statement of Changes in Equity
(From April 1, 2025 to March 31, 2026)

(Unit: In millions of yen)

	Shareholders' equity:					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance at beginning of current period	1,197	844	38,720	39,565	4,447	4,447
Changes during period						
Dividends of surplus					(1,617)	(1,617)
Profit					2,384	2,384
Purchase of treasury shares						
Disposal of treasury shares			31	31		
Total changes during period	–	–	31	31	766	766
Balance at end of current period	1,197	844	38,751	39,596	5,213	5,213

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of current period	(559)	44,650	44,650
Changes during period			
Dividends of surplus		(1,617)	(1,617)
Profit		2,384	2,384
Purchase of treasury shares	(0)	(0)	(0)
Disposal of treasury shares	46	77	77
Total changes during period	45	843	843
Balance at end of current period	(514)	45,493	45,493

(Note) Amounts less than one million yen have been rounded down.

Auditor's Report

Accounting Auditor's Report on Consolidated Financial Statements

English Translation

INDEPENDENT AUDITOR'S REPORT

May 22, 2026

To the Board of Directors of
ASKA Pharmaceutical Holdings Co., Ltd.

Seiyo Audit Corporation
Minato-ku, Tokyo
Designated and Engagement Partner
Certified Public Accountant: Takuro Mitsunari
Designated and Engagement Partner
Certified Public Accountant: Takanori Ozeki
Designated and Engagement Partner
Certified Public Accountant: Kenichiro Makita

Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements of ASKA Pharmaceutical Holdings Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2025 to March 31, 2026, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the corporate group as of March 31, 2026 and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the code of professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Written Matter

Other written matter is Business Reports and supplementary schedules. Creating and disclosing other written matter is the responsibility of management. In addition, it is the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board to supervise the execution of duties of the Members of the Board of Directors in the establishment and application of the reporting process for other written matter.

Other written matter is not included in the subject of our opinion on consolidated financial statements, and we cannot express an opinion on other written matter.

Our responsibility in the audit of consolidated financial statements is to read other written matter and, in the process of reading other written matter, consider whether there are major discrepancies between other written matter and consolidated financial statements or the knowledge gained in the process of our audit. Additionally, it is our responsibility to pay attention to whether there are signs of major errors in other written matter, besides these major discrepancies.

If, based on the work we have conducted, we determine that there are major errors in other written matter, we are required to report that fact.

We have no items to report regarding other written matter.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Members of the Board of Directors' execution of the duties relating to the design and operation effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance based on our audit about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. Also, we design and perform audit procedures responsive to those risks. The procedures selected and applied depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters required by the auditing standards, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them matters that may reasonably be thought to bear on our independence and, if measures for removing impediments have been taken or if safeguards have been applied for mitigating impediments to the extent acceptable, the contents of such measures or safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Accounting Auditor's Report on Non-consolidated Financial Statements

English Translation

INDEPENDENT AUDITOR'S REPORT

May 22, 2026

To the Board of Directors of
ASKA Pharmaceutical Holdings Co., Ltd.

Seiyo Audit Corporation
Minato-ku, Tokyo
Designated and Engagement Partner
Certified Public Accountant: Takuro Mitsunari
Designated and Engagement Partner
Certified Public Accountant: Takanori Ozeki
Designated and Engagement Partner
Certified Public Accountant: Kenichiro Makita

Opinion

Pursuant to Article 436, paragraph (2), item (1) of the Companies Act, we have audited the non-consolidated financial statements of ASKA Pharmaceutical Holdings Co., Ltd. (the "Company"), namely the non-consolidated balance sheet as of March 31, 2026, the non-consolidated statement of income, and the non-consolidated statement of changes in equity for the 5th fiscal year from April 1, 2025 to March 31, 2026, and the related notes, and the supplementary schedules.

In our opinion, the accompanying non-consolidated financial statements, present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements," section of our report. We are independent of the Company in accordance with the provision of the code of professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Written Matter

Other written matter is Business Reports and supplementary schedules. Creating and disclosing other written matter is the responsibility of management. In addition, it is the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board to supervise the execution of duties of the Members of the Board of Directors in the establishment and application of the reporting process for other written matter.

Other written matter is not included in the subject of our opinion on non-consolidated financial statements, and we cannot express an opinion on other written matter.

Our responsibility in the audit of non-consolidated financial statements is to read other written matter and, in the process of reading other written matter, consider whether there are major discrepancies between other written matter and non-consolidated financial statements or the knowledge gained in the process of our audit. Additionally, it is our responsibility to pay attention to whether there are signs of major errors in other written matter, besides these major discrepancies.

If, based on the work we have conducted, we determine that there are major errors in other written matter, we are required to report that fact.

We have no items to report regarding other written matter.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management

determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Members of the Board of Directors' execution of the duties relating to the design and operation effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance based on our audit about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. Also, we design and perform audit procedures responsive to those risks. The procedures selected and applied depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters required by the auditing standards, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them matters that may reasonably be thought to bear on our independence and, if measures for removing impediments have been taken or if safeguards have been applied for mitigating impediments to the extent acceptable, the contents of such measures or safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

English Translation

AUDIT REPORT

The Audit & Supervisory Board has prepared this report after deliberations on the members of the board of directors' performance of their duties during the 5th fiscal year from April 1, 2025 to March 31, 2026 based on audit reports prepared by each member of the Audit & Supervisory Board, and hereby reports as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established the audit policy and distribution of duties, and received reports from each Audit & Supervisory Board Member on their progress of audit and audit results. In addition, it received reports on the members of the board of directors' performance of their duties from the directors and the Accounting Auditor and sought clarification when necessary.
- (2) In accordance with the audit policy and the distribution of duties, each Audit & Supervisory Board Member endeavored to effectively communicate with the members of the board of directors, the internal audit division, and other employees to collect information and create a favorable environment for audit while following audit standards established by the Audit & Supervisory Board. In addition, each Audit & Supervisory Board Member conducted audit by adopting the following methods:

- 1) Each Audit & Supervisory Board Member attended the Board of Directors meetings and other important meetings, received reports on the members of the board of directors' performance of their duties from the members of the board of directors and other employees and sought clarification when necessary, examined important documents supporting decisions, and inspected the status of business operations and assets at the head office and other major business locations.

In addition, each Audit & Supervisory Board Member endeavored to effectively communicate with the members of the board of directors and Audit & Supervisory Board Members of the subsidiaries, exchanged information with them, and received reports on their business operations as necessary.

- 2) Each Audit & Supervisory Board Member regularly received reports from the members of the board of directors and other employees and sought clarification when necessary on the establishment and operation of the internal control system, which was designed and established based on the Board of Directors resolutions in accordance with Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act as essential to ensure that the members of the board of directors fulfil their duties described in the business report in compliance with laws and regulations and the Company's Articles of Incorporation and to secure proper business operations of the corporate group, consisting of the Company and its subsidiaries.

For internal control associated with the Company's financial reporting, each Audit & Supervisory Board Member received reports from the members of the board of directors and Seiyo Audit Corporation on the evaluation of the relevant internal control as well as the status of the accounting audit and sought clarification when necessary.

- 3) Each Audit & Supervisory Board Member watched and verified whether the Accounting Auditor maintained its independence and properly performed audit. Each Audit & Supervisory Board Member also received reports from the Accounting Auditor on the status of its audit and sought clarification when necessary. Moreover, each Audit & Supervisory Board Member received notification from the Accounting Auditor that it has established a framework to ensure proper fulfilment of its duties, as prescribed in those items in Article 131 of the Regulation on Corporate Accounting, in accordance with the Quality Control Standards for Audit, introduced by the Business Accounting Council; each Audit & Supervisory Board Member sought clarification when necessary.

Based on the above methods, the Audit & Supervisory Board has examined the Business Reports on the relevant fiscal year and the supplementary schedules, the non-consolidated financial statements (the balance sheet, statement of income, statement of changes in equity and related notes) and the related supplementary schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and related notes).

2. Results of Audit

(1) Results of Audit of Business Report and Other Documents

- 1) We acknowledge that the business report and the supplementary schedules properly present the status of the Company in accordance with the applicable laws and regulations and the Company's Articles of Incorporation.
- 2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Company's Articles of Incorporation was found with respect to the members of the board of directors' performance of their duties.
- 3) We acknowledge that the contents of the Board of Directors' resolutions concerning the internal control system are adequate. We did not discover any matter to be pointed out with respect to the members of the board of directors' performance of their duties and the contents of the business report that are associated with the internal control system including financial reporting-related internal control.

(2) Results of Audit of Non-consolidated Financial Statements and other Supplementary Schedules

We acknowledge that the methods and results of audit conducted by the Accounting Auditor, Seiyo Audit Corporation, are adequate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit conducted by the Accounting Auditor, Seiyo Audit Corporation, are adequate.

3. Subsequent event

No significant subsequent events were identified.

May 25, 2026

ASKA Pharmaceutical Holdings Co., Ltd.,
Audit & Supervisory Board

Audit & Supervisory Board Member	Kunihiro Gunji (Seal)
Audit & Supervisory Board Member	Kazuhiro Chiku (Seal)
Outside Audit & Supervisory Board Member	Takao Kimura (Seal)
Outside Audit & Supervisory Board Member	Koki Yamashita (Seal)

Note: The audit report is not an audit of the English translation of the convocation notice itself; it is an English translation of the entire audit report produced by auditing the convocation notice prepared in Japanese.