Securities Code: 4887
June 9, 2025

To Our Shareholders:

Mitsuo Sawai
Chairman, President and Representative Director
SAWAI GROUP HOLDINGS Co., Ltd.
5-2-30 Miyahara, Yodogawa-ku, Osaka

Notice of the 4th Annual General Meeting of Shareholders

The Company's 4th Annual General Meeting of Shareholders (the "Annual Meeting") will be held as described below.

In convening the Annual Meeting, the Company has taken measures to provide information in electronic format (the "electronic provision measures") and posts the matters subject to the electronic provision measures as "Notice of the 4th Annual General Meeting of Shareholders" online. Please access either of the following websites to review the information.

[The Company's website]

https://global.sawaigroup.holdings/ir/stock/meeting

[The website for Annual Meeting information materials]

https://d.sokai.jp/4887/teiji/

[Tokyo Stock Exchange website (Listed Company Search)]

Please enter and search our company name or securities code (4887), and then select "Basic information" and "Documents for public inspection/PR information."

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

If you are unable to attend the Annual Meeting, you are kindly requested to exercise your voting rights via the Internet or by mail after reviewing the "Reference Documents for the Annual General Meeting of Shareholders" in the matters subject to the electronic provision measures. For this purpose, we kindly request you to exercise your voting rights no later than 5:20 p.m., Tuesday, June 24, 2025 (Japan time).

Sincerely yours,

1. Date: June 25 (Wednesday), 2025, at 10 a.m. (Japan time) (reception begins at 9:00 a.m.)

2. Venue: 10th Floor Hall, Head Office
SAWAI GROUP HOLDINGS Co., Ltd.
5-2-30 Miyahara, Yodogawa-ku, Osaka

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2024 to March 31, 2025) as well as the report of the results of audits by the Accounting Auditor and Audit & Supervisory Board on such Consolidated Financial Statements.
2. Non-Consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2024 to March 31, 2025)

Items to be resolved:

Agenda No. 1:	Appropriation of Surplus
Agenda No. 2:	Partial Amendments to the Articles of Incorporation
Agenda No. 3:	Appointment of five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)
Agenda No. 4:	Appointment of three (3) Directors who are Audit & Supervisory Committee Members
Agenda No. 5:	Appointment of one (1) substitute Director who is an Audit & Supervisory Committee Member
Agenda No. 6:	Determination of the amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members)
Agenda No. 7:	Determination of the amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members
Agenda No. 8:	Determination of compensation for allocating restricted stock and performance-linked restricted stock to Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors)

- If revisions are made to the matters subject to the electronic provision measures, the fact of revisions will be posted with the original and revised versions of the matters on the aforementioned websites.
- The Act Partially Amending the Companies Act effective on September 1, 2022, initiated the system for electronic provision measures of documents for general meetings of shareholders. Based on the system, companies shall post the documents for general meetings of shareholders on the websites so that their shareholders can review them online. The system provides an exception that allows the documents to be sent only to those shareholders who have made a request by or on the record date of the general meeting of shareholders in a prescribed manner.
- For the purpose of the 4th Annual General Meetings of Shareholders, the matters subject to the electronic provision measures are sent to every shareholder with voting rights, regardless of whether the delivery of the materials was requested or not. Of the matters subject to the electronic provision measures, the following are not included in the sent documents in accordance with relevant laws and regulations and the provisions of Article 15 of the Company's Articles of Incorporation.
  (1) Business report: Current Status of the Business (7) Main Business (8) Major Business Offices (9) Employees (10) Principal Lenders; Status of Shares; Stock Acquisition Rights of the Company, etc.; Officers (4) External Executives and (5) Outline of Directors and Officers Liability Insurance; Independent Auditors; Systems for Ensuring the Properness of Operations and Overview of Management of Such System; Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies
  (2) Consolidated Financial Statements: Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Changes in Equity, Selected Notes to Consolidated Financial Statements
  (3) Non-consolidated Financial Statements: Non-Consolidated Statements of Financial Position, Non-Consolidated Statements of Income, Non-Consolidated Statements of Changes in Equity, Selected Notes to Non-Consolidated Financial Statements
  (4) Auditor's Report: Independent Auditor's Audit Report on Consolidated Financial Statements, Independent Auditor's Report, Audit Report by Audit & Supervisory Board

  Documents subject to auditing, including the above items, have been audited by the Corporate Auditors and the Accounting Auditor.

Reference Documents for the Annual General Meeting of Shareholders

Meeting Agenda and Notes:

Agenda No. 1: Appropriation of Surplus

Recognizing the proactive return of profits to shareholders to be a significant managerial issue, the Company continues to aim at realizing a stable return of dividends.

Accordingly, the Company proposes a year-end dividend of 27 yen per share.

Year-end dividend

(1) Type of asset distributed as dividend

Cash

(2) Allocation of asset distributed as dividend and total amount of dividend

Dividend per common share of the Company: 27 yen

The total amount of dividend: 3,117,185,478 yen

(3) Effective date on which dividend is to be disbursed

June 26, 2025

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

1. Reasons for the Proposal

   In order to strengthen corporate governance functions, further reinforce responsiveness to accelerating change in the external environment, and carry out further development, the Company proposes to transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee.

   The proposal is being made to newly establish regulations related to Directors who are Audit & Supervisory Committee Members and to Audit & Supervisory Committee, to delete or otherwise amend regulations related to Audit & Supervisory Board Members and Audit & Supervisory Board, and to make other necessary amendments, including deleting the original terms in association with the amendments, which are necessary to transition to a company with an Audit & Supervisory Committee.

2. Details of the Amendments

   The details of the amendments are as follows.

   The amendments to the Articles of Incorporation in this Agenda item are to go into effect at the conclusion of the Annual Meeting.

(The underlined text indicates amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1. General Provisions	Chapter 1. General Provisions
Article 4. (Establishment of Body)	Article 4. (Establishment of Body)
The Company shall establish the following body in addition to the General Meeting of Shareholders and Directors	The Company shall establish the following body in addition to the General Meeting of Shareholders and Directors
(1) Board of Directors	(1) Board of Directors
(2) Audit & Supervisory Board Members	(Deleted)
(3) Audit & Supervisory Board	(2) Audit & Supervisory Committee
(4) Accounting Auditor	(3) Accounting Auditor
Chapter 4. Directors and the Board of Directors	Chapter 4. Directors and the Board of Directors
Article 18. (Number of Members)	Article 18. (Number of Members)
The Company shall have no more than twelve (12) Directors.	The Company shall have no more than twelve (12) Directors.
(Newly established)	2. Of the Directors indicated in the preceding paragraph the Company shall have no more than five (5) Directors who are Audit & Supervisory Committee Members.

Current Articles of Incorporation	Proposed Amendments
Article 19. (Appointment Method) Directors shall be appointed at the General Meeting of Shareholders.	Article 19. (Appointment Method) Directors shall be appointed at a General Meeting of Shareholders while distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.
2. (Text omitted)	2. (As currently written)
3. (Text omitted)	3. (As currently written)
(Newly established)	4. The effectiveness of the appointment of substitute Directors who are Audit & Supervisory Committee Members shall be until the start of the Annual General Meeting of Shareholders in the final fiscal year among fiscal years ending within two (2) years of their appointment.
Article 20. (Term of office) The term of office of Directors shall be until the conclusion of the Annual General Meeting of Shareholders in the final fiscal year among fiscal years ending within one (1) year of their appointment.	Article 20. (Term of office) The term of office of Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be until the conclusion of the Annual General Meeting of Shareholders in the final fiscal year among fiscal years ending within one (1) year of their appointment.
(Newly established)	2. The term of office of Directors who are Audit & Supervisory Committee Members shall be until the conclusion of the Annual General Meeting of Shareholders in the final fiscal year among fiscal years ending within two (2) years of their appointment.
(Newly established)	3. The term of office of Directors who are Audit & Supervisory Committee Members appointed as substitutes for Directors who are Audit & Supervisory Committee Members who leave office before the expiration of their term shall be until the term expires of the Directors who are Audit & Supervisory Committee Members who left office.

Current Articles of Incorporation	Proposed Amendments
Article 21. (Representative Director and Directors with Executive Duties) The Board of Directors shall select a Representative Director by resolution.	Article 21. (Representative Director and Directors with Executive Duties) The Board of Directors shall select, by resolution, a Representative Director from among Directors (excluding Directors who are Audit & Supervisory Committee Members).
2. The Board of Directors shall stipulate, by resolution, one (1) Chairman and one (1) President from among the Directors, and may stipulate a small number of Deputy Chairmen, Vice-Presidents, Senior Managing Directors, and Managing Directors as necessary.	2. The Board of Directors shall stipulate, by resolution, one (1) Chairman and one (1) President from among the Directors (excluding Directors who are Audit & Supervisory Committee Members), and may stipulate a small number of Deputy Chairmen, Vice-Presidents, Senior Managing Directors, and Managing Directors as necessary.
Article 23. (Convocation Notice for the Board of Directors Meeting) The convocation notice for the Board of Directors meetings shall be issued to each Director and Audit & Supervisory Board Member no later than two (2) days in advance. However, if urgency is required, this period may be shortened.	Article 23. (Convocation Notice for the Board of Directors Meeting) The convocation notice for the Board of Directors meetings shall be issued to each Director no later than two (2) days in advance. However, if urgency is required, this period may be shortened.
2. If there is the agreement of all Directors and Audit & Supervisory Board Members, Board of Directors meetings may be held without following convocation procedures.	2. If there is the agreement of all Directors, Board of Directors meetings may be held without following convocation procedures.
(Newly established)	Article 25. (Delegation of Decisions on Important Business Execution) In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, decisions on important business execution (excluding items listed in Paragraph 5 of the same article) may be delegated in all or part to Directors by resolution of the Board of Directors.
Article 25. (Text omitted)	Article 26. (As currently written)

Current Articles of Incorporation	Proposed Amendments
Article 26. (Compensations) Financial profit received from the Company by Directors in the form of compensation, bonuses and other payments for performance of duties (hereinafter, "compensations") shall be determined by resolution of the General Meeting of Shareholders.	Article 27 . (Compensations) Financial profit received from the Company by Directors in the form of compensation, bonuses and other payments for performance of duties shall be determined by resolution of the General Meeting of Shareholders while distinguishing between Directors who are Audit & Supervisory Committee Members & other Directors.
Article 27. (Text omitted)	Article 28. (As currently written)
Chapter 5. Audit & Supervisory Board Members and Audit & Supervisory Board	Chapter 5. Audit & Supervisory Committee
Article 28 (Number of Members) The Company shall have no more than five (5) Audit & Supervisory Board Members.	(Deleted)
Article 29. (Appointment Method) Audit & Supervisory Board Members shall be appointed at the General Meeting of Shareholders. 2. Resolutions on the appointment of Audit & Supervisory Board Members shall be by a majority of voting rights when shareholders with a least one-third of the voting rights of shareholders capable of exercising them are in attendance. 3. In accordance with the provisions of Article 329, Paragraph 3 of the Companies Act, the Company shall be able to appoint substitute Audit & Supervisory Board Members at the General Meeting of Shareholders to prepare for the possibility of a shortfall in the number of Audit & Supervisory Board Members as stipulated by law. 4. The period of effectiveness of resolutions related to the appointment of substitute Audit & Supervisory Board Members in the preceding paragraph shall be until the start of the Annual General Meeting of Shareholders in the final fiscal year among fiscal years ending within four (4) years of said resolution provided the period is not shortened by the resolution.	(Deleted)

Current Articles of Incorporation	Proposed Amendments
Article 30. (Term of office) The term of office of Audit & Supervisory Board Members shall be until the end of the Annual General Meeting of Shareholders for the final fiscal year among fiscal years ending within four (4) years of their appointment. 2. The term of office of Audit & Supervisory Board Members appointed as substitutes for Audit & Supervisory Board Members who leave office before the expiration of their term shall be until the term expires of the Audit & Supervisory Board Member who left office. However, if a substitute Audit & Supervisory Board Member appointed according to Paragraph 3 of the preceding article is appointed as an Audit & Supervisory Board Member, their term of office may not exceed the end of the Annual General Meeting of Shareholders for the final fiscal year among fiscal years ending within four (4) years of their appointment as a substitute Audit & Supervisory Board Member.	(Deleted)
Article 31. (Full-Time Audit & Supervisory Board Members) The Audit & Supervisory Board shall select full-time Audit & Supervisory Board Members by resolution.	(Deleted)
Article 32. (Convocation Notice for the Audit & Supervisory Board Meeting) The convocation notice for the Audit & Supervisory Board meetings shall be issued to each Audit & Supervisory Board Member no later than two (2) days in advance. However, if urgency is required, this period may be shortened. 2. If there is the agreement of all Audit & Supervisory Board Members, Audit & Supervisory Board meetings may be held without following convocation procedures.	(Deleted)

Current Articles of Incorporation	Proposed Amendments
Article 33. (Audit & Supervisory Board Regulations) Matters related to the Audit & Supervisory Board shall be in accordance with the law, these Articles of Incorporation, and Audit & Supervisory Board Regulations stipulated by the Audit & Supervisory Board.	(Deleted)
Article 34. (Compensations) Compensations for Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.	(Deleted)
Article 35. (Limited Liability Agreements with Audit & Supervisory Board Members) The Company may conclude agreements with Audit & Supervisory Board Members limiting liability for damages caused by neglect of duties in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. However, the maximum amount of liability limited based on said agreement shall be the amount stipulated by law.	(Deleted)
(Newly established)	Article 29. (Full-Time Audit & Supervisory Committee Members) The Audit & Supervisory Committee may select full-time Audit & Supervisory Committee Members by resolution.
(Newly established)	Article 30. (Convocation Notice for the Audit & Supervisory Committee Meeting) The convocation notice for the Audit & Supervisory Committee meetings shall be issued to each Audit & Supervisory Committee Member no later than two (2) days in advance. However, if urgency is required, this period may be shortened. 2. If there is the agreement of all Audit & Supervisory Committee Members, Audit & Supervisory Committee meetings may be held without following convocation procedures.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	Article 31. Audit & Supervisory Committee Regulations Matters related to the Audit & Supervisory Committee shall be in accordance with the law, these Articles of Incorporation, and Audit & Supervisory Committee Regulations stipulated by the Audit & Supervisory Committee.
Chapter 6. Calculations	Chapter 6. Calculations
Article 36 to Article 39. (Text omitted)	Article 32 to Article 35. (As currently written)
(Newly established)	SUPPLEMENTARY PROVISIONS Article 1. (Transitional measures concerning limited liability agreements with Audit & Supervisory Board Members) Agreements that limit liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act related to the actions of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) prior to the conclusion of the 4th Annual General Meeting of Shareholders shall be in accordance with Article 35 of these Articles of Incorporation prior to amendments by resolution of said Annual General Meeting of Shareholders.

Agenda No. 3: Appointment of five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all five (5) Directors will expire at the close of this Annual Meeting. In addition, if Agenda No. 2, Partial Amendments to the Articles of Incorporation, is approved as originally proposed, the Company will transition to a company with an audit & supervisory committee.

Accordingly, the Company proposes the appointment of five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members).

This Agenda item shall go into effect on the condition that the amendments to the Articles of Incorporation in Agenda No. 2 go into effect.

The candidates for Director are as follows.

Candidate No.	Name		Current position and responsibility at the Company	Attendance at the Board of Directors meetings
1.	Reappointed / Male	Mitsuo Sawai	Chairman, President and Representative Director	14/14 (100%)
2.	Reappointed / Male	Shoji Yokota	Director, Senior Managing Executive Officer	14/14 (100%)
3.	Reappointed / External / Independent / Male	Masatoshi Ohara	External Director	11/14 (78.6%)
4.	Reappointed / External / Independent / Male	Masayuki Mitsuka	External Director	14/14 (100%)
5.	New / External / Independent / Female	Yasuko Aitoku	—	—

New: Candidate for new Director
Reappointed: Candidate for reappointed Director
External: Candidate for External Director
Independent: Independent executive to be registered with a stock exchange

1 Mitsuo Sawai

Reappointed | Male

Date of birth	September 28, 1956		Number of the Company's shares owned	3,171,700 shares
Brief profile, position, responsibility, and significant concurrent position	Apr. 1982	Joined Kyowa Hakko Kogyo Co., Ltd. (currently Kyowa Kirin Co., Ltd.)		
	Jan. 1989	Joined Sawai Pharmaceutical Co., Ltd.		
	Jun. 2000	Director, Deputy Vice President of Sales Division, and General Manager of Sales Planning Department		
	Jun. 2002	Managing Director, Deputy Vice President of Sales Division, and General Manager of Sales Planning Department		
	Jun. 2005	Senior Managing Director, Vice President of Sales Division		
	Jun. 2008	President, Representative Director		
	Jun. 2020	Chairman, Representative Director (to present)		
	Apr. 2021	Chairman, Representative Director of the Company		
	Apr. 2021	Group Chief Executive Officer (Group CEO) (to present)		
	Jun. 2023	Chairman, President, Representative Director of the Company (to present)		
	Jun 2023	Group Chief Operating Officer (Group COO) (to present)		
Reasons for nomination as a candidate for Director	Mr. Mitsuo Sawai is well-versed in the generic drug business. The Company expects that his track record, abilities, and experience as a person driving the sustainable growth of the corporate value of the Sawai Group will be required for the Company's management. Accordingly, the Company nominates him as a candidate for the position of Director.			
Special interests between the candidate and the Company	There are no special interests between Mr. Mitsuo Sawai and the Company.			

2 Shoji Yokota

Reappointed | Male

Date of birth	July 22, 1957		Number of the Company's shares owned	2,500 shares
Brief profile, position, responsibility, and significant concurrent position	Apr. 1982	Joined Yamanouchi Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)		
	Sep. 2016	Joined Sawai Pharmaceutical Co., Ltd.		
	Jun. 2017	Corporate Officer, and Deputy Vice President of Research & Development Division, and Director of Analytical Chemistry Department		
	Jun. 2019	Senior Executive Officer, and Vice President of Research & Development Division		
	Apr. 2021	Director, Senior Executive Officer, and Vice President of Research & Development Division		
	Apr. 2021	Managing Executive Officer, Group Chief Research & Development Officer (Group CRO) of the Company		
	Jun. 2023	Director, Senior Managing Executive Officer, and Vice President of Research & Development Division of Sawai Pharmaceutical Co., Ltd. (to present)		
	Jun. 2023	Director, Senior Managing Executive Officer, Group Chief Research & Development Officer (Group CRO) of the Company (to present)		
Reasons for nomination as a candidate for Director	Mr. Shoji Yokota has extensive professional knowledge and long experience in the research and development of pharmaceutical products. The Company expects that his expertise and experience will be required for the Company's management. Accordingly, the Company nominates him as a candidate for the position of Director.			
Special interests between the candidate and the Company	There are no special interests between Mr. Shoji Yokota and the Company.			

3 Masatoshi Ohara

Candidate for External Director | Candidate for Independent Executive | Reappointed | Male

Date of birth	April 25, 1951		Number of the Company's shares owned	4,000 shares
Brief profile, position, responsibility, and significant concurrent position	Apr. 1979	Registered as a lawyer at Osaka Bar Association Joined Kikkawa Sogo Law Offices (currently Kikkawa Law Offices)		
	Feb. 1987	Attorney registered in the State of New York, the U.S.		
	Jan. 1988	Partner of Kikkawa Law Offices (to present)		
	Apr. 2004	Member of the Board of Directors for the Kinki Federation of Bar Associations		
	Apr. 2017	The President of Osaka Bar Association, the Vice President of Japan Federation of Bar Associations		
	Jun. 2019	External Director of Sawai Pharmaceutical Co., Ltd.		
	Apr. 2021	External Director of the Company (to present)		
	Sep. 2022	External Auditor of Shibuya Corporation (to present)		
	Jun. 2023	Outside Director of ATSUGI CO., LTD. (to present)		
Reasons for nomination as a candidate for External Director and overview of expected roles	Mr. Masatoshi Ohara has extensive experience and professional knowledge as a lawyer. He can provide independent oversight and advice. Accordingly, the Company nominates him as an outstanding candidate for the position of External Director. For the above reasons, the Company believes that he can perform his duties as External Director appropriately although he has not participated in corporate management before except as External Director and External Auditor.			
Special interests between the candidate and the Company	There are no special interests between Mr. Masatoshi Ohara and the Company.			

Notes:

1. Mr. Masatoshi Ohara is currently the Company's External Director, and the Company has entered into a liability limitation agreement with him limiting his liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. In the event that Mr. Ohara is reappointed, the Company will continue the liability limitation agreement with him. The term of office of Mr. Ohara as External Director of the Company will be four years and three months at the conclusion of the Annual Meeting.
2. With regard to the inappropriate testing practices at Sawai Pharmaceutical Co., Ltd. of our Group, Mr. Masatoshi Ohara was unaware of this fact during his term of office as Director of Sawai Pharmaceutical Co., Ltd. However, he had consistently made recommendations to ensure compliance with laws and regulations. Upon becoming aware of the situation, he fulfilled his responsibilities as an External Director by providing advice to prevent recurrence.
3. The Company has registered Mr. Masatoshi Ohara as an independent executive in accordance with the Tokyo Stock Exchange Regulations.

4 Masayuki Mitsuka

Candidate for External Director | Candidate for Independent Executive | Reappointed | Male

Date of birth	October 30, 1954		Number of the Company's shares owned	100 shares
Brief profile, position, responsibility, and significant concurrent position	Apr. 1982	Joined Mitsubishi Chemical Industries (currently Mitsubishi Chemical Corporation)		
	Jun. 2009	Board Director, Executive Officer, General Manager of Global Product Strategy Department of Mitsubishi Tanabe Pharma Corporation		
	Apr. 2012	Board Director, Managing Executive Officer, Division Manager of Development Division		
	Apr. 2014	Representative Director, Senior Managing Executive Officer		
	Jun. 2014	President & Representative Director, Chief Executive Officer		
	Apr. 2020	Director of the Company		
	Jun. 2020	Advisor		
	Jun. 2023	External Director of the Company (to present)		
Reasons for nomination as a candidate for External Director and overview of expected roles	Mr. Masayuki Mitsuka has extensive professional knowledge and experience, etc. as executive manager of a major Japanese medical drug manufacturing and distribution company. He can provide independent oversight and advice. Accordingly, the Company nominates him as a candidate for the position of External Director.			
Special interests between the candidate and the Company	There are no special interests between Mr. Masayuki Mitsuka and the Company.			

Notes:

1. Mr. Masayuki Mitsuka is currently the Company's External Director, and the Company has entered into a liability limitation agreement with him limiting his liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. In the event that Mr. Mitsuka is reappointed, the Company will continue the liability limitation agreement with him. The term of office of Mr. Mitsuka as External Director of the Company will be two years at the conclusion of the Annual Meeting.
2. The inappropriate testing practices at Sawai Pharmaceutical Co., Ltd. of our Group were conducted before Mr. Masayuki Mitsuka assumed office. However, upon becoming aware of the situation, he fulfilled his responsibilities as an External Director by providing advice to prevent recurrence.
3. The Company has registered Mr. Masayuki Mitsuka as an independent executive in accordance with the Tokyo Stock Exchange Regulations.

5 Yasuko Aitoku

Candidate for External Director | Candidate for Independent Executive | New | Female

Date of birth	September 25, 1973		Number of the Company's shares owned	- shares
Brief profile, position, responsibility, and significant concurrent position	Apr. 1996	Joined Kanebo Ltd., assigned to the R&D Center, Pharmaceutical Business Department		
	Apr. 1998	Joined Nihon Schering K.K. (currently Bayer Yakuhin, Ltd.), assigned to the Clinical Development Department		
	Jun. 2004	Diagnostic Pharmaceutical Development Department Manager, Clinical Development Department, Nihon Schering K.K		
	Apr. 2010	Manager, Diagnostic Pharmaceutical/Gynecology Development Department, Bayer Yakuhin, Ltd.		
	Jan. 2012	Medical Information Manager, Medical Affairs Department, Bayer Yakuhin, Ltd.		
	Jan. 2014	Market Access Department Active Manager, Bayer Yakuhin, Ltd.		
	Jan. 2015	Market Access Manager, Executive Officer, Bayer Yakuhin, Ltd.		
	Feb. 2024	Established Tomo Value Healthcare Solutions (to present)		
Reasons for nomination as a candidate for External Director and overview of expected roles	Ms. Yasuko Aitoku brings extensive expertise and experience in corporate management in the pharmaceutical business and in medicine/pharmacology. She can provide independent oversight and advice. Accordingly, the Company nominates her as an outstanding candidate for the position of External Director.			
Special interests between the candidate and the Company	There are no special interests between Ms. Yasuko Aitoku and the Company.			

Notes:

1. In the event that Ms. Yasuko Aitoku is appointed as an External Director, the Company will enter into a liability limitation agreement with her limiting her liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.
2. In the event that Ms. Yasuko Aitoku is appointed as an External Director, the Company will register her as an independent executive in accordance with the Tokyo Stock Exchange Regulations.

Directors and Officers Liability Insurance Contract
The Company has concluded a directors and officers liability insurance (D&O insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance contract insures each Director, Audit & Supervisory Board Member, and Executive Officer, etc. of the Company and its subsidiaries. The outline of the insurance contract is described in "(5) Outline of Directors and Officers Liability Insurance (D&O insurance)" of "4. Directors and Audit & Supervisory Board Members" of the Business Report. (in the Japanese version only) If the candidates for Directors assume office, each of them will be insured under the D&O insurance contract. The term of the insurance contract is one (1) year. The Company plans to renew the contract before the expiration after resolution of the Board of Directors.

Agenda No. 4: Appointment of three (3) Directors who are Audit & Supervisory Committee Members

If Agenda No. 2, Partial Amendments to the Articles of Incorporation, is approved as originally proposed, the Company will transition to a company with an audit & supervisory committee.

Accordingly, the Company proposes the appointment of three (3) Directors who are Audit & Supervisory Committee Members. The Audit & Supervisory Board has agreed to this agenda.

This Agenda item shall go into effect on the condition that the amendments to the Articles of Incorporation in Agenda No. 2 go into effect.

The candidates for Director are as follows.

Candidate No.	Name		Current position and responsibility at the Company	Attendance at the Board of Directors meetings
1.	New / Male	Tadao Tsubokura	Full-time Audit & Supervisory Board Member	14/14 (100%)
2.	New / External / Independent / Female	Etsuko Taniguchi	—	—
3.	New / External / Independent / Female	Yukiyo Nose	—	—

New: Candidate for new Directors
External: Candidate for external Directors
Independent: Independent executive to be registered with a stock exchange

1 Tadao Tsubokura

New | Male

Date of birth	March 3, 1961		Number of the Company's shares owned	3,200 shares
Brief profile, position, responsibility, and significant concurrent position	Jul. 2008	Joined Sawai Pharmaceutical Co., Ltd.		
		General Manager of Controller Department		
	Apr. 2012	General Manager of General Affairs Department		
	Jun. 2018	Full-time Audit & Supervisory Board Member		
	Apr. 2021	Audit & Supervisory Board Member (to present)		
	Apr. 2021	Full-time Audit & Supervisory Board Member (to present)		
Reasons for nomination as a candidate for Director	Mr. Tadao Tsubokura has extensive knowledge of the Company having worked as the person responsible for the Controller Department and General Affairs Department, as an Audit & Supervisory Board Member and as a full-time Audit & Supervisory Board Member since April 2021. He has specialized knowledge in finance and accounting and broad-ranging knowledge related to business activities, so the Company has determined that he will be able to appropriately fulfill his duties. Accordingly, the Company nominates him as a candidate for the position of Director who is an Audit & Supervisory Committee Member.			
Special interests between the candidate and the Company	There are no special interests between Mr. Tadao Tsubokura and the Company.			

Note: Mr. Tadao Tsubokura is currently the Company's full-time Audit & Supervisory Board Member, and the Company has entered into a liability limitation agreement with him limiting his liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. In the event that Mr. Tsubokura is appointed as a Director who is an Audit & Supervisory Committee Member, the Company will renew the liability limitation agreement with him.

2 Etsuko Taniguchi

Candidate for External Director | Candidate for Independent Executive | New | Female

Date of birth	July 8, 1964		Number of the Company's shares owned	- shares
Brief profile, position, responsibility, and significant concurrent position	Oct. 1990	Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)		
	May 1994	Registered as a certified public accountant		
	Jun. 2011	Partner at KPMG AZSA LLC		
	Jun. 2019	Resigned from KPMG AZSA LLC		
	Jul. 2019	Representative, Etsuko Taniguchi CPA Office (to present)		
	Jun. 2021	Outside Director of TATSUTA Electric Wire and Cable Co., Ltd. (Audit & Supervisory Committee Member)		
Reasons for nomination as a candidate for External Director and summary of expected roles	Ms. Etsuko Taniguchi brings extensive expertise and experience in accounting and tax affairs. She can provide independent oversight, auditing and advice on the Company's management decisions and execution. Accordingly, the Company nominates her as an outstanding candidate for the position of External Director who is an Audit & Supervisory Committee Member. For the above reasons, the Company believes that she can perform her duties as External Director appropriately although she has not participated in corporate management before except as External Director and External Auditor.			
Special interests between the candidate and the Company	There are no special interests between Ms. Etsuko Taniguchi and the Company.			

Notes:

1. In the event that Ms. Etsuko Taniguchi is appointed as an External Director who is an Audit & Supervisory Committee Member, the Company will enter into a liability limitation agreement with her limiting her liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.
2. In the event that Ms. Etsuko Taniguchi is appointed as an External Director who is an Audit & Supervisory Committee Member, the Company will register her as an independent executive in accordance with the Tokyo Stock Exchange Regulations.
3. Ms. Etsuko Taniguchi was employed at KPMG AZSA LLC, the Company's accounting auditor, until June 2019, but six years have passed since she resigned and the Company judges there to be no problem with respect to her independence.

3 Yukiyo Nose

Candidate for External Director | Candidate for Independent Executive | New | Female

Date of birth	November 16, 1963		Number of the Company's shares owned	- shares
Brief profile, position, responsibility, and significant concurrent position	May 1988	Physician's License (Qualification acquired and registered)		
	Jun. 1997	Master's Degree, Harvard School of Public Health		
	Sep. 1997	Medical Officer, World Health Organization, Headquarters, Geneva		
	Apr. 2003	Planning Advisor, Joint United Nation's Programme on HIV/AIDS, Headquarters, Geneva		
	Jan. 2005	Chief Technical Advisor, International Labour Organization, Africa		
	May 2008	Chief Executive Officer, Digital Plaza Co., USA		
	Mar. 2020	President, Management Consultants for CEOs (to present)		
	Apr. 2023	Certified Management Consultant (Qualification acquired and registered)		
Reasons for nomination as a candidate for External Director and summary of expected roles	Ms. Yukiyo Nose, a Japanese-American, brings extensive expertise and experience in corporate management, medicine, and ESG. She can provide independent oversight, auditing and advice from a global perspective. Accordingly, the Company nominates her as an outstanding candidate for the position of External Director who is an Audit & Supervisory Committee Member.			
Special interests between the candidate and the Company	There are no special interests between Ms. Yukiyo Nose and the Company.			

Notes:

1. In the event that Ms. Yukiyo Nose is appointed as an External Director who is an Audit & Supervisory Committee Member, the Company will enter into a liability limitation agreement with her limiting her liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.
2. In the event that Ms. Yukiyo Nose is appointed as an External Director who is an Audit & Supervisory Committee Member, the Company will register her as an independent executive in accordance with the Tokyo Stock Exchange Regulations.

Directors and Officers Liability Insurance Contract
The Company has concluded a directors and officers liability insurance (D&O insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance contract insures each Director, Audit & Supervisory Committee Member, and Executive Officer, etc. of the Company and its subsidiaries. The outline of the insurance contract is described in "(5) Outline of Directors and Officers Liability Insurance (D&O insurance)" of "4. Matters related to Company Officers" of the Business Report. (in the Japanese version only) If the candidates for Directors assume office, each of them will be insured under the D&O insurance contract. The term of the insurance contract is one (1) year. The Company plans to renew the contract before the expiration after resolution of the Board of Directors.

[Reference]

Skills Matrix of the Directors and Audit & Supervisory Committee Members after the conclusion of the Annual Meeting, subject to the approval of Agenda No. 2, No. 3, and No. 4

		Name	Sex	External executive	Nationality	Expertise and experience						
						Corporate management	Healthcare	Global	Medical & pharmaceutical science	Finance/Accounting Tax	Legal affairs/Risk management	Sustainability/ESG
Directors	(Other than Audit & Supervisory Committee Members)	Mitsuo Sawai	Male		Japan	○	○					
		Shoji Yokota	Male		Japan	○	○	○	○			
		Masatoshi Ohara	Male	◆	Japan			○			○	○
		Masayuki Mitsuka	Male	◆	Japan	○	○		○			○
		Yasuko Aitoku	Female	◆	Japan	○	○	○	○			
	Audit & Supervisory Committee Member	Tadao Tsubokura	Male		Japan		○			○		
		Etsuko Taniguchi	Female	◆	Japan					○		
		Yukiyo Nose	Female	◆	U.S.	○	○	○	○	○		○

Agenda No. 5: Appointment of one (1) substitute Director who is an Audit & Supervisory Committee Member

If Agenda No. 2, Partial Amendments to the Articles of Incorporation, is approved as originally proposed, the Company will transition to a company with an audit & supervisory committee.

Accordingly the Company proposes to appoint one (1) Director who is an Audit & Supervisory Committee Member, to provide for cases where the Company lacks the number of Directors who are Audit & Supervisory Committee Members required by laws and regulations.

This appointment only goes into force prior to appointment and appointment may be cancelled by resolution of the Board of Directors following approval by the Audit & Supervisory Committee.

In addition, the Audit & Supervisory Board has agreed to this agenda.

This Agenda item shall go into effect on the condition that the amendments to the Articles of Incorporation in Agenda No. 2 go into effect.

The candidate is as follows.

1 Yoshitsugu Nishimura

Candidate for External Director | Candidate for Independent Executive | Male

Date of birth	January 10, 1957	Number of the Company's shares owned	- shares

Brief profile, position, responsibility, and significant concurrent position	Apr. 1980	Joined the Ministry of Finance
	Jun. 1998	General Manager, Investment Service Office, Market Division, Financial Planning Bureau, Ministry of Finance
	Jul. 2001	General Manager, First Large Enterprise Department, Tokyo Regional Taxation Bureau, National Tax Agency
	Jun. 2013	Regional Commissioner, Tokyo Regional Taxation Bureau, National Tax Agency
	Dec. 2014	Registered as an attorney at law (Dai-Ichi Tokyo Bar Association)
		Visiting Attorney, Miyake & Partners (to present)
	Jun. 2015	Auditor, DSB Co., Ltd.
		Registered as a Certified Public Tax Accountant (Tokyo Certified Public Tax Accountants' Association)
Reasons for nomination as a candidate for Substitute External Director and summary of expected roles	The Company nominates Mr. Yoshitsugu Nishimura as a candidate for substitute External Director who is an Audit & Supervisory Committee Member since we judge we will be able to obtain useful advice and audits from an objective, independent perspective for the Company's management decisions and execution, based on his extensive experience at the Ministry of Finance and the National Tax Agency over many years, as well as his specialized knowledge and broad insight as an attorney at law and public tax accountant. For the above reasons, the Company believes that he can perform his duties as External Director appropriately although he has not participated in corporate management before except as External Director and External Auditor.	
Special interests between the candidate and the Company	There are no special interests between Mr. Yoshitsugu Nishimura and the Company.	

Notes:

1. In the event that Mr. Yoshitsugu Nishimura is appointed as an External Director who is an Audit & Supervisory Committee Member, the Company will enter into a liability limitation agreement with him limiting his liability under Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.
2. In the event that Mr. Yoshitsugu Nishimura is appointed as an External Director who is an Audit & Supervisory Committee Member, the Company will register him as an independent executive in accordance with the Tokyo Stock Exchange Regulations.
3. Mr. Yoshitsugu Nishimura is currently a Visiting Attorney at Miyake & Partners. The Company has a business relationship with Miyake & Partners, such as receiving the provision of services based on a legal advisory agreement, however, the legal advisory services for the Company are provided by attorneys at Miyake & Partners other than Mr. Nishimura. In addition, the service accounts for less than 1% of the consolidated net sales or the volume of transactions of both the Company and Miyake & Partners and is less than 10.00 million yen. The Company determines that this amount is small and does not affect the independence of Mr. Nishimura as an External Director.

Directors and Officers Liability Insurance Contract
The Company has concluded a directors and officers liability insurance (D&O insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance contract insures each Director, Audit & Supervisory Committee Member, and Executive Officer, etc. of the Company and its subsidiaries. The outline of the insurance contract is described in "(5) Outline of Directors and Officers Liability Insurance (D&O insurance)" of "4. Matters related to Company Officers" of the Business Report. (in the Japanese version only) If the candidate for Director assumes office, he will be insured under the D&O insurance contract. The term of the insurance contract is one (1) year. The Company plans to renew the contract before the expiration after resolution of the Board of Directors.

Agenda No. 6: Determination of the amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The amount of compensation, etc. for the Company's Directors was approved at within 670 million yen (including up to 100 million yen for External Directors) at the 1st Annual General Meeting of Shareholders held on June 24, 2022, which has remained up to today, but if Agenda No. 2, Partial Amendments to the Articles of Incorporation, is approved, the Company will transition to a company with an audit & supervisory committee.

This agenda asks for approval to abolish provisions on the current amount of compensations for Directors, set a new amount of compensations for Directors (excluding Directors who are Audit & Supervisory Committee Members), and set the amount at within 620 million yen per year (including up to 100 million yen for External Directors).

The agenda has been deliberated and reported by the Nomination & Remuneration Committee of the Company. The specific amounts and timing of payment of compensations for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be examined and deliberated by the Nomination & Compensation Committee, and then decided by a resolution of the Board of Directors.

The compensation amounts to Directors exclude the employee salaries of Directors who concurrently serve as employees.

The Company has established the policy for determining details of compensations for individual Directors, which is described in this notice. Compensations based on this agenda are in line with the policy. The Company believes that this agenda is reasonable because it is sufficient to pay the compensations to Directors based on the policy.

Currently, there are five (5) Directors (including three (3) External Directors). If the Agenda No. 2 and Agenda No. 3 (Appointment of five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)) are approved as originally proposed, the number of Directors related to this Agenda will be five (5) (including three (3) External Directors).

This Agenda item shall go into effect on the condition that the amendments to the Articles of Incorporation in Agenda No. 2 go into effect.

Agenda No. 7: Determination of the amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members

If Agenda No. 2, Partial Amendments to the Articles of Incorporation, is approved as originally proposed, the Company will transition to a company with an audit & supervisory committee. In order to make compensation levels appropriate to the duties of Directors who are Audit & Supervisory Committee Members, considering the Company's business scale, recent economic conditions and other circumstances, this agenda asks for approval to set compensation amounts for Directors who are Audit & Supervisory Committee Members at within 100 million yen per year.

The Company believes that the amount of compensations in this Agenda is appropriate in light of the duties fulfilled by Directors who are Audit & Supervisory Committee Members.

If the Agenda No. 2 and Agenda No. 4 (Appointment of three (3) Directors who are Audit & Supervisory Committee Members) are approved as originally proposed, the number of Directors related to this Agenda item will be three (3) (including two (2) External Directors).

This Agenda item shall go into effect on the condition that the amendments to the Articles of Incorporation in Agenda No. 2 go into effect.

Agenda No. 8: Determination of compensation for allocating restricted stock and performance-linked restricted stock to Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors)

If Agenda No. 2, Partial Amendments to the Articles of Incorporation, is approved as originally proposed, the Company will transition to a company with an audit & supervisory committee.

The Company hereby proposes the introduction of a system that allocates the Company's common stock to Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors; hereinafter "eligible Directors") in compliance with the rules on a certain restricted period and the grounds for gratis acquisition by the Company (hereinafter, "restricted stock") for the purpose of having eligible Directors share the merits and risks of stock price fluctuations with shareholders (hereinafter, "restricted stock compensation plan") and the introduction of a system that allocates the Company's common stock in a number that depends on relative achievement of performance, stock price indicators, and other numerical targets stipulated by the Board of Directors during the performance evaluation period, which is each fiscal year, for the purpose of further clarifying the link between compensation and medium-to-long term corporate performance and the Company's stock price (hereinafter, "performance-linked restricted stock plan).

Accordingly, the Company proposes setting the total amount of claims for compensation to be paid as compensations related to restricted stock to eligible Directors in the range of the amount of compensations indicated in Agenda No. 6, Determination of the amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members), based on an overall consideration of relative contribution by eligible Directors and other matters, at within 50 million yen per year, and setting the total amount of claims for compensation to be paid as compensation, etc. related to performance-linked restricted stock at within 100 million yen per year.

Allocations of restricted stock and performance-linked restricted stock are decided based on a comprehensive consideration of the relative contribution of eligible Directors and other related matters. The upper limit to the number of restricted stock to be allocated each fiscal year as stipulated in 1(2) below is 0.076% of total shares outstanding (if restricted stock is issued in the number that is the upper limit over ten years, the ratio to total shares outstanding would be 0.76%), and the ratio of the upper limit on the number of performance-linked restricted stock allocated each fiscal year as stipulated in 2(2) to total shares outstanding is 0.152% (if performance-linked restricted stock is issued in the number that is the upper limit over ten years, the ratio to total shares outstanding would 1.52%). The dilution ratios are marginal, so the Company believes these plans to be appropriate.

If this Agenda item is approved, to ensure consistency in what is approved, the Company plans to change the policy on determining the compensations for individual Directors (excluding External Directors) stated in Business Report section 4(3)(i), "Matters related to the policy on determining compensations for individual Directors" so that it aligns with the text of this Agenda item at a meeting of the Company's Board of Directors after conclusion of this Annual Meeting. The Company believes that this Agenda item will be in line with the policy after the change and that its contents are appropriate.

If this agenda item is approved, the amount of compensation, etc. related to share acquisition rights issued as stock options to the Company's Directors (excluding External Directors) and the specific contents of its provisions approved by the 1st Annual General Meeting of Shareholders on June 24, 2022 will be abolished, and thereafter stock acquisition rights will not be issued to Directors as stock options based on the provisions.

The Company currently has five (5) Directors (including three (3) External Directors), but if Agenda No. 2, Partial Amendments to the Articles of Incorporation, and Agenda No. 3, Appointment of five (5) Directors_(excluding Directors who are Audit & Supervisory Committee Members), are approved as originally proposed, there will be five (5) Directors

(excluding Directors who are Audit & Supervisory Committee Members) (including three (3) External Directors), so there will be two (2) eligible Directors.

1. Overview of the restricted stock compensation plan

(1) Allocation of restricted stock and payments

The Company will pay eligible Directors claims for compensation within the scope of the annual amount stipulated above as compensation related to restricted stock based on a resolution of the Company's Board of Directors, and eligible Directors will supply all claims for compensation as contributions in kind and thereby receive allocation of restricted stock.

The amount paid in for restricted stock will be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the day of the resolution by the Company's Board of Directors related to their issue or disposition (if there are no transactions that day, then the closing price on the transaction day immediately preceding it), and the amount will be determined by the Company's Board of Directors within a scope whereby eligible Directors receiving the restricted stock are not particularly advantaged by the price.

The above claims for compensation are supplied on the condition that eligible Directors agree to the aforementioned contribution in kind and that a restricted stock allocation agreement is concluded that includes that contents stipulated in (3) below.

(2) Total number of restricted stock

A total of 100,000 shares of restricted stock to be allocated to eligible Directors shall be the upper limit of restricted stock allocated each fiscal year.

However, if after the date of the resolution on this Agenda item, it becomes necessary to adjust the number of restricted stock due to a stock split of the Company's common stock (including gratis allocation of the Company's common stock) or to a stock merger or the equivalent, the number of restricted stock may be rationally adjusted.

(3) Details of agreement on allocation of restricted stock

When restricted stock is allocated, the restricted stock allocation agreement concluded between the Company and eligible Directors who will receive allocation of restricted stock based on a resolution of the Company's Board of Directors shall have the following contents.

(i) Nature of restriction

Eligible Directors who receive allocation of restricted stock may not transfer to a third party, pledge as collateral, transfer ownership as security, provide as a gift inter vivos or as a bequest, or conduct any other disposition action (hereinafter, "restriction") of restricted stock allocated to eligible Directors (hereinafter, "allocated stock I") during the period from the date restricted stock is granted to the day eligible Directors resign from any of their positions as director and executive officer of the Company and the Company's subsidiaries (hereinafter, "relevant positions") (hereinafter, "restriction period I").

(ii) Gratis acquisition of restricted stock

If eligible Directors who received allocation of restricted stock resign from any of the relevant positions up to the day prior to the convocation date of the Company's Annual General Meeting of Shareholders that comes first after the start date of restriction period I, the Company will acquire allocated stock I gratis as a matter of course except in cases deemed legitimate by the Board of Directors.

In addition, of allocated stock I, the Company will acquire gratis as a matter of course stock that has not had the restriction lifted based on the grounds for lifting the restriction in (iii) below on the date the restriction period in (i) above expires.

(iii) Lifting of the restriction

The Company will lift the restriction as of the date restriction period I expires for all allocated stock I on the condition that eligible Directors that received allocation of restricted stock are in any of the relevant positions continuously from the start date of restriction period I to the convocation date of the Company's Annual General Meeting of Shareholders that comes first.

However, if the eligible Directors have resigned from any of the relevant positions by the date prior to the convocation date of the Company's Annual General Meeting of Shareholders that comes first after the start date of restricted period I on grounds recognized as legitimate by the Company's Board of Directors, the number of allocated stock I for which the restriction is to be lifted and the date for lifting the restriction may be rationally adjusted as necessary.

(iv) Handling of organizational restructuring, etc.

If during restriction period I the Company's General Meeting of Shareholders approves (however, if the approval of the Company's General Meeting of Shareholders related to the organizational restructuring is not needed, then the Board of Directors) agenda items related to a merger contract in which the Company is the dissolved company, a share exchange contract in which the Company becomes a wholly owned subsidiary, or other type of organizational restructuring involving plans to transfer stock, then the Company will lift the restriction on a date prior to when the organizational restructuring goes into effect for allocated stock I in a number rationally determined based on the period from the start date of restriction period I to the date the organizational restructuring is approved.

In this case, the Company will acquire gratis as a matter of course allocated stock for which the restriction has not been lifted at the time immediately after the lifting of the restriction based on the above provisions.

2. Overview of the performance-linked restricted stock compensation plan

(1) Allocation of performance-linked restricted stock and payments

The Company will supply claims for compensation within the scope of the annual amount stated above for receiving performance-linked restricted stock based on relative achievement of results stipulated by the Company's Board of Directors, stock indicators, and other numerical indicators (hereinafter, "performance indicators") to eligible Directors within the period for performance evaluation, which is each fiscal year (hereinafter, the "relevant period"), and each eligible Director will supply all the claims for compensation as a contribution in kind to receive allocation of performance-linked restricted stock.

Accordingly, at the starting time for the relevant period, whether or not to supply claims for compensation to eligible Directors to receive performance-linked restricted stock, and the amount of claims for compensation if they are to be supplied and the number of performance-linked restricted stock (hereinafter, "the number of shares granted") have not been determined.

In addition, the above claims for compensation are supplied on the condition the eligible Directors agree to the above in-kind contribution and eligible Directors (however, excluding Directors who have resigned from any of the relevant positions due to the expiration of the term of office during the period before the above claims for compensation are supplied or for other grounds deemed legitimate by the Company's Board of Directors) conclude a contract for performance-linked restricted stock allocation that includes the contents stipulated in (6) below.

The first relevant period shall be the fifth fiscal year (April 1, 2025 to March 31, 2026), and thereafter as well, allocation of performance-linked restricted stock may be conducted with each fiscal year as the new relevant period within the scope approved by this General Meeting of Shareholders.

(2) Total number of performance-linked restricted stock

The total number of performance-linked restricted stock allocated to eligible Directors shall be within 200,000 shares for each relevant period.

However, if after the date of the resolution on this Agenda item, it becomes necessary to adjust the number of performance-linked restricted stock due to a stock split of the Company's common stock (including gratis allocation of the Company's common stock) or to a stock merger or the equivalent, the number of performance-linked restricted stock may be rationally adjusted.

(3) Calculation method for the number of shares granted

Performance indicators necessary for specific calculation of the number of shares granted, including numerical indicators used when allocating performance-linked restricted stock, shall be determined by the Company's Board of Directors.

Regarding specific calculations, the number of shares granted to each eligible Director shall be calculated based on the below formula (however, fractions less than one share shall be rounded up).

If by allocating performance-linked restricted stock for the number of shares granted calculated based on the below formula to eligible Directors, the total number of performance-linked restricted stock to be allocated to the above eligible Directors is exceeded or the total amount of claims for compensation is exceeded, the Company's Board of Directors shall adjust the number of performance-linked restricted stock to be allocated to each eligible Director and amount of claims for compensation using a rational method such as pro rata within a scope that does not exceed the total number and total amount.

The number of shares granted to each eligible Director

Base compensation (*1) ÷ the per-share price of the Company's common stock (*2)

*1 Calculated by multiplying a percentage determined by the Company's Board of Directors within the scope of 0-200% based on the relative achievement of performance indicators for each relevant period by a base amount determined by the Board of Directors based on the position and duties, etc. of each eligible Director.

*2 The closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company's Board of Directors for determining the base amount and performance indicators, etc.

The composition of performance indicators and calculation methods for the first relevant period are scheduled to be the following.

Composition of performance indicators

	Performance indicator	Share
[1]	Core operating profit	50%
[2]	ROE	30%
[3]	Relative TSR	20%

Calculation methods for performance indicators

[1] and [2] are the percent change in the figure for the fiscal year subject to evaluation compared to the average of the past three fiscal years, and [3] is calculated based on a comparison with TOPIX during the same period of time.

However, regarding [2], in the case of special transitory factors that impact the ROE figure by ±1% or more, such as the selling of a large amount of assets and the occurrence of restructuring costs, the calculation may exclude this factor.

(4) Requirements for granting, etc.

When the relevant period ends and the below requirements for granting have been fulfilled, claims for compensation shall be supplied to each eligible Director, and when all claims for compensation are contributed in kind, performance-linked restricted stock shall be granted to each eligible Director.

The granting of performance-linked restricted stock will be conducted by the Company issuing new shares or disposing of treasury stock, and the amount paid in will be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the day of the resolution by the Company's Board of Directors related to allocation of performance-linked restricted stock (if there are no transactions that day, then the closing price on the transaction day immediately preceding it), and the amount will be determined by the Company's Board of Directors within a scope whereby eligible Directors are not particularly advantaged by the price.

(i) Eligible Directors continued to be in any of the relevant positions during the period until the close of the first Annual General Meeting of Shareholders held after the relative period ends

(ii) There were no specific illegal acts stipulated by the Company's Board of Directors

(iii) Requirements were fulfilled that were stipulated by the Company's Board of Directors or otherwise deemed necessary

If prior to the granting of performance-linked restricted stock, an eligible Director resigns from any of the relevant positions due to the term expiring, grounds deemed legitimate by the Company's Board of Directors, or death, instead of granting performance-linked restricted stock, the eligible Director (in the case of resignation because of death, the eligible Director's successor and heir) may be provided cash in the amount equivalent to the value of the number of stock granted stipulated on rational grounds by the Company's Board of Directors based on the eligible Director's term of office, etc.

(5) Handling of organizational restructuring, etc.

If prior to the granting of performance-linked restricted stock, the Company's General Meeting of Shareholders approves (however, if the approval of the Company's General Meeting of Shareholders related to the organizational restructuring is not needed, then the Board of Directors) agenda items related to a merger contract in which the Company is the dissolved company, a share exchange contract in which the Company becomes a wholly owned subsidiary, or other type of organizational restructuring involving plans to transfer stock, then the Company may provide to eligible Directors a cash amount equivalent to the value of the number of shares granted as rationally stipulated by the Company's Board of Directors based on the term of office, etc. on a date prior to when the organizational restructuring goes into effect instead of granting performance-linked restricted stock.

(6) Details of agreement on allocation of performance-linked restricted stock

When performance-linked restricted stock is allocated, the performance-linked restricted stock allocation agreement concluded between the Company and eligible Directors who will receive allocation of performance-linked restricted stock based on a resolution of the Company's Board of Directors shall have the following contents.

(i) Nature of restriction

Eligible Directors who receive allocation of performance-linked restricted stock may not transfer to a third party, pledge as collateral, transfer ownership as security, provide as a gift inter vivos or as a bequest, or conduct any other disposition action (hereinafter, "restriction") of performance-linked restricted stock allocated to eligible Directors (hereinafter, "allocated stock II") during the period from the date performance-linked restricted stock is granted to the day eligible Directors resign from any of the relevant positions (hereinafter, "restriction period II").

(ii) Gratis acquisition of performance-linked restricted stock

If eligible Directors who received allocation of performance-linked restricted stock resign from any of the relevant positions, the Company will acquire allocated stock II gratis as a matter of course except in cases deemed legitimate by the Company's Board of Directors.

(iii) Lifting of the restriction
The Company will lift the restriction on all allocated stock II when restriction period II expires.

(iv) Handling of organizational restructuring, etc.
If during restriction period I the Company's General Meeting of Shareholders approves (however, if the approval of the Company's General Meeting of Shareholders related to the organizational restructuring is not needed, then the Board of Directors) agenda items related to a merger contract in which the Company is the dissolved company, a share exchange contract in which the Company becomes a wholly owned subsidiary, or other type of organizational restructuring involving plans to transfer stock, then the Company will lift the restriction on a date prior to when the organizational restructuring goes into effect for all allocated stock II.

(Reference)

After the close of this General Meeting of Shareholders, the Company plans to allocate restricted stock and performance-linked restricted stock the same as above to the Company's executive officers and the directors and executive officers of the Company's subsidiaries.
The Company also plans to change its policy as stated below on decisions related to compensations for individual Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors).

Policy on decisions related to compensations for individual Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors).

(a) Policy on deciding payment percentages for performance-linked compensation and other compensations
Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors) is made up of base compensation (fixed compensation), bonuses (performance-linked compensation) and restricted stock compensation.
Restricted stock compensation is made up of continuous work-based restricted stock compensation, which is granted in advance in accordance with certain rules based on position, etc. and performance-linked restricted stock compensation, which is granted after the fact in accordance with certain rules based on relative achievement of targets for raising medium-to-long term corporate value. Restricted stock compensation is based on position and years of service and is granted with 10% or more of total compensation as the target amount in line with internal rules stipulated elsewhere.
The ratio of base compensation to bonuses is generally targeted at 3:1.

(b) Indicators related to performance-linked compensation and the reasons for selecting them
Two indicators are adopted for the indicators related to performance-linked compensation, a performance indicator and an indicator that evaluates the division the person is responsible for. Of these, the performance indicator is based on core operating profit in principle, which is operating profit net of profits and losses from non-ordinary factors as stipulated by the Group, and what is used is

core operating profit prior to deducting investment expenses, which is profit before deducting investment expenses for R&D and the like. The indicator that evaluates the division the person is responsible for is for each Director and is consistent with the Company's targets for each fiscal year. The indicator is based on relative achievement of the fiscal year's targets in the field the person is responsible for. Only the performance indicator is used for the Representative Director; regarding the other Directors with divisional responsibilities, the determination is made after the end of each fiscal year following calculation rules set in advance in internal rules based on relative achievement of the two indicators depending on the person's position.

As for the reasons for selecting these indicators, regarding the performance indicator, it was judged to be an indicator that more precisely reflects the contribution to raising corporate value. In addition, for Directors with divisional responsibilities other than the Representative Director, evaluation targets have been set in the division the person is responsible for, including qualitative evaluations each fiscal year, and not just quantitative evaluation items, and it was judged that it would be preferable to evaluate together with relative achievement in this respect. This qualitative evaluation includes ESG-related initiatives such as risk management and compliance.

In addition, as indicators related to performance-linked restricted stock in which the number of shares to be granted depends on relative achievement of targets for raising the Company's medium-to-long term value, the Company uses core operating profit, ROE, and relative TSR. Core operating profit and ROE are calculated based are the percent change in the figure for the fiscal year subject to evaluation compared to the average of the past three fiscal years, and relative TSR is calculated based on a comparison with TOPIX during the same period of time.

(c) Method for determining the amount of performance-linked compensation

Based on a base amount predetermined for each position, compensation is calculated in accordance with a formula established in advance in internal rules based on relative achievement of the above performance indicators. However, regarding Directors with divisional responsibilities, compensation is determined by considering both the performance indicator and relative achievement of the evaluation targets in the division the person is responsible for.

(d) Amount of compensations for executives and the policy for each position related to determining calculation methods

Regarding amounts of compensations for executives in each position, a base amount of compensation is determined for each position at the Company while referencing data from research institutes related to executive compensation at listed companies. The compensation system is established so that overall the total base compensation and its makeup provide an incentive to executives to contribute to raising medium-to-long term corporate value in a sustained manner, ensure that talented human resources make up the Company's management team, and are such that they inhibit excessive risk-taking. External Directors receive fixed compensation.