

This document has been translated from 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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 4581

February 29, 2024

(Commencement Date of Electronic Provision Measures: February 22, 2024)

Taisho Pharmaceutical Holdings Co., Ltd.

3-24-1, Takada, Toshima-ku, Tokyo

Akira Uehara

Chief Executive Officer

To our shareholders

Notice of the Extraordinary General Meeting of Shareholders

Taisho Pharmaceutical Holdings Co., Ltd. (the “Company”) hereby gives notice of the Extraordinary General Meeting of Shareholders as outlined below.

In convening this Extraordinary General Meeting of Shareholders, the Company has taken electronic measures to provide information contained in the Reference Documents for the General Meeting of Shareholders (the “Matters to be Provided Electronically”). The Matters to be Provided Electronically are posted on the following Company’s website on the Internet under the “Notice of the Extraordinary General Meeting of Shareholders.” Please access the website to review.

The Company’s website

https://www.taisho.co.jp/global/investors/stock_information.html

In addition to the above, the Matters to be Provided Electronically are also available on the Tokyo Stock Exchange (TSE) website. Please access the TSE website (Listed Company Search) below, search for the issue name (Taisho Pharmaceutical Holdings) or securities code (4581), and select “Basic information” followed by “Documents for public inspection/PR information” to review the information.

TSE website (Listed Company Search)

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

You may exercise your voting rights by sending back the Voting Form, which must arrive by March 15, 2024, 5:00 p.m. (Japan Standard Time), or voting via the Internet (<https://evote.tr.mufg.jp/>) by March 15, 2024, 5:00 p.m. (Japan Standard Time). To exercise your voting rights, please carefully read “Reference Documents for General Meeting of Shareholders” posted in the Matters to be Provided Electronically.

1. Date and time: Monday, March 18, 2024, at 10:00 a.m. (Japan Standard Time)

2. Location: Second Building, Taisho Pharmaceutical Co., Ltd.
3-25-1, Takada, Toshima-ku, Tokyo

3. Purpose of the meeting:

**Matters to be
resolved**

Proposal No. 1: Consolidation of Shares

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

You may name one (1) shareholder who holds voting rights of the Company to act as a proxy and exercise your voting rights. However, in accordance with the Company's Articles of Incorporation, the proxy will be required to present documentary proof of his or her authority to exercise your voting rights.

If any revision is made to the Matters to be Provided Electronically, the revised version will be posted on each website above.

Regarding the Notice of this meeting, the Company will send document deliverables to all shareholders regardless of requesting written documents in accordance with laws and regulations and the Company's Articles of Incorporation.

If you plan to attend the meeting, please present the enclosed Voting Form to the receptionist at the meeting. Please bring this Notice with you in order to save resources.

We sincerely ask you to come to the meeting place a little early as the reception will be crowded immediately before the opening of the meeting.

Reference Documents for General Meeting of Shareholders

Proposal No. 1: Consolidation of Shares

1. Purpose and reason for consolidation of shares

As announced in the “Announcement of Implementation of MBO and Recommendation for Tender Offer” by the Company dated November 24, 2023 (the “Opinion Expressing Press Release,” including any changes thereafter), Otemon Co., Ltd. (the “Tender Offeror”) decided to implement the tender offer (the “Tender Offer”) on November 24, 2023 as part of a series of transactions for a so-called Management Buyout (Note 3) to acquire all of the common shares of the Company (the “Company Shares”), the Stock Acquisition Rights (Note 1) and the American Depositary Receipts (Note 2) (the Company Shares, the Stock Acquisition Rights and the American Depositary Receipts are collectively referred to as the “Company Shares, Etc.”) for the purpose of privatizing the Company Shares (the “Transactions”).

(Note 1) “Stock Acquisition Rights” shall collectively mean the stock acquisition rights listed in (i) to (xii) below.

- (i) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 28, 2012 (exercise period is from August 2, 2012 to August 1, 2062)
- (ii) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 27, 2013 (exercise period is from August 2, 2013 to August 1, 2063)
- (iii) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 27, 2014 (exercise period is from August 2, 2014 to August 1, 2064)
- (iv) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 26, 2015 (exercise period is from August 4, 2015 to August 3, 2065)
- (v) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 29, 2016 (exercise period is from August 3, 2016 to August 2, 2066)
- (vi) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 29, 2017 (exercise period is from August 4, 2017 to August 3, 2067)
- (vii) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 28, 2018 (exercise period is from August 3, 2018 to August 2, 2068)
- (viii) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 27, 2019 (exercise period is from July 31, 2019 to July 30, 2069)
- (ix) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 26, 2020 (exercise period is from August 7, 2020 to August 6, 2070)
- (x) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 29, 2021 (exercise period is from August 7, 2021 to August 6, 2071)
- (xi) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 29, 2022 (exercise period is from August 5, 2022 to August 4, 2072)
- (xii) Stock acquisition rights resolved at the Company’s Board of Directors meeting held on June 29, 2023 (exercise period is from August 8, 2023 to August 7, 2073)

(Note 2) “American Depositary Receipts” shall mean the American Depositary Receipts issued by Citibank, N.A., The Bank of New York Mellon and JPMorgan Chase Bank, N.A. (collectively, the “Depository Bank”) in the United States for the Company Shares.

(Note 3) “Management Buyout (MBO)” generally means a transaction in which the management of the target company acquires shares of the target company by investing all or part of the acquisition funds on the assumption that the target company's business will continue.

Then, as announced in the “Notice Regarding the Results of the Tender Offer by Otemon Co., Ltd. for the Company Shares Etc. and Change of the Parent Company and the Largest Shareholder Among the Major Shareholders” by the Company dated January 16, 2024, the Tender Offeror implemented the Tender Offer with a period from November 27, 2023 to January 15, 2024 as the

purchase period (the “Tender Offer Period”) and, as a result, came to own 60,034,194 shares of the Company Shares, Etc. (voting rights ratio: 73.12% (Note 4)) as of January 19, 2024, the commencement date of the settlement of the Tender Offer.

(Note 4) “Voting rights ratio” was calculated using as the denominator the number of voting rights (821,000 units) pertaining to the number of shares (82,100,050 shares), obtained by deducting the number of treasury shares owned by the Company as of September 30, 2023 (3,163,303 shares), as stipulated in the “Consolidated Financial Statements for the First Six Months of the March 31, 2024 Fiscal Year <under Japanese GAAP>” released by the Company on November 10, 2023, from the total number of issued shares of the Company as of September 30, 2023 (85,139,653 shares) as stipulated in the Report for the Second Quarter of the 13th Fiscal Year issued by the Company on November 13, 2023, and adding the number of Company Shares (123,700 shares) to be issued upon the exercise of 1,237 Stock Acquisition Rights outstanding as of September 30, 2023. The percentage is rounded to the second decimal place in the calculation.

As announced by the Company in the Opinion Expressing Press Release, since Mr. Akira Uehara, who is Chief Executive Officer of the Company, and Mr. Shigeru Uehara, who is Executive Vice President of the Company and President and Representative Director of the Tender Offeror (Mr. Akira Uehara and Mr. Shigeru Uehara are collectively referred to as the “Proposing Party”), orally notified Members of the Board of the Company that initial consideration was underway to privatize the Company Shares in early July 2023, the Company has proceeded with consideration to set up a system for consideration regarding such notification. After that, the Company reported to all Members of the Board including Members of the Board (Outside) on August 4, 2023 that it was orally notified of an intention to commence consideration and discussion for implementing a management buyout (MBO). Then, the Company commenced specific consideration about the Transactions as it received a proposal form for commencing discussions on the Transactions (the “Proposal Form”) on September 13, 2023.

As described in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” in “3. Matters related to the appropriateness of provisions concerning the matters set forth in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act (matters related to the appropriateness of provisions regarding the ratio of consolidation of shares)” below, the Company, at the Board of Directors’ meeting held on September 15, 2023, appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent of the Tender Offeror, Mr. Akira Uehara, Mr. Shigeru Uehara, Mr. Ken Uehara, Mr. Osamu Uehara, Mr. Shoji Uehara, the public interest incorporated foundation Uehara Memorial Foundation (the “Uehara Memorial Foundation”), and the public interest incorporated foundation Uehara Museum of Art (the “Uehara Museum of Art”); collectively with the Uehara Memorial Foundation, referred to as the “Foundations.” Also, the Tender Offeror, Mr. Akira Uehara, Mr. Shigeru Uehara, Mr. Ken Uehara, Mr. Osamu Uehara, Mr. Shoji Uehara, and the Foundations are collectively referred to as the “Tender Offer Related Parties”) and the Company, and Daiwa Securities Co. Ltd. (“Daiwa Securities”) as a financial advisor and third-party calculation institution independent of the Tender Offer Related Parties and the Company to eliminate arbitrariness of decision making by the Company and the Company’s Board of Directors in the Transactions and to ensure fairness, transparency, and objectivity of the decision-making process. Furthermore, as the Transactions correspond to a management buyout (MBO) and there is an issue of structural conflicts of interest, the Company, at the Board of Directors’ meeting held on September 15, 2023, established a special committee (the “Special Committee”; for constitution of the membership and other specific consultation matters, please refer to “(iii) Establishment of an independent special committee at the Company and acquisition of opinions from such committee (the Report),” “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” in “3. Matters related to the appropriateness of provisions concerning the matters set forth in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act

(matters related to the appropriateness of provisions regarding the ratio of consolidation of shares)” below.) to examine the proposal of the Transactions, for the purpose of carefully determining the Company’s decisions regarding the Transactions, and eliminating the arbitrariness and conflicts of interest in the decision-making process of the Company’s Board of Directors and ensuring the fairness of the Transactions.

After setting the aforementioned structure in place, based on the negotiation policy confirmed by the Special Committee in advance and opinions, instructions and requests in the important negotiation phases, the Company conducted discussions and negotiations with the Proposing Party several times about whether to implement the Transactions, receiving advice from Nakamura, Tsunoda & Matsumoto and Daiwa Securities.

Also, the Company continuously conducted negotiations with the Proposing Party about the purchase price per share of the Company Shares in the Tender Offer (the “Tender Offer Price”). Specifically, on October 20, 2023, the Company received a price proposal from the Proposing Party to the effect that the Tender Offer Price would be 7,400 yen, the purchase price per Stock Acquisition Right in the Tender Offer (the “Stock Acquisition Right Purchase Price”) would be 1 yen, and the purchase price per share of the Company Shares pertaining to the American depositary shares represented in the American Depositary Receipts (the “American Depositary Shares”) would be 7,400 yen. After that, as described in “(ii) Background, purpose, and decision-making process of the decision by the Tender Offeror to implement the Tender Offer,” “(2) Basis and reasons for opinions” in “3. Details of and basis and reasons for opinions regarding the Tender Offer” in the Opinion Expressing Press Release, discussions and negotiations were continuously conducted about the Tender Offer Price and other terms of the Transactions.

As a result, as described in “(ii) Background, purpose, and decision-making process of the decision by the Tender Offeror to implement the Tender Offer,” “(2) Basis and reasons for opinions” in “3. Details of and basis and reasons for opinions regarding the Tender Offer” in the Opinion Expressing Press Release, the Tender Offeror and the Company reached an agreement that the Tender Offer Price would be 8,620 yen on November 24, 2023.

In this way, the Company has continuously negotiated the Tender Offer Price with the Proposing Party. Furthermore, the Company has received necessary legal advice regarding the method and process of decision-making by the Company’s Board of Directors including various procedures regarding the Transactions and other points to be noted from Nakamura, Tsunoda & Matsumoto as the legal adviser. Also, the Company received a report dated November 22, 2023 (the “Report”) from the Special Committee (for the summary of the Report and the details of specific activities of the Special Committee, please refer to “(iii) Establishment of an independent special committee at the Company and acquisition of opinions from such committee (the Report),” “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” in “3. Matters related to the appropriateness of provisions concerning the matters set forth in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act (matters related to the appropriateness of provisions regarding the ratio of consolidation of shares)” below). On that basis, the Company has carefully discussed and considered whether or not the Transactions would be able to enhance the Company’s corporate value and whether or not the terms and conditions of the Transactions, including the Tender Offer Price under the Transactions, are appropriate, taking into account the legal advice received from Nakamura, Tsunoda & Matsumoto as the legal adviser and the content of a share value calculation statement (the “Share Value Calculation Statement”) obtained from Daiwa Securities as a third-party calculation institution and fully respecting the content of the Report submitted from the Special Committee.

As a result, the Company determined that the Transactions would contribute to the enhancement of the Company’s corporate value and the terms and conditions of the Transactions were appropriate based on the following perspectives.

The Company recognizes that the pharmaceuticals and healthcare business markets are entering a period of great transformation in the context of changing social and economic environments such as changes in personal lifestyle and sense of value, advancing digitalization, and rising social security

costs, especially medical costs, due to aging and longevity. In particular, the Prescription Pharmaceutical Operation of the Group (the company group consisting of 33 companies in total including 31 consolidated subsidiaries and 2 equity-method affiliates as of February 13, 2024; hereinafter the same) is facing a challenging business environment due to factors such as the reform of the drug price system, growing difficulty with development and clinical trials associated with a shift of the drug development areas from drugs for the treatment of lifestyle-related diseases to anticancer drugs, drugs for the treatment of central nervous system and drugs for the treatment of orphan diseases, and increased launching of macromolecular drugs requiring a high level of expertise and drugs utilizing new modalities. Even in such a tough and ever-changing environment, it is important to provide high-quality drugs in a stable manner and for this purpose, we believe that a certain amount of upfront investment in production facilities and a new drug development system is indispensable for the Group to adapt to such changes flexibly and promptly. Also, in the business environment surrounding the Group's Self-medication Operation, we recognize that, in the wake of the COVID-19 pandemic, communication of information and distribution channels of goods have greatly changed and their speed has significantly become faster through penetration of the internet and other direct sales to consumers. Amid such a situation, we believe that it is necessary to enhance the internet business including mail-order sale responding to changes in the purchase behavior of consumers. Furthermore, regarding the overseas OTC drugs market, the Company sees that there are considerable business opportunities as the Asian market, in particular, is significantly growing on the back of increasing population and economic growth. For expanding shares further in the overseas market, we recognize that it is important to provide products based on the understanding of consumer needs. In this way, the Company believes that it is necessary for each existing business of the Group to take fundamental and agile measures from a medium- to long-term perspective and implement the business strategy involving a certain level of business risk promptly and decisively to respond to changes in their external environments.

Then, the Proposing Party, in the process of discussions and negotiations, conveyed to the Company its intention of specific measures regarding the Company such as (i) fundamental review of sales structure in the Self-medication Operation and expansion of the Company's e-commerce site, (ii) support of production management for the stable and long-term manufacturing of high-quality products, (iii) investment in overseas business to expand product portfolio and business, (iv) development of new drugs through open innovation in the Prescription Pharmaceutical Operation and technology alliances with bio-ventures and pharmaceutical companies, and (v) fundamental restructuring of personnel system including recruitment policy and compensation system, and the Company also recognizes that these measures should be actively promoted for improving the Company's corporate value further over the medium- to long-term and that an agile and flexible management structure should be established to implement these measures.

However, given that the above measures, which involve significant transformation of the business structure and new initiatives, require a considerable period of time and various upfront investment including strategic investment until contributing to the Group's business performance, there is a risk that they may cause deteriorations of the Group's financial condition and business performance in the short term. For that reason, if the Company implements these measures while being listed, it may have significant adverse effects on the Company's shareholders through a decline in stock price, a decrease in dividends, etc.

Under these circumstances, the Company believes that, in order to avoid the aforementioned possible adverse effects on the Company's shareholders and enhance the Company's corporate value from a medium- to long-term perspective, it is necessary to privatize the Company Shares through a management buyout (MBO) to align ownership and management and establish a management structure where the Tender Offeror, Members of the Board, and employees can promptly and decisively work on each measure with a unified effort, regardless of short-term valuation in the stock market. Also, given that the Proposing Party has thorough knowledge of the Company's business, the Company has determined that it is fully rational for the Proposing Party to continue to play a central

role in the Company's management and control through a management buyout (MBO).

In addition, after the completion of the settlement of the Tender Offer, the Foundations have reinvested in the Tender Offeror the full amount equivalent to the consideration (excluding applicable taxes and expenses, if any) received by tendering their own shares in the Tender Offer and acquired non-voting Class A Preferred Shares of the Tender Offeror. Regarding the Foundations becoming a shareholder of the Tender Offeror, the Foundations have been a major shareholder of the Company up to this day and operate promotion services as a public interest incorporated foundation using dividends received as the Company's shareholder as a major source of funds. Since the Tender Offeror is not planning to change the Company's dividend policy even after privatization, the Foundations can receive dividends as in the past and is expected to be able to continue the business as a public interest incorporated foundation after the Transactions. Therefore, we believe that they will not raise objections to the Company's management policy after the Transactions.

Based on the above, it is unlikely that the Company's business is adversely affected if the Tender Offer Related Parties continue to be the major shareholders after the Transactions through reinvesting in the Tender Offeror, and it is considered preferable as the business can be continued under a stable shareholding structure after the Transactions.

If the Company privatizes its shares, it will not be able to raise funds through equity finance from capital markets, and there is a possibility that it can affect the acquisition of excellent human resources and the expansion of business partners supported by greater social credibility and name recognition which the Company has enjoyed as a listed company. However, in the 60 years since listing on Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"), the Company has acquired social credibility and enhanced name recognition through the listing to a considerable degree and no equity finance has been used since the listing of the holding company in October 2011. Also, in the future, necessary funds are expected to be covered by investments from the Proposing Party and some of its relatives, investments from the Foundations, borrowings from financial institutions, and cash flows generated from the business and therefore, it becomes difficult to find necessity to maintain the listing of the Company Shares. Accordingly, the Company's Board of Directors determined that merits of the privatization of the Company Shares exceeds the demerits.

Based on the above, the Company's Board of Directors determined that the privatization of the Company Shares through the Transactions including the Tender Offer would contribute to the enhancement of the Company's corporate value.

In addition, based on the reasons described in "(3) Matters related to the amount of cash expected to be delivered to shareholders through treatment of fractions and the appropriateness of such amount" in "3. Matters related to the appropriateness of provisions concerning the matters set forth in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act (matters related to the appropriateness of provisions regarding the ratio of consolidation of shares)," the Company's Board of Directors determined that the Tender Offer Price (8,620 yen) and other terms and conditions regarding the Tender Offer are appropriate for the Company's shareholders and that the Tender Offer would provide the shareholders with a reasonable opportunity to sell their shares.

While the Tender Offer Price falls below net assets per share (10,132.42 yen) of the Company as of September 30, 2023 by 14.93%, such net assets do not indicate a theoretical liquidation value as the consolidated balance sheet is prepared based on the assumption of a going concern in the generally accepted accounting principles. In addition, the Company's assets include many less liquid business assets such as inventories, land and buildings of plants and laboratories, and intangible assets including goodwill (a ratio of these assets ("merchandise and finished goods" (30,638 million yen), "work in process" (3,116 million yen), "raw materials and supplies" (19,577 million yen), "property, plant and equipment related to plants and laboratories" (82,560 million yen) and "intangible assets" (238,492 million yen)) to total assets (941,490 million yen) in the Company's consolidated balance sheet (as of March 31, 2023) is 39.76%). Considering the difficulty in selling assets and the occurrence of various additional costs associated with liquidation, if the Company goes into liquidation, a considerable amount of impairment is estimated from the book value (however, as the Company has

no intention to go into liquidation, it has not acquired an estimate assuming liquidation or made any specific trial calculation). Therefore, it is not reasonable to focus on net assets in calculating value of the Company as a going concern.

Based on the above, the Company has resolved at the Board of Directors' meeting held on November 24, 2023 to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their Company Shares in the Tender Offer, leave to the holders of the Stock Acquisition Rights (the "Stock Acquisition Right Holders") the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommend that the holders of the American Depositary Receipts—upon submitting in advance their American Depositary Receipts to the Depository Bank and receiving the Company Shares pertaining to the American Depositary Shares represented in such American Depositary Receipts—tender their shares in the Tender Offer. This resolution of the Company's Board of Directors was made on the assumption that the Company Shares are scheduled to be delisted as a result of the Tender Offer and a series of subsequent procedures conducted by the Tender Offeror.

For details of the resolution at the Board of Directors' meeting, please refer to "(iv) Approval of all disinterested Members of the Board of the Company and opinion of all disinterested Company Auditors that they have no objections," "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest" in "3. Matters related to the appropriateness of provisions concerning the matters set forth in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act (matters related to the appropriateness of provisions regarding the ratio of consolidation of shares)" below.

Thereafter, the Tender Offer was successfully completed as described above. However, as the ratio of the Company's voting rights owned by the Tender Offeror did not reach 90%, the Company, upon the request from the Tender Offeror and in accordance with the policy announced in the Opinion Expressing Press Release, has resolved, at the Board of Directors' meeting held on February 13, 2024, to consolidate the Company Shares at a ratio of 1 share for 27,000,000 shares of the Company Shares (the "Consolidation of Shares") as described in "(1) Consolidation ratio" in "2. Matters set forth in each item of Article 180, Paragraph 2 of the Companies Act (details of consolidation of shares)" below in order to make the Tender Offeror the sole shareholder of the Company and privatize the Company Shares, subject to obtaining approval from shareholders at this Extraordinary General Meeting of Shareholders, and to submit a proposal regarding the Consolidation of Shares to this Extraordinary General Meeting of Shareholders. Due to the Consolidation of Shares, the number of the Company Shares owned by shareholders other than the Tender Offeror will be a fraction of less than one share.

- 2. Matters set forth in each item of Article 180, Paragraph 2 of the Companies Act (details of consolidation of shares)
 - (1) Consolidation ratio
27,000,000 shares of the Company Shares will be consolidated into one share.
 - (2) Date on which the Consolidation of Shares will become effective (effective date)
April 11, 2024
 - (3) Total number of authorized shares on the effective date
12 shares
- 3. Matters related to the appropriateness of provisions concerning the matters set forth in Article 180, Paragraph 2, Items 1 and 3 of the Companies Act (matters related to the appropriateness of provisions regarding the ratio of consolidation of shares)
As for the consolidation ratio of the Consolidation of Shares, 27,000,000 shares of the Company

Shares are consolidated into one share. The Company determined that the consolidation ratio of the Consolidation of Shares is appropriate since the Consolidation of Shares is to be conducted for the purpose of making the Tender Offeror the sole shareholder of the Company (excluding the Company) and privatizing the Company Shares as described in “1. Purpose and reason for consolidation of shares” above and the Tender Offer, which was implemented as part of the Transactions through a process as described in “1. Purpose and reason for consolidation of shares” above, was successfully completed, and based on each of the following matters.

- (1) Matters noted so that the interests of shareholders of the Company other than the parent company are not impaired if there is such a parent company

The Company and the Tender Offeror implemented measures as described in “(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest” below to ensure the fairness of the terms and conditions of the Transactions including the Tender Offer Price, considering that the Consolidation of Shares is to be conducted as part of the Transactions for a management buyout (MBO) and there is an issue of structural conflicts of interest.

- (2) Matters related to the method for treatment of fractions

- (i) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act is scheduled or not, and the reasons therefor

As described in “1. Purpose and reason for consolidation of shares” above, the number of the Company Shares owned by the shareholders (excluding the Tender Offeror) will become a fraction of less than one share due to the Consolidation of Shares.

Regarding a fraction of less than one share arising as a result of the Consolidation of Shares, the Company will sell the number of shares equivalent to the sum of such fractions (if the sum has a fraction of less than one share, such fraction will be rounded down) and deliver the proceeds from such sale to the shareholders in proportion to their fractions. With respect to that sale, the Company plans to sell the relevant shares to the Tender Offeror with permission from a court in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005, including subsequent amendment; hereinafter the same) as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, or buy the relevant shares with permission from a court in accordance with the provisions of Article 234, Paragraphs 2 and 4, considering that it is unlikely that there will be a purchaser through auction since the Company Shares is scheduled to be delisted on April 9, 2024 and become shares with no market price.

If the permission as above is obtained from a court as planned, the sale amount will be set so that cash amount equal to the number of the Company Shares owned by each shareholder as listed or recorded in the final shareholders’ register of the Company as of April 10, 2024, which is the day before the effective date of the Consolidation of Shares, multiplied by 8,620 yen, which is equal to the Tender Offer Price, will be delivered to each shareholder. However, if permission cannot be obtained from the court or adjustment of fractions is necessary for the calculation, the actual amount to be delivered may differ from the above amount.

- (ii) Name of parties expected to purchase shares for sale

Otemon Co., Ltd. (Tender Offeror)

Taisho Pharmaceutical Holdings Co., Ltd. (the Company)

- (iii) Method to be used by the parties expected to purchase shares for sale to secure funds for paying the price for the sale, and appropriateness of such method

Otemon Co., Ltd. (the Tender Offeror) plans to cover the payment for acquiring the number of the Company Shares equivalent to the sum of fractions arising from the Consolidation of Shares with funds obtained through loans from Sumitomo Mitsui Banking Corporation.

The Company determined that the method used by Otemon Co., Ltd. (the Tender Offeror) for securing funds for payment for acquiring the number of the Company Shares equivalent to the sum of fractions is appropriate, since (a) the Company confirmed the method of securing funds by the Tender Offeror by checking the tender offer registration statement submitted by the Tender Offeror on November 27, 2023, (b) according to the Tender Offeror, no events have occurred that could hinder the above payment and such events are currently not expected to occur in the future, and (c) according to the Tender Offeror, no events have occurred that could hinder the loans of funds to pay the above amount and such events are currently not expected to occur in the future.

Also, as of February 13, 2024, the Company holds cash and deposits equivalent to the funds for payment for acquiring the number of the Company Shares equivalent to the sum of fractions arising from the Consolidation of Shares, and no events have occurred at the Company that could hinder the above payment and such events are not expected to occur in the future.

Accordingly, the Company determined that the method for securing the funds as above is appropriate even if the number of the Company Shares equivalent to the sum of fractions arising from the Consolidation of Shares is sold to the Tender Offeror or purchased by the Company.

(iv) Expected timing of sale and delivery of proceeds from the sale to the shareholders

After the Consolidation of Shares becomes effective, the Company plans to file an application with the court around late April 2024 for permission to sell the Company Shares equivalent to the sum of fractions of less than one share arising as a result of the Consolidation of Shares in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act. Although the timing of obtaining the permission may vary depending on the situation of the court, the Company plans to sell the Company Shares from around late May 2024 to mid-June of the same year after obtaining permission from the court, then, make necessary preparations for delivering proceeds from such sale to shareholders, and after that, deliver proceeds from the sale to the shareholders around one month after obtaining the said permission.

In consideration of the period required for a series of procedures for the sale after the effective date of the Consolidation of Shares, the Company determined that, at each timing as stated above, the number of the Company Shares equivalent to the sum of fractions of less than one share arising as a result of the Consolidation of Shares will be sold and proceeds from such sale will be delivered to the shareholders.

(3) Matters related to the amount of cash expected to be delivered to shareholders through treatment of fractions and the appropriateness of such amount

The amount of cash expected to be delivered to the shareholders as a result of the treatment of fractions is scheduled to be an amount equal to the number of the Company Shares owned by the shareholders as listed or recorded in the final shareholders' register of the Company as of April 10, 2024, which is the day before the effective date of the Consolidation of Shares, multiplied by 8,620 yen, which is equal to the Tender Offer Price, as stated in "(i) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act is scheduled or not, and the reasons therefor" in "(2) Matters related to the method for treatment of fractions" above.

The Company's Board of Directors determined that the Tender Offer Price and other terms

and conditions regarding the Tender Offer are appropriate for the Company's shareholders and the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares based on the following: (a) the Tender Offer Price (8,620 yen) is above the range of the calculation result based on the market price method and within the range of the calculation result based on the discounted cash flow method (the "DCF method") among the calculation results of the value of the Company Shares by Daiwa Securities as described in "(i) Acquisition of the share value calculation statement by the Company from an independent third-party calculation institution" in "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest" below; (b) the Tender Offer Price provides a premium of 56.30% (rounded to two decimal places; hereinafter the same applies to the calculation of premiums) on 5,515 yen, the closing price of the Company Shares on the Standard Market of the Tokyo Stock Exchange on November 22, 2023, which is the business day before the announcement date of the Tender Offer; 49.39% on 5,770 yen, the simple average closing price (rounded to the nearest whole yen; hereinafter the same applies to the calculation of simple average closing price) over the preceding one-month period up to the same date (from October 23, 2023 to November 22, 2023); 44.29% on 5,974 yen, the simple average closing price over the preceding three-month period up to the same date (from August 23, 2023 to November 22, 2023); and 50.38% on 5,732 yen, the simple average closing price over the preceding six-month period up to the same date (from May 23, 2023 to November 22, 2023), respectively, and is considered to provide a reasonable premium, while ensuring a level of premium comparable to that of similar cases (successfully completed 46 cases among those of management buyouts (MBO) announced on and after June 28, 2019 on which the Ministry of Economy, Trade and Industry released the Fair M&A Guidelines (the "M&A Guidelines") (however, excluding two cases that were not completed after an announcement of tender offer in the past and were later completed by another tender offer) (with the business day before the announcement date as a record date, the median of the premiums for the simple average closing price over a preceding one-month period up to that date, preceding three-month period up to the same, and preceding six-month period up to the same is 39.86% - 48.56%)); (c) it is acknowledged that consideration is given to minority shareholders' interests including measures to eliminate conflicts of interest as described in "(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest" below; (d) the Tender Offer Price was determined based on the above measures to eliminate conflicts of interest and discussions and negotiations have been conducted several times between the Company and the Proposing Party that are comparable to discussions and negotiations to be conducted in an arm's length transaction; and (e) the Special Committee confirmed the negotiation policy in advance, received reports on the progress in a timely manner, and gave opinions, instructions and requests in important phases in the negotiations, and it has expressed its opinion that the Tender Offer Price is appropriate.

Also, the Company has resolved at the Board of Directors' meeting held on November 24, 2023 to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their Company Shares in the Tender Offer, leave to the Stock Acquisition Right Holders the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommend that the holders of the American Depositary Receipts—upon submitting in advance their American Depositary Receipts to the Depositary Bank and receiving the Company Shares pertaining to the American Depositary Shares represented in such American Depositary Receipts—tender their shares in the Tender Offer. Subsequently, the Company confirmed that there has been no significant change in the terms and conditions that are the basis of the Company's decision regarding the Tender Offer Price until the holding of the Board of Directors' meeting on February 13, 2024 which resolved to convene this Extraordinary General Meeting of Shareholders.

Based on the above, the Company determined that the amount of cash expected to be delivered to shareholders through treatment of fractions is appropriate.

(4) Measures to ensure fairness of the Transactions and measures to avoid conflicts of interest

Considering that the Tender Offer is to be conducted as part of the Transactions which correspond to a so-called management buyout (MBO) and there is an issue of structural conflicts of interest, the Tender Offeror and the Company took the following measures to ensure the fairness of the Transactions including the Tender Offer from the perspectives of ensuring the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Price, eliminating the arbitrariness and avoiding conflicts of interest in the decision-making process for deciding implementation of the Tender Offer.

In addition, the Tender Offeror has not set a minimum planned purchase quantity corresponding to a so-called “majority of minority” in the Tender Offer, since the Tender Offeror believes that setting such minimum purchase quantity may make the successful completion of the Tender Offer uncertain and may not contribute to the interests of minority shareholders of the Company who wish to tender their shares in the Tender Offer. At the same time, since the Company and the Tender Offeror have taken the measures stated in (i) through (vi) below as the measures to ensure the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Price and measures to avoid a conflict of interest, the Company believes that sufficient consideration has been given to the interests of the minority shareholders of the Company. Of the following statements, those regarding the measures taken by the Tender Offeror are based on the explanation provided by the Tender Offeror.

(i) Acquisition of the share value calculation statement by the Company from an independent third-party calculation institution

Prior to expressing its opinion on the Tender Offer, the Company requested Daiwa Securities, a financial advisor and third-party calculation institution independent of the Tender Offeror and the Company to calculate the value of the Company Shares to ensure fairness in the process of decision making on the Tender Offer Price proposed by the Tender Offeror. Meanwhile, the Company has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from Daiwa Securities, because the Tender Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest as described below. Compensation to Daiwa Securities for the Transactions includes a contingency fee to be paid subject to the successful completion of the Transactions. The Company appointed Daiwa Securities as a financial advisor and third-party calculation institution of the Company under the above compensation structure based on the determination that the inclusion of a contingency fee to be paid subject to the successful completion of the Transactions does not negate independence, given the general business practice in similar transactions. In addition, the Special Committee confirmed that there is no problem with the independence of Daiwa Securities.

Daiwa Securities considered a method to be adopted for calculating the value of the Company Shares among a number of valuation methods, and based on the idea that it would be appropriate to evaluate the value of the Company Shares from various perspectives on the assumption that the Company is a going concern, Daiwa Securities conducted analyses of the per-share value of the Company Shares using, as calculation methods, the market price method given that the Company Shares are listed on the Standard Market of the Tokyo Stock Exchange and have a market price and the DCF method to reflect the business performance and projections of the Company in the valuation. The Company obtained the Share Value Calculation Statement from Daiwa Securities dated November 22, 2023.

The ranges of per-share value of the Company Shares calculated based on each method above are as follows:

Market price method: 5,515 yen to 5,974 yen

DCF method: 8,117 yen to 9,594 yen

Under the market price method, with November 22, 2023 as the calculation reference date, and based on 5,515 yen, the closing price of the Company Shares on the reference date on the Standard Market of the Tokyo Stock Exchange; 5,770 yen, the simple average closing price for the last one month; 5,974 yen, the simple average closing price for the last three months; and 5,732 yen, the simple average closing price for the last six months, the range of per-share value of the Company Shares was calculated to be 5,515 yen to 5,974 yen.

Under the DCF method, the Company's corporate value and share value were estimated by discounting free cash flows expected to be generated by the Company in and after the third quarter of the fiscal year ending March 2024 to the present value at certain discount rate, based on the business plan prepared by the Company and taking into account various factors such as earnings and investment plans in the business plans for the five fiscal years from the fiscal year ending March 2024 to the fiscal year ending March 2028 and publicly announced information. As a result, the range of per-share value of the Company Shares was analyzed to be 8,117 yen to 9,594 yen. The weighted average cost of capital (WACC) was used as the discount rate and it ranges from 6.5% – 7.5% at Japan, 9.2% – 11.2% for UPSA S.A.S. (“UPSA”) (business in France), 13.2% – 15.2% for UPSA (business outside France), 12.5% – 14.5% for Duoc Hau Giang Pharmaceutical JSC (“Duoc Hau Giang Pharmaceutical”) and 8.1% – 10.1% for other overseas business. In calculating terminal value, the constant-growth rate model was used and permanent growth rates of 0.0% – 1.0% at Japan, 1.0% – 2.0% for UPSA (business in France), 1.5% – 2.5% for UPSA (business outside France), 2.5% – 3.5% for Duoc Hau Giang Pharmaceutical, and 1.0% – 2.0% for other overseas business were used for calculation.

The financial forecast based on the business plan developed by the Company which Daiwa Securities used as the basis for the DCF method is as follows. In a period of the business plans, there is a fiscal year in which a significant change in profits is expected in comparison with previous year. Specifically, in the fiscal year ending March 2025, operating profit is expected to significantly increase comparing with the preceding year, because amortization of goodwill, sales rights and trademark right is expected to decrease and a reduction in selling, general and administrative expenses due to a structural reform, which is being conducted in the fiscal year ending March 2024, is reflected. In addition to this increase in profit, free cash flow is expected to significantly increase in the fiscal year ending March 2025 due to a decrease in working capital.

In addition, the said financial forecast does not assume the implementation of the Transactions and not include specific measures after the Transactions and their effects that are described in “(ii) Background, purpose, and decision-making process of the decision by the Tender Offeror to implement the Tender Offer,” “(2) Basis and reasons for opinions” in “3. Details of and basis and reasons for opinions regarding the Tender Offer” in the Opinion Expressing Press Release.

(Millions of yen)

Items	Fiscal year ending March 2024	Fiscal year ending March 2025	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028
Net sales	319,000	319,624	323,974	330,133	337,559
Operating profit	20,500	27,632	29,598	31,224	33,666
EBITDA	49,221	55,124	57,891	60,062	62,220
Free cash flow	9,345	22,759	20,562	19,805	19,159

(ii) Advice from an independent law firm at the Company

In order to ensure the fairness and appropriateness of decision-making by the Company's Board of Directors on the Transactions including the Tender Offer, the Company appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent of the Tender Offer Related Parties and the Company. The Company has received necessary legal advice from the law firm regarding the method and process of decision making by the Company's Board of Directors including various procedures regarding the Transactions including the Tender Offer and other points to be noted. Nakamura, Tsunoda & Matsumoto does not fall under the Tender Offer Related Parties and a related party of the Company and has no material interest in the Transactions including the Tender Offer. Compensation to Nakamura, Tsunoda & Matsumoto does not include a contingency fee to be paid subject to the announcement and successful completion of the Transactions. In addition, the Special Committee confirmed that there is no problem with the independence of Nakamura, Tsunoda & Matsumoto.

(iii) Establishment of an independent special committee at the Company and acquisition of opinions from such committee (the Report)

Based on the resolution of the Board of Directors' meeting dated September 15, 2023, the Company has established the Special Committee which consists of the Company's Company Auditors (Outside) and an outside expert independent of the Tender Offer Related Parties (three members including Mr. Chushiro Aoi who is the Company Auditor (Outside), Mr. Makoto Matsuo who is the Company Auditor (Outside) and Mr. Takayuki Tsukuda who is a former Company Auditor (Outside) of Taisho Pharmaceutical Co., Ltd.), before discussing and resolving the pros and cons of the Transactions including the Tender Offer at the Company's Board of Directors' meeting, in order to eliminate the arbitrariness of the Company's decision making on the Transactions including the Tender Offer and ensure the fairness, transparency, and objectivity of the decision-making process. Mr. Takayuki Tsukuda was invited to the Special Committee as an outside expert having knowledge in the finance and management fields, as he served as Company Auditor (Outside) of Taisho Pharmaceutical Co., Ltd. from 2004 to 2009 and therefore is familiar with the Group's business, and successively held various posts including Representative Director and Senior Managing Director, residing in London as Head of European Headquarters, of the former Sumitomo Bank until 2000, President & CEO and Chairman of The Royal Hotel, Ltd. from 2001 to 2009 and President and Representative Director of Lotte Co., Ltd. from 2009 to 2020. Mr. Makoto Matsuo was appointed as the chairperson of the Special Committee by mutual vote at the Special Committee. Fixed monthly compensation or hourly compensation shall be paid to each member of the Special Committee as compensation for their duties during the period of implementing the Special Committee, regardless of the content of its report.

Then, based on the resolution of the Board of Directors' meeting as mentioned above, the Company consulted with the Special Committee on (a) whether or not the purpose of the Transactions is justifiable and reasonable (including whether or not the Transactions contribute to enhancing the Company's corporate value), (b) whether or not the fairness and appropriateness of the terms and conditions of the Transactions (including the purchase price in the Tender Offer implemented as part of the Transactions) is ensured, (c) whether or not sufficient consideration has been given to the interests of the Company's shareholders through fair procedures in the Transactions, (d) in addition to (a) through (c) above, whether or not decisions on the Transactions are not disadvantageous to minority shareholders, and (e) whether it is appropriate to express an opinion to the effect that the Company's Board of Directors supports the Tender Offer and recommends that the Company's shareholders tender their Company Shares, leaves to the Stock Acquisition Rights Holders the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommends that the holders of the American Depositary Receipts—upon submitting in advance their American

Depository Receipts to a depository bank and receiving the Company Shares pertaining to the American Depository Shares represented in such American Depository Receipts—tender their shares in the Tender Offer (the Company added consultation matters regarding the Stock Acquisition Rights and the American Depository Receipts among those stated in (e) above after establishing the special committee. Matters (a) through (e) are collectively referred to as the “Consultation Matters”) and requested the committee to submit a report on these matters to the Company.

Also, when consulting with the Special Committee, the Company’s Board of Directors has decided that the decision making at the Company’s Board of Directors regarding the Transactions shall fully respect the report from the Special Committee and in particular, if the Special Committee determines that the terms and conditions of the Transactions are inappropriate, the Company’s Board of Directors would not support the Transactions under such terms and conditions. At the same time, the Company’s Board of Directors resolved to grant the Special Committee the authority to: (a) elect its own advisors for finance, legal affairs or other fields as needed when considering consultation matters (the Company will pay expenses in this case) or appoint or approve the Company’s advisor for finance, legal affairs, or other fields (including post approvals) and seek professional advice from the Company’s advisor, if it confirmed that there is no problem with independence and expertise of the Company’s advisor; (b) request Members of the Board and employees of the Company or other persons whom the Special Committee deems necessary to attend a meeting of the Special Committee and provide an explanation on necessary information in order to ensure appropriate determination; (c) be substantially involved in the negotiation process on the terms and conditions of the Transactions by confirming the negotiation policy of the Company regarding the terms and conditions of the Transactions in advance, receiving reports on its progress in a timely manner, stating opinions, and giving instructions and requests and conduct negotiations directly by itself as needed; and (d) otherwise, do anything that the Special Committee recognizes as necessary for consideration and determination about the Transactions including appointment of a person who assists with duties of the Special Committee.

Receiving advice from Nakamura, Tsunoda & Matsumoto, the Company examined the independence and qualification of candidates for members of the Special Committee and, after confirming that they are independent of the Tender Offeror and they do not have any material interests regarding the success or failure of the Transactions that differ from the interests of minority shareholders, appointed members of the Special Committee. The Company appointed the above three persons as members of the Special Committee from the beginning and has never changed these members.

The Special Committee meetings were held nine times in total during the period from September 22, 2023 to November 22, 2023, at which the Consultation Matters were carefully considered and discussed. Specifically, the Special Committee received explanations from the Company regarding the background of having received the proposal for the Transactions, purposes of the Transactions, the business environment, the business plans and the business issues and had time for questions and answers, and received explanations from the Proposing Party regarding the background and reasons for the proposal of the Transactions, purposes of the Transactions and the terms and conditions of the Transactions and had time for questions and answers. In addition, as a policy to involve in the negotiation process with the Proposing Party, the Special Committee confirmed that, while Daiwa Securities, the financial adviser of the Company, makes direct negotiation as a contact of the Company, the Special Committee can be substantially involved in the negotiation process regarding the terms and conditions of the Transactions by receiving a report on the progress in a timely manner from a person in charge of negotiation, stating an opinion in a material phase, and giving instructions or requests. Furthermore, the Special Committee received an explanation from Daiwa Securities

regarding the calculation methods for the value of the Company Shares and their results (Daiwa Securities had time for questions and answers with the Company regarding the Company's business plans which are the basis of the calculation of share value and, after understanding the development process of the business plans and current situation of the Company, confirmed the reasonableness of the Company's business plans by checking the existence of unreasonable points in light of such understanding.).

Subsequently, upon receiving timely reports from the Company on the process and details of discussions and negotiations regarding the Transactions between the Proposing Party and the Company, the Special Committee had a discussion, and regarding the Tender Offer Price, conducted negotiations and provided an opinion to the Company that it should request the Proposing Party to raise the Tender Offer Price, until the Company received a final proposal at 8,620 yen from the Proposing Party as described in "(ii) Background, purpose, and decision-making process of the decision by the Tender Offeror to implement the Tender Offer," "(2) Basis and reasons for opinions" in "3. Details of and basis and reasons for opinions regarding the Tender Offer" in the Opinion Expressing Press Release, and thus, the Special Committee was involved in the negotiation process with the Proposing Party. Furthermore, the Special Committee received explanations from Nakamura, Tsunoda & Matsumoto regarding the Transactions and measures being taken to mitigate or prevent conflicts of interest in the Transactions and had time for questions and answers, and also received an explanation from the Company regarding the negotiation and determination processes of the terms and conditions of the Transactions and had time for questions and answers.

Meanwhile, the Special Committee approved the appointment by the Company of Daiwa Securities as the financial adviser and third-party calculation institution of the Company and Nakamura, Tsunoda & Matsumoto as the legal adviser of the Company since there are no problems with the independence and expertise of both parties.

Based on the above, the Special Committee had continuously conducted discussions with Daiwa Securities and Nakamura, Tsunoda & Matsumoto and held discussions and considered on the Consultation Matters. As a result of these careful discussions and consideration on the Consultation Matters, the Special Committee submitted the Report to the Company's Board of Directors on November 22, 2023, which generally states the following based on the unanimous agreement of the committee members.

(i) Matters stated in the Report

- (a) The purpose of the Transactions is deemed to be justifiable and reasonable and it considers the Transactions will contribute to enhancing the Company's corporate value.
- (b) It considers the terms and conditions of the Transactions (including the purchase price in the Tender Offer) to be fair and appropriate.
- (c) It considers that sufficient consideration is given to the interests of the Company's shareholders through fair procedures in the Transactions.
- (d) It considers that in addition to (a) through (c) above, decisions on the Transactions are not disadvantageous to the Company's minority shareholders.
- (e) It considers it appropriate for the Company's Board of Directors to express an opinion to the effect that it supports the Tender Offer and recommends that the Company's shareholders tender their Company Shares, leaves to the Stock Acquisition Rights Holders the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommends that the holders of the American Depositary Receipts pertaining to the Company Shares—upon submitting in advance their American Depositary Receipts to a depository bank and receiving the Company Shares pertaining to the American Depositary Shares represented in such American Depositary Receipts—tender their shares in the Tender Offer.

(ii) Reasons for the Report

- (a) Whether or not the purpose of the Transactions is justifiable and reasonable (including whether or not the Transactions will contribute to enhancing the Company's corporate value)

Taking into account the circumstances below, it is recognized that the purpose of the Transactions is justifiable and reasonable and the Transactions will contribute to enhancing the Company's corporate value in a sustainable manner. Also, the Transactions resulting in delisting are deemed to be reasonable on the assumption that other requests such as fairness and appropriateness of the terms and conditions of the Transactions are satisfied in an appropriate manner.

- With respect to explanations by the Proposing Party regarding the Company's business environment and measures to realize further enhancement of the Company's corporate value as described in "(ii) Background, purpose, and decision-making process of the decision by the Tender Offeror to implement the Tender Offer," "(2) Basis and reasons for opinions" in "3. Details of and basis and reasons for opinions regarding the Tender Offer" in the Opinion Expressing Press Release and the Company's recognition regarding the necessity of fundamental and agile measures from a medium- to long-term perspective and the reasonability of selecting a management buyout as a means to realize such measures as described in the same press release's (iii) Decision-making process of and reasons for the Company's decision to support the Tender Offer, "(2) Basis and reasons for opinions" in "3. Details of and basis and reasons for opinions regarding the Tender Offer," no particular unreasonable points were found and it is recognized that various measures assumed by the Proposing Party will address significant issues for the Company's business development in future.
- In addition, the judgement that the Transactions will allow the Company to decisively take various measures that may cause deteriorations in financial conditions and business performance in the short term without paying attention to securing and distributing profits to the Company's shareholders and short-term valuation from the stock markets and that, by allowing the Proposing Party which has engaged in management of the Company over many years and its relatives to become the shareholder to align ownership and management, the Company will be able to swiftly make decisions and develop the business is considered to be reasonable.
- Even after the Transactions, on the assumption that sufficient cash flows are expected to be continuously generated for both growth investment and loan repayment to be needed in future, the impact of the Transactions on management and business operations of the Group is considered to be limited.
- Upon implementing the Transactions, the Company will be delisted. However, as the Company has already acquired social credibility and enhanced name recognition through listing to a considerable degree, achieving broader and greater name recognition and creditability, the impact of delisting of the Company on securing human resources and expanding business partner is considered to be limited. In addition, no equity finance has been used since the listing of the holding company in October 2011 and also in future, on the assumption that necessary funds are expected to be covered by investments from the Proposing Party and some of its relatives, investments from the Foundations, borrowings from financial institutions, and cash flows generated from the Company's business, it can be said that the necessity to maintain the listing of the Company Shares is not high.
- Furthermore, considering that various measures assumed by the Proposing Party include the risk of causing deteriorations in financial conditions and business performance of the Group in the short term, the delisting through the Transaction may be necessary on the assumption that such various measures will be taken. It can be evaluated that the

delisting after granting value with appropriate premiums added to minority shareholders will release them from such risk and allow the minority shareholders to benefit from a portion of future enhancement of the Company's corporate value.

- (b) Whether or not the fairness and appropriateness of the terms and conditions of the Transactions (including the purchase price in the Tender Offer implemented as part of the Transactions) is ensured

Based on the following reasons, the terms and conditions of the Transactions (including the purchase price in the Tender Offer) are considered to be fair and appropriate.

- While according to the Share Value Calculation Statement, the per-share value of the Company Shares ranges from 5,515 yen to 5,974 yen based on the market price method and from 8,117 yen to 9,594 yen based on the DCF method, the Tender Offer Price exceeds the upper end of a range of the per-share value based on the market price method and within a range of the per-share value based on the DCF method.
- The Special Committee received detailed explanations from Daiwa Securities regarding the calculation method used for such evaluation of the share value, reasons for using such calculation method, details of calculations by each calculation method, important preconditions including the business plans, and so forth and had time for questions and answers with Daiwa Securities and the Company regarding the Company including figures or detailed preconditions as the basis of calculation and the appropriateness of calculation methods. With such explanations taken into account, as a result of consideration by the Special Committee, no unreasonable points were found in the Share Value Calculation Statement in light of general valuation practices.
- The Tender Offer Price (8,620 yen) is a price inclusive of a premium of 56.30% on the closing price of the Company Shares on the Standard Market of the Tokyo Stock Exchange on November 22, 2023, which is the business day before the announcement date of the Tender Offer, 49.39% on the simple average closing price for the last one month, 44.29% on the simple average closing price for the last three months, and 50.38% on the simple average closing price for the last six months. These premiums on the Tender Offer Price are comparable with a level of premiums in management buyout (MBO) cases announced after the M&A Guidelines was published (on and after June 28, 2019) and are considered to be at a reasonable level.
- Initially, the Proposing Party proposed 7,400 yen as a tender offer price per share of the Company Shares and the Company side repeatedly requested the Proposing Party to raise the tender offer price and conducted negotiations to request setting a majority of minority condition. As such, it sincerely conducted negotiations so that the Tender Offer would be implemented under the transaction conditions that are as favorable as possible for minority shareholders of the Company. As a result, it elicited a proposal five times to raise the tender offer price, which resulted in the final Tender Offer Price with a considerable increase from the initial proposed price (by 16.49%) and it is recognized that negotiations were conducted for securing the transaction conditions as favorable as possible for general shareholders.
- The Special Committee confirmed the policy on above negotiations between the Company and the Proposing Party in advance, stated opinions as necessary, and gave instructions and requests on the negotiation policy of the Company. As such, during the period from the application by the Proposing Party to commence discussions until the completion of the Tender Offer, it consistently involved in the negotiation process between the Company and the Proposing Party in a substantial manner. There are no circumstances to doubt the fairness of procedures until the Tender Offer Price was finally agreed.
- While the Tender Offer Price falls below net assets per share (10,132.42 yen) of the

Company as of September 30, 2023 by 14.93%, such net assets do not indicate a theoretical liquidation value as the consolidated balance sheet is prepared based on the assumption of a going concern in the generally accepted accounting principles. In addition, the Special Committee received an explanation from the Company that the Company's own assets included many less liquid business assets and that, considering the difficulty in selling assets and the occurrence of various additional costs associated with liquidation, if the Company goes into liquidation, a considerable amount of impairment is practically estimated from the book value and therefore, it is not reasonable to attach importance to net assets in calculating the corporate value of the Company as a going concern. No unreasonable points are found in this explanation. Accordingly, even considering that the Tender Offer Price is less than net assets per share, the Special Committee determined that the Tender Offer Price is fair.

- Given that the Tender Offeror is not allowed to execute the Stock Acquisition Rights that they acquired, it might not be unreasonable that the Proposing Party set the purchase price per Stock Acquisition Right at 1 yen.
- With respect to the American Depositary Shares, given that the Tender Offer Price is considered to be fair as described above, no unreasonable points were found regarding the treatment of the American Depositary Receipts and the American Depositary Shares and the purchase price per share of the Company Shares pertaining to the American Depositary Shares represented in the American Depositary Receipts.
- A minimum planned purchase quantity corresponding to a so-called “majority of minority” has not been set in the Tender Offer. According to the Proposing Party, the reason for not setting such a majority of minority condition is because it believes that setting such condition may make the successful completion of the Tender Offer uncertain and may not contribute to the interests of minority shareholders of the Company who wish to tender their shares in the Tender Offer. Along with certain reasonability found in this explanation, measures to ensure fairness as set out in the M&A Guidelines have been appropriately implemented in the Transactions as described in (c) below and in light of sufficient consideration given to the interests of the Company's shareholders through fair procedures, it is considered that fairness and appropriateness of the terms and conditions of the Transactions are not denied, even if a minimum planned purchase quantity corresponding to a majority of minority is not set in the Tender Offer.
- In the Transactions, it is assumed that a squeeze-out procedure will be implemented after successful completion of the Tender Offer through demand for a share cash-out or consolidation of shares by special controlling shareholders, and such procedure is a method generally employed in transactions for the privatization of shares like the Transactions. In addition, in the case of successful completion of the Tender Offer, it is expected that cash will be eventually delivered to the Company's shareholders who did not tender their shares in the Tender Offer and that the amount of cash to be delivered to those shareholders will be calculated so that it equals to the Tender Offer Price multiplied by the number of the Company Shares owned by each of such shareholders. Furthermore, for the second procedure, it is also possible to file a motion with the court to determine the price. No particularly unreasonable points were found in such methods for implementing the Transactions, and the methods for implementing the Transactions are considered to be appropriate.

(c) Whether or not sufficient consideration has been given to the interests of the Company's shareholders through fair procedures in the Transactions

It is recognized that the measures to ensure fairness as set out in the M&A Guidelines have been employed and appropriately implemented in the Transactions as stated below

and therefore, it is considered that sufficient consideration has been given to the interests of the Company's shareholders through fair procedures, while also taking it into account that a minimum planned purchase quantity corresponding to a majority of minority has not been set.

- The Company has established the Special Committee which is independent of the Tender Offer Related Parties and consists of members who do not have any material interests different from the minority shareholders regarding the success or failure of the Transactions.
- The Special Committee collected necessary information and made consideration to determine the Consultation Matters and during the period from the application by the Proposing Party to commence discussions until the completion of the Tender Offer, the committee consistently involved in the negotiation process between the Company and the Proposing Party in a substantial manner.
- The Company has received financial advice and assistance from Daiwa Securities, an independent financial advisor and third-party calculation institution and acquired the Share Value Calculation Statement.
- The Company has received legal advice from Nakamura, Tsunoda & Matsumoto, an independent legal advisor.
- In the Transactions, the Tender Offer Period has been set at 31 business days, longer than 20 business days which is the statutory minimum period, and the Company and the Tender Offeror have not entered into any agreement that would restrict a competing offeror from contacting the Company such as an agreement including a transaction protection clause that prohibits the Company from contacting a competing offeror. While a proactive market check is not conducted for the Transactions, it cannot be said that measures for securing acquisition opportunities for other offerors are not taken just because a proactive market check is not conducted for the Transaction, taking into account the facts that carrying out a proactive market check may not be practically easy from the viewpoint of information management, that the Proposing Party which is management of the Company implemented the Transactions after taking a long time for consideration, and that any competing acquisition proposal is less likely to succeed unless the Proposing Party accepts such proposal and accordingly, the possibility that a competing offeror appears is relatively low.
- After receiving the Proposal Form, the Company has established a structure in which only the Company's officers and employees who are not involved in duties of the Tender Offer Related Parties shall make consideration about the Transaction within the Company (including development of the business plans as the basis of calculation of the value of the Company Shares) and discuss and negotiate with the Proposing Party. Of the officers of the Company, the Proposing Party, Director Ken Uehara (a relative of the Proposing Party), Director Takeshi Kunibe (Director of the Uehara Memorial Foundation and Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. which is a parent company of Sumitomo Mitsui Banking Corporation, a fund provider of the Tender Offeror), and Company Auditor Takeshi Ikoma (Managing Director of the Uehara Museum of Art) have not participated in deliberations and resolutions at the Board of Directors' meeting regarding the Transactions and not involved in negotiations regarding the Transactions as an officer of the Company from a viewpoint of avoiding conflicts of interest.
- According to the draft of a press release regarding the Transactions which was confirmed by the Special Committee, information that is desired to be disclosed under the M&A Guidelines has been appropriately disclosed.
- A maximum planned purchase quantity has not been set for the Transactions. After successful completion of the Tender Offer, if the Tender Offeror could not acquire all

of the Company Shares (however, including the Company Shares issued by exercising the Stock Acquisition Rights and excluding the treasury shares owned by the Company), the Stock Acquisition Rights and the American Depositary Receipts through the Tender Offer, a series of procedures as described in “(5) Policies for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to So-called “Two-step Acquisition”) in the Opinion Expressing Press Release is scheduled to be implemented to make the Tender Offeror the sole shareholder of the Company. In the case of successful completion of the Tender Offer, the amount of cash equal to the Tender Offer Price multiplied by the number of the Company Shares owned by each of the Company’s shareholders who did not tender their shares in the Tender Offer is expected to be delivered to such shareholders. As such, it can be evaluated that the coerciveness pertaining to the so-called two-step acquisition has been eliminated or mitigated, and no particular circumstances indicating coerciveness pertaining to the two-step acquisition were found.

- (d) In addition to (a) through (c) above, whether or not decisions on the Transactions are not disadvantageous to minority shareholders
In addition to (a) through (c) above, consideration was made on whether or not decisions on the Transactions are not disadvantageous to minority shareholders and there were no facts indicating that decisions on the Transactions would cause any disadvantage to minority shareholders.
- (e) whether it is appropriate to express an opinion to the effect that the Company’s Board of Directors supports the Tender Offer and recommends that the Company’s shareholders tender their Company Shares, leaves to the Stock Acquisition Rights Holders the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommends that the holders of the American Depositary Receipts—upon submitting in advance their American Depositary Receipts to a depositary bank and receiving the Company Shares pertaining to the American Depositary Shares represented in such American Depositary Receipts—tender their shares in the Tender Offer

As described above, given that the purpose of the Transactions is recognized to be justifiable and reasonable, the Transactions are considered to contribute to enhancing the Company’s corporate value, the terms of the Transactions (including the purchase price in the Tender Offer) are considered to be fair and appropriate, it is considered that sufficient consideration has been given to the interests of the Company’s shareholders through fair procedures in the Transactions, and there were no facts indicating that decisions on the Transactions are disadvantageous to the Company’s minority shareholders, it is considered to be appropriate for the Company’s Board of Directors to express an opinion to the effect that it supports the Tender Offer and recommends that the Company’s shareholders tender their Company Shares, leaves to the Stock Acquisition Rights Holders the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommends that the holders of the American Depositary Receipts pertaining to the Company’s share—upon submitting in advance their American Depositary Receipts to a depositary bank and receiving the Company Shares pertaining to the American Depositary Shares represented in such American Depositary Receipts—tender their shares in the Tender Offer.

- (iv) Approval of all disinterested Members of the Board of the Company and opinion of all disinterested Company Auditors that they have no objections
Based on the Share Value Calculation Statement obtained from Daiwa Securities and legal advice from Nakamura, Tsunoda & Matsumoto, the Company has carefully considered the terms and conditions of the Transactions including the Tender Offer, fully respecting the

content of the Report. As a result, as described in “1. Purpose and reason for consolidation of shares,” the Company’s Board of Directors determined that the Tender Offer would enhance the Company’s corporate value, the Tender Offer Price and other terms and conditions regarding the Tender Offer are appropriate for the Company’s shareholders, and the Tender Offer would provide the Company’s shareholders with a reasonable opportunity to sell their shares and, at the Company’s Board of Directors’ meeting held on November 24, 2023, has resolved to express an opinion in support of the Tender Offer based on the unanimous agreement of the Company’s Members of the Board who participated in the deliberation and resolution (three Directors, Mr. Jun Kuroda, Mr. Tetsu Watanabe, and Mr. Osamu Kitatani, excluding Mr. Akira Uehara, Mr. Shigeru Uehara, Mr. Ken Uehara, and Mr. Takeshi Kunibe among the Company’s Board of Directors which consists of seven persons in total) and recommend that the Company’s shareholders tender their Company Shares in the Tender Offer, leave to the Stock Acquisition Right Holders the decision as to whether to tender their Stock Acquisition Rights in the Tender Offer, and recommend that the holders of the American Depositary Receipts—upon submitting in advance their American Depositary Receipts to the Depositary Bank and receiving the Company Shares represented in such American Depositary Receipts— tender their shares in the Tender Offer. Three Company Auditors of the Company (Mr. Kazuya Kameo, Mr. Chushiro Aoi, and Mr. Makoto Matsuo, excluding Mr. Takeshi Ikoma) attended the Board of Directors’ meeting above and all the attending Company Auditors stated an opinion that they had no objections to the resolution above.

This resolution of the Company’s Board of Directors’ meeting was made on the assumption that the Company Shares are scheduled to be delisted as a result of the Tender Offer and a series of subsequent procedures conducted by the Tender Offeror.

Among the Company’s Members of the Board, (i) Mr. Akira Uehara, who is Chief Executive Officer of the Company, is expected to acquire Class B Preferred Shares of the Tender Offeror by reinvesting a part of the consideration received by tendering the Company Shares he owns in the Tender Offer in the case of successful completion of the Tender Offer and continue to manage the Company after the Transactions, and is a relative of Mr. Shigeru Uehara who is a major shareholder of the Tender Offeror; (ii) Mr. Shigeru Uehara, who is Executive Vice President, is a major shareholder and President and Representative Director of the Tender Offeror and in the case of successful completion of the Tender Offer, he is expected to acquire common shares and Class B Preferred Shares of the Tender Offeror by reinvesting a part of the consideration received by tendering the Company Shares he owns in the Tender Offer and continue to manage the Company after the Transactions; (iii) Mr. Ken Uehara, who is the Company’s Member of the Board, is expected to acquire common shares and Class B Preferred Shares of the Tender Offeror by reinvesting a part of the consideration received by tendering the Company Shares he owns in the Tender Offer in the case of successful completion of the Tender Offer and continue to manage the Company after the Transactions, and is a relative of Mr. Shigeru Uehara who is a major shareholder of the Tender Offeror; and (iv) Mr. Takeshi Kunibe, who is the Company’s Member of the Board (Outside), concurrently serves as Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. which is a parent company of Sumitomo Mitsui Banking Corporation which plans to provide funding required for settlement and other purposes for the Transactions and therefore, having structural conflicts of interest with the Company regarding the Transactions, none of them participated in any deliberation and resolution at the above Board of Directors’ meeting and any discussion and negotiation with the Tender Offeror on the side of the Company.

Also, Mr. Takeshi Ikoma, who is the Company’s Company Auditor, concurrently serves as Managing Director of the Uehara Museum of Art which is expected to acquire Class A Preferred Shares of the Tender Offeror by reinvesting a part of the consideration received by tendering the Company Shares it owns in the Tender Offer in the case of successful completion

of the Tender Offer and therefore, having structural conflicts of interest with the Company regarding the Transactions, he did not participate in any deliberation at the above Board of Directors' meeting and refrained from stating his opinions on resolution of the above Board of Directors' meeting.

(v) Establishment of an independent consideration system in the Company

From a viewpoint of eliminating structural conflicts of interest, the Company has established a system within the Company for conducting consideration, negotiations and determinations regarding the Transactions from a standpoint independent of the Tender Offer Related Parties. Specifically, Mr. Akira Uehara, Mr. Shigeru Uehara, Mr. Ken Uehara, and Mr. Takeshi Kunibe have not participated in any deliberation and resolution at the Board of Directors' meetings regarding the Transactions and any discussion and negotiation with the Tender Offer Related Parties on the side of the Company, as they have structural conflicts of interest with the Company regarding the Transactions. Also, Mr. Takeshi Ikoma, who is the Company's Company Auditor and concurrently serves as Managing Director of the Uehara Museum of Art which is the Tender Offer Related Parties, has not participated in any deliberation at the Board of Directors' meetings regarding the Transactions and refrained from stating his opinions on resolution of the above Board of Directors meeting. This consideration system shall consist of officers and employees who are deemed independent from Tender Offer Related Parties and such handling is continuing.

In addition, including such handling, the consideration system for the Transactions established within the Company, or specifically, the scope and duties of officers and employees involved in consideration, negotiations and determinations regarding the Transactions (including duties requiring a high degree of independence such as preparing the business plans used as the basis of valuation of shares of the Company) are based on advice from Nakamura, Tsunoda & Matsumoto, and the Special Committee has approved that there are no problems from a standpoint of independence.

(vi) Securing objective conditions for ensuring the fairness of the Tender Offer

The Tender Offeror has set the Tender Offer Period at 31 business days, though the statutory minimum period is 20 business days.

As such, the Tender Offeror ensures the fairness of the Tender Offer by setting the Tender Offer Period longer than the statutory minimum period to secure an appropriate opportunity for the Company's shareholders, the Stock Acquisition Right Holders and holders of the American Depositary Receipts to make a decision as to whether to tender their shares in the Tender Offer and to secure an opportunity for any competing offeror to make a competing purchase of the Company Shares.

In addition, the Tender Offeror and the Company have not entered into any agreement that would restrict a competing offeror from contacting the Company such as an agreement including a transaction protection clause that prohibits the Company from contacting a competing offeror.

4. Disposal of material assets, assumption of material debts and other events materially affecting the status of company assets that occurred after the last day of the latest fiscal year of the Company

(1) The Tender Offer

As described in “1. Purpose and reason for consolidation of shares” above, the Tender Offeror implemented the Tender Offer during the period from November 27, 2023 to January 15, 2024. As a result of the Tender Offer, the Tender Offeror came to own 60,034,194 shares of the Company Shares (voting rights ratio: 73.12%) as of January 19, 2024 (commencement date of settlement of the Tender Offer).

(2) No year-end dividend

As announced in “Announcement of Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2024 (No Dividend)” dated November 24, 2023, the Company, at the Board of Directors’ meeting held on the same day, resolved not to distribute the year-end dividend for the fiscal year ending March 31, 2024. For details, please refer to the said announcement.

(3) Cancellation of treasury shares

The Company, at the Board of Directors’ meeting held on February 13, 2024, resolved to cancel 3,103,572 shares of the Company’s treasury share as of April 10, 2024 (equivalent to the number of treasury shares owned as of December 31, 2023).

Such cancellation of the treasury shares is implemented on the condition that this proposal is approved and resolved as originally proposed and the total number of issued shares of the Company after the cancellation will be 82,036,081 shares.

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

1. Reasons for the proposal

- (1) If Proposal No. 1 “Consolidation of Shares” is approved as originally proposed and the Consolidation of Shares becomes effective, the total number of authorized shares of the Company Shares will decrease to 12 shares in accordance with provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify this point, the Company proposes changing Article 5 of the Articles of Incorporation (Total Number of Authorized Shares) on the condition that the Consolidation of Shares becomes effective.
- (2) If Proposal No. 1 “Consolidation of Shares” is approved as originally proposed and the Consolidation of Shares becomes effective, the total number of issued shares of the Company will be three shares and it will become unnecessary to provide for the number of shares constituting one share unit. Accordingly, on the condition that the Consolidation of Shares becomes effective, the entire provisions of Article 7 (Number of Shares Constituting One Share Unit) and Article 8 (Restriction on Rights of Shareholders Holding Shares Less Than One Unit) of the Articles of Incorporation will be deleted in order to abolish the provisions for the number of shares constituting one share unit of the Company Shares, which is currently 100 shares per unit, and the article numbers will be moved up in accordance with such change.
- (3) If Proposal No. 1 “Consolidation of Shares” is approved as originally proposed and the Consolidation of Shares becomes effective, Otomon Co., Ltd. (the Tender Offeror) will be the only shareholder of the Company and a provision concerning the record date for the Ordinary General Meeting of Shareholders will become unnecessary. Accordingly, on the condition that the Consolidation of Shares becomes effective, the entire provisions of Article 11 (Record Date) of the Articles of Incorporation will be deleted and the articles number will be moved up in accordance with such change.

2. Details of the amendments

The details of the amendments are as follows. Amendments to the Articles of Incorporation under this Proposal shall become effective on April 11, 2024, the effective date of the Consolidation of Shares, on the condition that Proposal No. 1 “Consolidation of Shares” is approved and resolved as originally proposed and the Consolidation of Shares becomes effective.

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed amendment
Article 5 Total Number of Authorized Shares The total number of authorized shares by the Company shall be <u>360,000,000</u> shares.	Article 5 Total Number of Authorized Shares The total number of authorized shares by the Company shall be <u>12</u> shares.
<u>Article 7 Number of Shares Constituting One Share Unit</u> <u>The number of shares constituting one share unit shall be 100 shares</u>	<u>(Deleted)</u>

Current Articles of Incorporation	Proposed amendment
<p><u>Article 8 Restriction on Rights of Shareholders Holding Shares Less Than One Unit</u> <u>Shareholders holding shares less than one unit of the Company may not exercise any rights other than the following rights with respect to such shares less than one unit owned:</u></p> <ol style="list-style-type: none"> <u>1. Rights provided for in each item of Article 189, Paragraph 2 of the Companies Act;</u> <u>2. Rights to demand the acquisition of shares with put options; and</u> <u>3. Rights to receive an allotment of shares for subscription and stock acquisition rights for subscription, in proportion to the number of shares owned by the shareholders.</u> 	<p style="text-align: center;"><u>(Deleted)</u></p>
<p>Article <u>9</u> (Omitted)</p>	<p>Article <u>7</u> (No change)</p>
<p>Article <u>10</u> (Omitted)</p>	<p>Article <u>8</u> (No change)</p>
<p><u>Article 11 Record Date</u></p> <ol style="list-style-type: none"> <u>(i) The shareholders listed or recorded in the final shareholders' register of each fiscal year shall be the shareholders entitled to exercise their rights at the Ordinary General Meeting of Shareholders for such fiscal year.</u> <u>(ii) In addition to the preceding paragraph, whenever necessary, the Company may, by giving a prior public notice by resolution of the Board of Directors, deem the shareholders or registered share pledgees listed or recorded in the shareholders' register as of a specified date as the shareholders or registered share pledgees entitled to exercise their rights.</u> 	<p style="text-align: center;"><u>(Deleted)</u></p>
<p>Article <u>12</u> through Article <u>48</u> (Omitted)</p>	<p>Article <u>9</u> through Article <u>45</u> (No change)</p>