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Securities code: 4547

June 4, 2024

(Start date of measures for electronic provision: June 3, 2024)

To Shareholders with Voting Rights:

Mutsuo Kanzawa
Chairman & CEO
KISSEI PHARMACEUTICAL
CO., LTD.
19-48, Yoshino, Matsumoto City,
Nagano, Japan

**NOTICE OF CONVOCATION OF
THE 79th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 79th Annual General Meeting of Shareholders of KISSEI PHARMACEUTICAL CO., LTD. (the “Company”) will be held as described in the following page. In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and posted the matters to be provided electronically on the Company’s website on the Internet with the title “Notice of Convocation of the 79th Annual General Meeting of Shareholders” (the full version is in Japanese only). Please access and check the Company’s website below to confirm the available information.

◆ Company’s Website:

<https://www.kissei.co.jp/investor/stock/meeting/>

In addition, the matters to be provided electronically have been posted (the full version is in Japanese only) on the Tokyo Stock Exchange (TSE)’s website and can be viewed by accessing the TSE website (Listed Company Search) below, entering and searching for “Kissei Pharmaceutical” in the “Issue name (company name)” field or “4547,” the securities code of the Company, in the “Code” field, and selecting “Basic information” and then “Documents for public inspection/PR information.”

◆ TSE Website (Listed Company Search):

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

You can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders contained in the matters to be provided electronically and exercise your voting rights with either of the methods below.

[Exercising Voting Rights via the Internet]

Please review the “Guide to Exercising Voting Rights via the Internet” on page 4 of the Japanese original version (in Japanese only), and exercise your vote by 5:20 p.m. on Monday, June 24, 2024, Japan time.

[Exercising Voting Rights in Writing (by Mail)]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it arrives by 5:20 p.m. on Monday, June 24, 2024, Japan time.

- 1. Date and Time:** Tuesday, June 25, 2024 at 10:00 a.m., Japan time
- 2. Place:** Meeting Room of the Company's Head Office located at 19-48, Yoshino, Matsumoto City, Nagano, Japan
(Please refer to the Guide Map to the Venue of the Annual General Meeting of the Shareholders at the end of the Japanese original version (in Japanese only).)
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 79th Fiscal Year (April 1, 2023 - March 31, 2024)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Twelve (12) Members of the Board
- Proposal 4:** Election of Two (2) Audit & Supervisory Board Members
- Proposal 5:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal 6:** Bonus Payments to Members of the Board
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When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

If revisions are made to the matters to be provided electronically, a statement to that effect and the matters before and after the revision will be posted both on the Company's website and the TSE website.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

1. Year-end dividend

The Company's basic policy is to continue to pay stable dividends while securing a solid management base in the future.

The Company proposes the year-end dividend for the fiscal year under review as described below. Combined with the interim dividend of ¥41 per share, the total amount of the dividends for the fiscal year under review will be ¥82 per share.

(1) Type of dividend property

Cash

(2) Matters concerning allotment of dividend property and the total amount thereof

¥41 per share of the Company's common stock

Total amount of dividends: ¥1,812,420,867

(3) Effective date of dividends of surplus

June 26, 2024

2. Other matters related to the appropriation of surplus

There are no applicable matters.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) A treatment of non-muscle-invasive bladder cancer CG0070 (development code), a product of the Company under development, falls under regenerative medical products. Accordingly, the item of regenerative medical products is added to the business purposes provided by Article 2 of the Articles of Incorporation of the Company.
- (2) To change wording due to revisions of laws and regulations, etc., with other minor corrections to wording (some changes in Japanese wording make no change in English wording).

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Purposes) Article 2 The Company’s business purposes are operations of the following items.</p> <ol style="list-style-type: none"> 1. Manufacture, purchase and sale, and import and export of pharmaceutical products, quasi-drugs, cosmetics, <u>medical devices</u>, pharmaceutical products for animals, industrial chemicals, reagents, agrochemicals and other various chemicals, foods, food additives, alcohol, products of nature, feed, feed additives, fertilizer, various chemical products, sanitary products, household products, measuring equipment, machinery and appliances, paper, manufactured-paper products, and synthetic resin products. 	<p>(Purposes) Article 2 The Company’s business purposes are operations of the following items.</p> <ol style="list-style-type: none"> 1. Manufacture, purchase and sale, and import and export of pharmaceutical products, quasi-drugs, cosmetics, <u>medical equipment</u>, <u>regenerative medical products</u>, pharmaceutical products for animals, industrial chemicals, reagents, agrochemicals and other various chemicals, foods, food additives, alcohol, products of nature, feed, feed additives, fertilizer, various chemical products, sanitary products, household products, measuring equipment, machinery and appliances, paper, manufactured-paper products, and synthetic resin products

*Other articles shown in the Japanese original version (in Japanese only) are changes in Japanese wording which makes no change in English wording.

Proposal 3: Election of Twelve (12) Members of the Board

The terms of office of all twelve (12) Members of the Board will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of twelve (12) Members of the Board.

The candidates have been recommended to the Board of Directors after deliberation of the proposed candidates by the Nomination and Compensation Deliberation Committee, and are nominated by the Board of Directors.

The candidates for Members of the Board are as follows.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held by the candidate
1	Mutsuo Kanzawa (October 13, 1949) [Internal] [Male]	April 1976 Joined the Company June 1982 Member of the Board, Senior Director of Corporate Strategy & Planning June 1984 Managing Director, Senior Director of Corporate Strategy & Planning June 1987 Executive Managing Director, Senior Director of Corporate Strategy & Planning April 1989 Executive Managing Director, Division Director of Corporate Strategy & Planning Division June 1992 President & COO June 2014 Chairman & CEO (to present) [Significant concurrent positions] · President, Kanzawa Medical Research Foundation	1,542,590
[Reason for nomination as candidate for Member of the Board] Through his 42 years since his appointment to the position of Member of the Board, Mr. Mutsuo Kanzawa possesses a wealth of experience and a high degree of knowledge in the Company's overall business activities. In addition, he has controlled the overall management of the Company appropriately as President & COO for 22 years since 1992 and as Chairman & CEO since 2014. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions		Number of the Company's shares held by the candidate
2	Yasuo Takehana (October 7, 1960) [Internal] [Male]	April 1984	Joined the Company	16,364
		June 2007	Senior Director of Research Strategy and Planning Department, Research Division	
June 2008	Senior Director of Drug Discovery Research Department, Research Division			
June 2010	Director of Research Division, Senior Director of Drug Discovery Research Department			
June 2012	Member of the Board, Senior Director of Research Strategy and Planning Department, Research Division			
June 2016	Managing Director, Senior Director of Corporate Strategy & Planning Department			
June 2020	Managing Director			
		June 2022	President & COO (to present)	
[Reason for nomination as candidate for Member of the Board] After working in the area of research, Mr. Yasuo Takehana was appointed to the position of Member of the Board in 2012, and through his service as the person responsible for research and corporate planning, he possesses a wealth of experience and a high degree of knowledge in the Company's overall business activities. In addition, he has controlled the overall management of the Company appropriately as President & COO since 2022. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.				
3	Keiji Fukushima (January 13, 1956) [Internal] [Male]	April 1979	Joined the Company	11,800
		October 2011	Director of Sales and Marketing Division, Senior Director of Sales Promotion Department	
June 2012	Member of the Board, Senior Director of Sales Promotion Department, Sales and Marketing Division			
October 2012	Member of the Board, Senior Director of Promotion Support Department and Sales Promotion Department, Sales and Marketing Division			
June 2014	Managing Director, Division Director of Sales and Marketing Division			
June 2020	Executive Managing Director			
June 2022	Executive Vice President (to present)			
[Reason for nomination as candidate for Member of the Board] After working in the area of sales and marketing, Mr. Keiji Fukushima was appointed to the position of Member of the Board in 2012, Managing Director in 2014, Executive Managing Director in 2020 and Executive Vice President in 2022, and has been engaged in assisting the overall management of the Company. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions		Number of the Company's shares held by the candidate
4	Tetsu Takayama (September 18, 1961) [Internal] [Male]	April 1985	Joined the Company	15,636
		October 2007	Director of Human Resources Department	
June 2010	Senior Director of Human Resources Department			
June 2014	Member of the Board, Senior Director of Human Resources Department			
June 2020	Managing Director, Senior Director of Human Resources Department			
June 2022	Executive Managing Director (to present)			
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>After working in the area of human resources, Mr. Tetsu Takayama was appointed to the position of Member of the Board in 2014, Managing Director in 2020 and Executive Managing Director in 2022, and has been mainly engaged in administrative and supervisory functions in human resources and general administration, and overall sustainability activities. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.</p>				
5	Takahide Kitahara (March 9, 1962) [Internal] [Male]	April 1986	Joined the Company	9,031
		June 2012	Senior Director of Corporate Finance and Management Department	
June 2016	Director, Senior Director of Corporate Finance and Management Department			
June 2018	Member of the Board, Senior Director of Corporate Finance and Management Department			
June 2022	Managing Director, Senior Director of Corporate Finance and Management Department			
October 2023	Chief Financial Officer, Managing Director, and Senior Director of Corporate Finance and Management Department (to present)			
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>After working in the area of corporate finance and management, Mr. Takahide Kitahara was appointed to the position of Member of the Board in 2018; Managing Director, Senior Director of Corporate Finance and Management Department in 2022; Chief Financial Officer, Managing Director, and Senior Director of Corporate Finance and Management Department in 2023; and has been mainly engaged in administrative and supervisory functions in finance. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.</p>				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions		Number of the Company's shares held by the candidate
6	Yoshio Furihata (January 12, 1962) [Internal] [Male]	April 1984	Joined the Company	12,800
		October 2000	Representative Director and President of Kissei Pharma Europe, Ltd. (secondment)	
June 2008	Member of the Board, Senior Director of Business Development Department			
June 2010	Member of the Board, Senior Director of Corporate Strategy & Planning Department			
June 2012	Member of the Board, Division Director of Clinical Development Division			
June 2016	Managing Director, Division Director of Clinical Development Division			
June 2018	President & COO			
June 2022	Senior Advisor, Member of the Board (to present)			
[Reason for nomination as candidate for Member of the Board] After working in development and other areas of the Company, Mr. Yoshio Furihata was appointed to the position of Member of the Board in 2008, and through his service as the person responsible for business development, corporate planning and clinical development, he possesses a wealth of experience and a high degree of knowledge in the Company's overall business activities. In addition, he has held positions of Managing Director since 2016 and President & COO since 2018. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.				
7	Hiroshi Noake (May 15, 1964) [Internal] [Male]	April 1987	Joined the Company	1,700
		July 2014	Director of Sales Planning Department, Sales and Marketing Division	
June 2016	Regional Director of Kanetsu Regional Office, Sales and Marketing Division			
June 2018	Senior Director of Sales Planning Department, Sales and Marketing Division			
October 2020	Director of Sales and Marketing Division, Senior Director of Sales Planning Department			
June 2022	Member of the Board, Division Director of Sales and Marketing Division (to present)			
[Reason for nomination as candidate for Member of the Board] After working in the area of sales and marketing, Mr. Hiroshi Noake was appointed to the position of Member of the Board in 2022, and has been mainly engaged in administrative and supervisory functions in sales and marketing. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.				

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held by the candidate
8	Keiji Miyazawa (April 14, 1967) [Internal] [Male]	April 1993 Joined the Company October 2017 Director of Business Development Department April 2018 Director of Research Strategy and Planning Department, Research Division September 2021 Senior Director of Research Strategy and Planning Department, Research Division June 2022 Member of the Board, Division Director of Research Division (to present)	1,800
	[Reason for nomination as candidate for Member of the Board] After working in the area of business development and research, Mr. Keiji Miyazawa was appointed to the position of Member of the Board in 2022, and has been mainly engaged in administrative and supervisory functions in drug discovery research. Therefore, the Company has determined that he is suitable to be a Member of the Board of the Company and has renominated him as a candidate for Member of the Board.		
9	Shigetaka Shimizu (June 30, 1949) [Outside] [Independent] [Male]	April 1972 Joined The Hachijuni Bank, Ltd. June 2007 Managing Director of The Hachijuni Bank, Ltd. June 2011 Resigned from The Hachijuni Bank, Ltd. June 2011 President and CEO of Hachijuni Lease Co., Ltd. and President and CEO of Hachijuni Auto Lease, Co., Ltd. June 2013 Resigned from Hachijuni Lease Co., Ltd. and Hachijuni Auto Lease, Co., Ltd. June 2013 Outside Auditor of HACHIJUNI SECURITIES Co., Ltd. June 2014 Outside Director of the Company June 2015 Resigned from HACHIJUNI SECURITIES Co., Ltd. June 2016 Outside Audit & Supervisory Board Member of Nikkoku Seifun Co.Ltd. June 2020 Resigned from Nikkoku Seifun Co.Ltd. (to present)	3,800
	[Reason for nomination as candidate for Outside Director and expected role] As detailed in his career summary, Mr. Shigetaka Shimizu possesses a wealth of knowledge at financial institutions and experience and a high degree of insight as a corporate management executive. As Outside Director, he has offered feedback and advice on the Company's overall management from objective perspectives and played the role of strengthening the governance of the Company. Therefore, with the expectation that he will continue to play the above role, the Company has determined that he will be able to execute his duties appropriately as Outside Director and has renominated him as a candidate for Outside Director.		

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held by the candidate
10	Minoru Nomura (October 24, 1946) [Outside] [Independent] [Male]	March 1969 Joined Nomura Kogyo Co., Ltd. July 1989 President and Representative Director of Nomura Kogyo Co., Ltd. December 1989 President and Representative Director of SN SEIKI Co., Ltd. November 1995 Outside Director of Cosmo Seiko Co., Ltd. August 1998 Chairman of NOMURA CORPORATION OF TAIWAN February 2004 Outside Director of The Nagano Nippo April 2004 Outside Director of Sekai Saisoku Shisaku Center June 2005 President and Representative Director of NOMURA UNISON Co., Ltd. (change of company name due to merger of Nomura Kogyo Co., Ltd. and SN SEIKI Co., Ltd.) August 2008 President and Representative Director of Domaine de la Sénéchalière (France) June 2016 Outside Director of the Company August 2021 Chairman and Representative Director of NOMURA UNISON Co., Ltd. (to present) [Significant concurrent positions] · Chairman and Representative Director of NOMURA UNISON Co., Ltd.	5,100
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>As detailed in his career summary, Mr. Minoru Nomura possesses a wealth of experience and a high degree of insight as a corporate management executive for many years. As Outside Director, he has offered feedback and advice on the Company's overall management from objective perspectives and played the role of strengthening the governance of the Company. Therefore, with the expectation that he will continue to play the above role, the Company has determined that he will be able to execute his duties appropriately as Outside Director and has renominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held by the candidate
11	<p>Sayuri Uchikawa (November 7, 1950)</p> <p>[Outside] [Independent] [Female]</p>	<p>April 1973 Joined Marunouchi Typist School (currently Marunouchi College of Business)</p> <p>April 1996 Principal of Marunouchi College of Business</p> <p>April 2012 Principal and Establisher of Marunouchi College of Business</p> <p>June 2013 Outside Director of The Nagano Bank, Ltd.</p> <p>January 2018 Chair of Shuoukai (Incorporated Educational Institution)</p> <p>June 2020 Outside Director of the Company</p> <p>June 2023 Outside Auditor of ALPICO HOLDINGS Co., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> · Chair of Shuoukai (Incorporated Educational Institution) · Principal of Marunouchi College of Business · Outside Director of The Nagano Bank, Ltd. · Outside Auditor of ALPICO HOLDINGS Co., Ltd. 	1,700
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>As detailed in her career summary, Ms. Sayuri Uchikawa has been involved in education for many years and has a wealth of experience and a high degree of insight in organizational development and fostering human resources as a management executive of an incorporated educational institution. As Outside Director, she has offered feedback and advice on the Company's overall management with diverse values and from objective perspectives and played the role of strengthening the governance of the Company. Therefore, with the expectation that she will continue to play the above role, the Company has determined that she will be able to execute her duties appropriately as Outside Director and has renominated her as a candidate for Outside Director.</p> <p>Although she has never been directly involved in company management, for the above reasons, the Company has determined that she will be able to execute her duties appropriately as Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held by the candidate
12	Yoshinori Otsuki (July 21, 1960) [Outside] [Independent] [Male]	April 1984 Joined Nagano Prefectural Government October 2003 Director of Disability Welfare Division, Social Services Department of Nagano Prefectural Government September 2010 Deputy Director of Secretarial Division and Planning Division, General Affairs Department (Assistant to Governor's policy) of Nagano Prefectural Government September 2014 Director of Secretarial Division, General Affairs Department of Nagano Prefectural Government April 2016 Director General in charge of international matters, Citizens and Cultural Affairs Department of Nagano Prefectural Government September 2018 Director General of Health and Welfare Department of Nagano Prefectural Government December 2019 Resigned from Nagano Prefectural Government April 2020 General Manager of Local Cooperation Enhancement Department of Japan Suicide Countermeasures Promotion Center (JSCP) March 2021 Resigned from JSCP April 2021 Director of Nagano Prefectural Chapter of the United Nations Association of Japan June 2021 Director and Councilor of NAGANO NIHON DAIGAKU January 2022 Auditor of Social Welfare Corporation Keiroen June 2022 Outside Director of the Company January 2024 Advisor of Academy of International Social Sound Development Co. Ltd. (to present)	1,200
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>As detailed in his career summary, Mr. Yoshinori Otsuki has been involved in local administration for many years and has a wealth of experience and a high degree of insight especially in the areas of welfare and health care and economy and international exchange. As Outside Director, he has offered feedback and advice on the Company's overall management from objective perspectives and played the role of strengthening the governance of the Company. Therefore, with the expectation that he will continue to play the above role, the Company has determined that he will be able to execute his duties appropriately as Outside Director and has renominated him as a candidate for Outside Director.</p> <p>Although he has never been directly involved in company management, for the above reasons, the Company has determined that he will be able to execute his duties appropriately as Outside Director.</p>			

- Notes: 1. There are no special interests between each of the candidates for Members of the Board and the Company.
2. Matters concerning candidates for Outside Directors set forth in Article 74, Paragraph 4 of the Regulations for Enforcement of the Companies Act:
- 1) Candidates Mr. Shigetaka Shimizu, Mr. Minoru Nomura, Ms. Sayuri Uchikawa and Mr. Yoshinori Otsuki are candidates for Outside Directors.
 - 2) Candidate Mr. Shigetaka Shimizu will have served as Outside Director for ten (10) years at the conclusion of this General Meeting of Shareholders.
 - 3) Candidate Mr. Minoru Nomura will have served as Outside Director for eight (8) years at the conclusion of this General Meeting of Shareholders.

- 4) Candidate Ms. Sayuri Uchikawa will have served as Outside Director for four (4) years at the conclusion of this General Meeting of Shareholders.
- 5) Candidate Mr. Yoshinori Otsuki will have served as Outside Director for two (2) years at the conclusion of this General Meeting of Shareholders.
3. Candidates Mr. Shigetaka Shimizu, Mr. Minoru Nomura, Ms. Sayuri Uchikawa and Mr. Yoshinori Otsuki are currently Outside Directors of the Company. Pursuant to the provisions of Article 29 of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement (liability limitation agreement) with each of them, which limits the liability for damages under Article 423, Paragraph 1 of the Companies Act when the requirements specified in laws and regulations are met. The liability for damages under said agreements is limited to the minimum liability amount under Article 425, Paragraph 1 of the Companies Act. If the reappointments of each candidate are approved, the Company plans to continue said agreements.
4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company and said insurance contract covers actual damages that may arise due to the insured party assuming liability for the execution of his or her duties, or receiving a claim for the pursuit of such liability. If the election of each candidate for Member of the Board is approved, each Member of the Board will be included as the insured party under said insurance contract. The Company plans to renew said insurance contract with the same contents at the time of the next renewal.
5. Candidates Mr. Shigetaka Shimizu, Mr. Minoru Nomura, Ms. Sayuri Uchikawa and Mr. Yoshinori Otsuki have satisfied the requirements of Independent Officer prescribed under the regulations of the Tokyo Stock Exchange. The Company has designated candidates Mr. Shigetaka Shimizu, Mr. Minoru Nomura, Ms. Sayuri Uchikawa and Mr. Yoshinori Otsuki as Independent Officers prescribed under the regulations of the Tokyo Stock Exchange and registered them with the Exchange. If their reappointments are approved, they are expected to continue to be Independent Officers.

Proposal 4: Election of Two (2) Audit & Supervisory Board Members

The term of office of Mr. Michio Iwabuchi, Audit & Supervisory Board Member, will expire at the conclusion of this General Meeting of Shareholders and Mr. Masayuki Isaji, Audit & Supervisory Board Member, will retire by resignation at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of two (2) Audit & Supervisory Board Members.

The candidates have been recommended to the Board of Directors after deliberation of the proposed candidates by the Nomination and Compensation Deliberation Committee, and are nominated by the Board of Directors. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Members are as follows.

No.	Name (Date of birth)	Career summary, positions at the Company, and significant concurrent positions		Number of the Company's shares held by the candidate
1	Naomi Koshihara (July 30, 1966) [Internal] [New appointment] [Female]	April 1989	Joined the Company	0
		April 2019	Senior Director of Clinical Research Department, Clinical Development Division	
		November 2021	Director of Corporate Strategy & Planning Department	
		December 2022	Councilor of Corporate Strategy & Planning Department (to present)	
	[Reason for nomination as candidate for Audit & Supervisory Board Member] Since joining the Company, Ms. Naomi Koshihara has been engaged in clinical research for many years, and through her service in corporate planning, she possesses a wealth of experience and a high degree of knowledge in the Company's business activities. Therefore, the Company has determined that she is suitable to be an Audit & Supervisory Board Member of the Company and has nominated her as a new candidate for Audit & Supervisory Board Member.			

No.	Name (Date of birth)	Career summary, positions at the Company, and significant concurrent positions	Number of the Company's shares held by the candidate
2	<p>Michio Iwabuchi (December 15, 1955)</p> <p>[Outside] [Independent] [Male]</p>	<p>August 1983 Registered as a certified public accountant</p> <p>July 1998 Senior Partner of Chuo Audit Corporation (MISUZU Audit Corporation)</p> <p>July 2007 Senior Partner of ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>June 2017 Resigned from Ernst & Young ShinNihon LLC</p> <p>July 2017 Representative of Michio Iwabuchi Certified Public Accountant Office</p> <p>January 2018 Registered as a tax accountant</p> <p>May 2018 Outside Director, Audit and Supervisory Committee Member of TAKEUCHI MFG. CO., LTD.</p> <p>June 2018 External Auditor of R&C Holdings. Co., Ltd.</p> <p>June 2020 Outside Audit & Supervisory Board Member of the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> · Representative of Michio Iwabuchi Certified Public Accountant Office · Outside Director, Audit and Supervisory Committee Member of TAKEUCHI MFG. CO., LTD. · External Auditor of R&C Holdings. Co., Ltd. 	800
	<p>[Reason for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Michio Iwabuchi has the credentials as a certified public accountant and tax accountant, and the Company has determined that he will be able to conduct audit based on his knowledge and experience in accounting and tax affairs. Therefore, the Company proposes the election of him as an Outside Audit & Supervisory Board Member.</p> <p>Although he has never been directly involved in company management, for the above reasons, the Company has determined that he will be able to execute his duties as Outside Audit & Supervisory Board Member appropriately.</p>		

- Notes:
1. There are no special interests between each of the candidates for Audit & Supervisory Board Members and the Company.
 2. Matters concerning a candidate for Outside Audit & Supervisory Board Member set forth in Article 76, Paragraph 4 of the Regulations for Enforcement of the Companies Act:
 - 1) Candidate Mr. Michio Iwabuchi is a candidate for Outside Audit & Supervisory Board Member.
 - 2) Mr. Michio Iwabuchi will have served as Outside Audit & Supervisory Board Member for four (4) years at the conclusion of this General Meeting of Shareholders.
 3. Candidate Mr. Michio Iwabuchi is currently an Outside Audit & Supervisory Board Member of the Company. Pursuant to the provisions of Article 39 of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement (liability limitation agreement) with him, which limits the liability for damages under Article 423, Paragraph 1 of the Companies Act when the requirements specified in laws and regulations are met. The liability for damages under said agreement is limited to the minimum liability amount under Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue said agreement.

4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company and said insurance contract covers actual damages that may arise due to the insured party assuming liability for the execution of his or her duties, or receiving a claim for the pursuit of such liability. If the election of each candidate for Audit & Supervisory Board Member is approved, each Audit & Supervisory Board Member will be included as the insured party under said insurance contract. The Company plans to renew said insurance contract with the same contents at the time of the next renewal.
5. The Company has designated candidate Mr. Michio Iwabuchi as an Independent Officer prescribed under the regulations of the Tokyo Stock Exchange and registered him with the Exchange.

Proposal 5: Election of One (1) Substitute Audit & Supervisory Board Member

The effective tenure of Mr. Akio Kubota who was elected as Substitute Audit & Supervisory Board Member at the 77th Annual General Meeting of Shareholders held on June 23, 2022 will expire at the commencement of this General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Substitute Audit & Supervisory Board Member as a substitute for Mr. Kando Nakagawa, Outside Audit & Supervisory Board Member and Mr. Michio Iwabuchi, Outside Audit & Supervisory Board Member, subject to the approval of Proposal 4 as originally proposed.

The candidate has been recommended to the Board of Directors after deliberation of the proposed candidate by the Nomination and Compensation Deliberation Committee, and is nominated by the Board of Directors. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and significant concurrent positions	Number of the Company's shares held by the candidate
<p>Akio Kubota (February 18, 1966)</p> <p>[Outside] [Independent] [Male]</p>	<p>April 1998 Registered as attorney-at-law (Nagano Bar Association)</p> <p>April 1998 Joined Miyazawa Law Office (Nagano City)</p> <p>March 2001 Resigned from Miyazawa Law Office</p> <p>April 2001 Joined Kubota Law Office (Partner attorney-at-law)</p> <p>April 2021 President of Nagano Bar Association</p> <p>March 2022 Resigned from President of Nagano Bar Association (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative attorney-at-law of Kubota Law Office 	0
<p>[Reason for nomination as candidate for Substitute Audit & Supervisory Board Member]</p> <p>As detailed in his career summary, he has the credential as attorney-at-law, and the Company has determined that he will be able to conduct audit based on his knowledge and experience in law. Therefore, the Company has nominated him as a candidate for Substitute Audit & Supervisory Board Member in preparation of a shortage in the number of Outside Audit & Supervisory Board Members specified in laws and regulations. Although he has never been directly involved in company management, for the above reasons, the Company has determined that he will be able to execute his duties as Outside Audit & Supervisory Board Member appropriately.</p>		

- Notes:
1. There are no special interests between candidate Mr. Akio Kubota and the Company.
 2. Matters concerning a candidate for Outside Audit & Supervisory Board Member set forth in Article 76, Paragraph 4 of the Regulations for Enforcement of the Companies Act: Mr. Akio Kubota is a candidate for Substitute Audit & Supervisory Board Member.
 3. If he is appointed to the position of Outside Audit & Supervisory Board Member, pursuant to the provisions of Article 39 of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement (liability limitation agreement) with him, which limits the liability for damages under Article 423, Paragraph 1 of the Companies Act when the requirements specified in laws and regulations are met. The liability for damages under said agreement is limited to the minimum liability amount under Article 425, Paragraph 1 of the Companies Act.

4. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company and said insurance contract covers actual damages that may arise due to the insured party assuming liability for the execution of his or her duties, or receiving a claim for the pursuit of such liability. If he is appointed to the position of Outside Audit & Supervisory Board Member, he will be included as the insured party under said insurance contract. The Company plans to renew said insurance contract with the same contents at the time of the next renewal.
5. He has satisfied the requirements of Independent Officer prescribed under the regulations of the Tokyo Stock Exchange. The Company plans to register him as an Independent Officer with the Exchange if he is appointed to the position of Outside Audit & Supervisory Board Member.

(Reference)

Skills Matrix of Members of the Board and Audit & Supervisory Board Members after the conclusion of this General Meeting of Shareholders (tentative)

In order for the Board of Directors of the Company to function in its decision-making and as the supervisory organ of the status of the execution of operations, the Company requires Members of the Board to be qualified to contribute to the sustainable growth and improvement of corporate value of the Company in light of the Company's management philosophy and its vision and also to be qualified to comply with the shareholder's entrustment, being distinguished in the execution of the main operations to implement ethical pharmaceutical business efficiently. Based on the above, the Company expects each Member of the Board to demonstrate skills in the areas listed in the following matrix, and deems that the balance among knowledge, experience and ability and the diversity of the Board of Directors as a whole have been ensured.

	Name	Independent Outside Status	Corporate Management	Global	Research & Development	Sales & Marketing	Finance & Accounting	Legal Affairs & Compliance	Personnel Affairs & Human Resource Development	ESG & Sustainability
Members of the Board	Mutsuo Kanzawa		●	●			●	●	●	●
	Yasuo Takehana		●	●	●			●		●
	Keiji Fukushima		●			●		●	●	●
	Tetsu Takayama		●					●	●	●
	Takahide Kitahara		●				●	●		●
	Yoshio Furihata		●	●	●			●		●
	Hiroshi Noake					●		●	●	●
	Keiji Miyazawa			●	●			●		●
	Shigetaka Shimizu	●	●	●			●	●		●
	Minoru Nomura	●	●	●			●	●		●
	Sayuri Uchikawa	●	●	●				●	●	●
Yoshinori Otsuki	●	●	●				●	●	●	
Audit & Supervisory Board Members	Shinji Kikuchi		●		●			●		●
	Naomi Koshihara		●		●			●		●
	Kando Nakagawa	●	●					●	●	●
	Michio Iwabuchi	●	●	●			●	●		●

Proposal 6: Bonus Payments to Members of the Board

The Company, taking into consideration the business results of the fiscal year under review, proposes that bonus payments to Members of the Board in the aggregated amount of ¥9,550,000 to be paid for eight (8) Members of the Board (excluding Outside Directors) at the end of the fiscal year under review.

The Company has deemed that bonus payments to Members of the Board are in accordance with the Company's policy regarding decisions concerning the details of individual compensation, etc. for Members of the Board and, therefore, appropriate.

The Company proposes that the amount to be paid for the qualified Members of the Board be left to the discretion of the Board of Directors.

End