

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Code 4534)
June 8, 2022

To Shareholders with Voting Rights:

Naoyuki Mochida
Representative Director, President
Mochida Pharmaceutical Co., Ltd.
7, Yotsuya 1-chome, Shinjuku-ku, Tokyo

**NOTICE OF
THE 84th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce the 84th Ordinary General Meeting of Shareholders of Mochida Pharmaceutical Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

Instead of attending the meeting, you may exercise your voting rights in writing (by filing and posting the attached Voting Rights Exercise Form) or via the internet (<https://evote.tr.mufg.jp>). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights, which result to be reached by no later than 5:40 p.m. on Tuesday, June 28, 2022, Japan standard time.

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. Japan standard time
- 2. Place:** TKP Ichigaya building 7F, located at
8 Ichigaya-Hachimancho, Shinjuku-ku, Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 84th Fiscal Year (April 1, 2021 – March 31, 2022)
 2. Report of the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 - Matters to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendment to the Articles of Incorporation
 - Proposal 3:** Election of Ten (10) Members of the Board
 - Proposal 4:** Election of One (1) Audit & Supervisory Board Member
 - Proposal 5:** Approval of the Policy on Large-Scale Share Acquisition (Anti-takeover Measures)

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.mochida.co.jp/>).
- ◎ If a change of location or other major changes on the operation of the General Meeting of Shareholders occur due to a future situation, we will inform you on the Company's website mentioned above.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company decides the amount of dividends, based on the Company's basic policy to sustain stable dividend distribution while building adequate internal reserves for future business expansion, also recognizing the importance of return of profits according to revenue. As such, the Company proposes the year-end dividend and other appropriation of surplus for the fiscal year as follows:

1. Items concerning the Year-end Dividend

(1) Category of dividend

Cash

(2) Items concerning the allocation of dividend and its total amount

50 yen per common share

(The annual dividend per share will be a total of 90 yen including the interim dividend of 40 yen.)

The total amount of the year-end dividend will be 1,878,479,950 yen.

(3) Effective Date of the appropriation of surplus

June 30, 2022

2. Items concerning other Appropriation of Surplus

(1) Increased surplus and its amount

General reserve 5,000,000,000 yen

(2) Reduced surplus and its amount

Retained earnings brought forward 5,000,000,000 yen

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the proposal

With the enforcement of the revised provisions in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) on September 1, 2022, the Company proposes the following amendments to the Company’s Articles of Incorporation in preparation for the implementation of the electronic provision of materials for general meetings of shareholders.

- (1) Article 15, Paragraph 1 of the proposed amendments stipulates that information contained in reference documents, etc. for the general meeting of shareholders shall be provided electronically.
- (2) Article 15, Paragraph 2 of the proposed amendments stipulates limits on the scope of matters to be recorded in paper-based documents to be sent to shareholders who request delivery of physical documents in a paper-based format.
- (3) As stipulations concerning internet disclosure and deemed provision of reference documents, etc. for general meetings of shareholders (Article 15 of the current Articles of Incorporation) will no longer be necessary, these shall be deleted.
- (4) Supplementary provisions shall be established concerning the effective date, etc. of the proposed amendments, in line with such amendments (new establishments and deletions).

2. Details of the amendments

The details of the amendments are as follows.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet disclosure and deemed provision of reference documents, etc. for general meetings of shareholders)</u></p> <p><u>Article 15 In the convocation of general meetings of shareholders, the Company may deem that it has provided to shareholders information concerning matters that must be displayed in the reference documents for general meetings of shareholders, business report, non-consolidated financial statements, and consolidated financial statements (including financial audit reports and audit reports pertaining to the consolidated financial statements) via internet disclosure in conformity with the Ordinance of the Ministry of Justice.</u></p> <p><Newly established></p>	<p><Deleted></p> <p><u>(Electronic Provision Measure, etc.)</u></p> <p><u>Article 15 In the convocation of general meetings of shareholders, the Company shall take an electronic provision measure with respect to information contained in reference documents, etc. for the general meeting of shareholders.</u></p> <p><u>2. Among the matters for which electronic provision measures shall be taken, the Company may choose not to record all or part of matters in the paper-based format to be delivered to shareholders who requested for the delivery of paper-based format by the record date for voting rights. However, the matters chosen not to be recorded are limited to the matters</u></p>

	<p style="text-align: center;"><u>stipulated in the Ordinance of the Ministry of Justice as matters which may not be recorded.</u></p>
<p style="text-align: center;"><Newly established></p>	<p><u>Supplementary provisions (Effective date of the Partial Amendment to the Articles of Incorporation, etc.)</u></p> <p><u>The deletion of the Article 15 (Internet disclosure and deemed provision of reference documents for general meetings of shareholders) of the Articles of Incorporation before the last change (hereinafter “Articles of Incorporation before change”), and the new establishment of Article 15 (Electronic Provision Measures, etc.) of the current Articles of Incorporation shall take effect from September 1, 2022, which is the date of enforcement of the revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019; hereinafter the “Enforcement Date”).</u></p> <p><u>2. Notwithstanding the provisions of the previous paragraph, Article 15 of the Articles of Incorporation before the change shall remain valid for general meetings of shareholders held within six months of the Enforcement Date.</u></p> <p><u>3. These supplementary provisions shall be deleted on the day after which six months have elapsed since the Enforcement Date or the day after which three months have elapsed since the day of the general meeting of shareholders in the previous paragraph, whichever is later.</u></p>

Proposal 3: Election of Ten (10) Members of the Board

At the conclusion of this General Meeting of Shareholders, the term of office of all ten (10) Members of the Board will expire. Accordingly, the election of ten (10) Members of the Board is proposed.

The candidates for Members of the Board are as follows:

No.	Name	Current positions and responsibilities at the Company
1	Naoyuki Mochida [Reappointment]	Representative Director, President
2	Chu Sakata [Reappointment]	Representative Director, Senior Executive Vice President, Assistant to the President, Operations in general
3	Keiichi Sagisaka [Reappointment]	Member of the Board, Senior Executive Managing Officer, Pharmaceutical Business and Mochida Healthcare
4	Junichi Sakaki [Reappointment]	Member of the Board, Senior Executive Managing Officer, Business Development and Biomaterials Business
5	Kiyoshi Mizuguchi [Reappointment]	Member of the Board, Executive Managing Officer, Research and Development, with jurisdiction over Mochida Pharmaceutical Plant
6	Yutaka Kawakami [Reappointment]	Member of the Board, Executive Officer, RA, QA and PV, Head of RA, QA and PV Division
7	Yoshiharu Hashimoto [Reappointment]	Member of the Board, Executive Officer, Planning & Administration and Technonet, Head of Planning & Administration Division
8	Tomoo Kugisawa [Reappointment] [Outside] [Independent]	Member of the Board
9	Nana Otsuki [Reappointment] [Outside] [Independent]	Member of the Board
10	Tomoaki Sonoda [New appointment] [Outside] [Independent]	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Naoyuki Mochida (August 6, 1958) [Reappointment]	April 1981 May 1986 April 1988 April 1991 June 1997 January 1998 January 1999 April 2010 June 2016	Joined the Company Earned an MBA from Indiana University in the U.S. Joined Ajinomoto Co., Inc. Joined the Company Member of the Board Senior Executive Managing Officer Representative Director, President (to the present) Vice-Chairman of Mochida Memorial Foundation for Medical and Pharmaceutical Research Chairman of Mochida Memorial Foundation for Medical and Pharmaceutical Research (to the present)	1,164,600
[Reason for nomination as candidate for Member of the Board] As Mr. Naoyuki Mochida has been in charge of management of the Company as Representative Director, he has abundant experience and achievements, as well as profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.				
2	Chu Sakata (December 28, 1959) [Reappointment]	April 1982 May 2007 February 2009 June 2011 June 2011 June 2012 June 2013 June 2016 June 2017 June 2021	Joined the Mitsubishi Bank, Ltd. General Manager of Syndicated Finance Division and the Global Head of Syndication at the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) Regional Head for the Middle East at BTMU Advisor of the Company Member of the Board, Executive Officer and Assistant Officer, Planning & Administration Executive Officer, Planning & Administration, Head of Planning & Administration Division Member of the Board, Executive Managing Officer Representative Director, Senior Executive Managing Officer with jurisdiction over Planning & Administration, Audits and Corporate Ethics Assistant to the President, Senior Executive Managing Officer, Operations in general (to the present) Representative Director, Senior Executive Vice President (to the present)	11,200
[Reason for nomination as candidate for Member of the Board] As well as abundant experience and achievements at financial institutions Mr. Chu Sakata has been in charge of management of the Company as Representative Director and he has profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Keiichi Sagisaka (July 26, 1957) [Reappointment]	April 1980 Joined the Company April 2003 Head of Metropolitan Branch Office April 2005 Head of Tokyo Branch Office June 2007 Executive Officer April 2008 Deputy Head of Pharmaceutical Business Division June 2009 Head of Pharmaceutical Business Division June 2010 Member of the Board, Executive Officer June 2013 Member of the Board, Executive Managing Officer, Pharmaceutical Business, Head of Pharmaceutical Business Division April 2015 Executive Managing Officer, Pharmaceutical Business June 2016 Member of the Board, Senior Executive Managing Officer (to the present) June 2021 Senior Executive Managing Officer, Pharmaceutical Business and Mochida Healthcare (to the present)	15,900
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>As well as abundant experience and achievements in the Company's Pharmaceutical Business, Mr. Keiichi Sagisaka has been in charge of management of the Company as Member of the Board and he has profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Junichi Sakaki (October 23, 1960) [Reappointment]	March 1993 Joined Ciba-Geigy AG July 2005 General Manager, Research Strategy and Alliances at Novartis Pharma K.K. December 2006 Joined Banyu Pharmaceutical Co., Ltd. Director, Chemistry Department, Tsukuba Research Laboratories July 2009 Joined the Company General Manager, Head of Research Planning and Management Department April 2010 Head of Discovery Research June 2012 Executive Officer, Deputy Head of Business Development Division June 2014 Member of the Board, Executive Officer, Business Development June 2016 Member of the Board, Executive Managing Officer October 2018 Executive Managing Officer, Business Development and Biomaterials Business (to the present) June 2021 Member of the Board, Senior Executive Managing Officer (to the present)	7,100
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>As well as abundant experience and achievements in the Research Division of other pharmaceutical companies and the Company's Research Division and Business Development Division, Dr. Junichi Sakaki has been in charge of management of the Company as Member of the Board and he has profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Kiyoshi Mizuguchi (January 14, 1958) [Reappointment]	April 1982	Joined the Company	4,700
		April 2003	Head of Development Research	
April 2010	General Manager, Head of Clinical Research Department			
June 2012	Executive Officer, Head of Clinical Research and Development Division			
June 2015	Member of the Board, Executive Officer			
June 2017	Member of the Board, Executive Managing Officer (to the present)			
June 2021	Research and Development Research and Development, with jurisdiction over Mochida Pharmaceutical Plant (to the present)			
[Reason for nomination as candidate for Member of the Board] As well as abundant experience and achievements in the Clinical Research and Development Division of the Company, Dr. Kiyoshi Mizuguchi has been in charge of management of the Company as Member of the Board and he has profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.				
6	Yutaka Kawakami (September 30, 1959) [Reappointment]	April 1985	Joined Eisai Co., Ltd.	3,500
		April 1998	Joined Pfizer Japan, Inc.	
October 2003	Transferred to Office of Pharmaceutical Industry Research of Japan Pharmaceutical Manufacturers Association			
October 2005	Director of Clinical Submissions Department at Pfizer Japan Inc.			
December 2012	Joined the Company Deputy Head of Clinical Research and Development Division			
June 2015	Executive Officer			
June 2017	Head of Clinical Research and Development Division			
April 2019	Head of RA, QA and PV Division			
June 2019	Member of the Board, Executive Officer, RA, QA and PV (to the present)			
[Reason for nomination as candidate for Member of the Board] As well as abundant experience and achievements at the Reliability Assurance Division of other pharmaceutical companies and the Clinical Research and Development Division and RA, QA and PV Division of the Company, Dr. Yutaka Kawakami has been in charge of management of the Company as Member of the Board and he has profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Yoshiharu Hashimoto (January 23, 1963) [Reappointment]	<p>April 1985 Joined the Mitsubishi Bank, Ltd.</p> <p>January 2009 General Manager of Yotsuya Commercial Banking Office at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)</p> <p>May 2011 General Manager of Osaka Corporate Banking Division No. 2 of Osaka Corporate Banking Group at BTMU</p> <p>June 2013 Vice President, Head of Business Development Unit at Sharp Corporation</p> <p>June 2016 Full-time Corporate Auditor at Mitsubishi UFJ Capital Co., Ltd.</p> <p>June 2017 Joined the Company Full-Time Audit & Supervisory Board Member</p> <p>June 2019 Member of the Board, Executive Officer, Planning & Administration and Technonet, Head of Planning & Administration Division (to the present)</p>	2,700
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>As well as abundant experience and achievements at financial institutions and Planning & Administration of the Company, Mr. Yoshiharu Hashimoto has been in charge of management of the Company as Member of the Board and he has profound insight and ability. As such, we propose his reappointment as Member of the Board of the Company.</p>			
8	Tomoo Kugisawa (May 23, 1955) [Reappointment] [Outside] [Independent]	<p>April 1987 Registered as an attorney-at-law (to the present) Joined Tokyo Fuji Law Office</p> <p>April 1995 Partner at Tokyo Fuji Law Office (to the present)</p> <p>April 2005 Professor at Omiya Law School</p> <p>June 2006 Outside Corporate Auditor at OG Corporation (to the present)</p> <p>June 2012 Member of the Board of the Company (to the present)</p> <p>April 2019 Visiting Professor at Chuo University Law School (to the present)</p>	3,000
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles]</p> <p>Mr. Tomoo Kugisawa is a registered attorney-at-law and well-versed in corporate legal affairs, reflecting his profound insight into corporate management in the Company's management. Accordingly, we propose his reappointment as Outside Director of the Company. We expect him to utilize his profound insight to oversee management of the Company by making appropriate statements and suggestions at Board meetings and, as a member of the Nomination and Compensation Advisory Committee, a non-mandatory advisory body to the Representative Directors, to provide advice on proposals of nomination/dismissal of senior members of the Company's management team nomination of candidates for Members of the Board and Audit & Supervisory Board Members, and remuneration for Members of the Board and senior members of the Company's management team, thus enhancing objectivity and accountability of such proposals.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	<p data-bbox="196 584 443 651">Nana Otsuki (September 17, 1964)</p> <p data-bbox="225 696 414 801">[Reappointment] [Outside] [Independent]</p>	<p data-bbox="475 275 1246 331">December 2005 Managing Director at UBS Securities Japan Co., Ltd.</p> <p data-bbox="475 342 1174 398">June 2011 Managing Director at Merrill Lynch Japan Securities Co., Ltd.</p> <p data-bbox="475 409 1257 499">September 2015 Professor in Division of Management at Graduate School of Management, Nagoya University of Commerce & Business (to the present)</p> <p data-bbox="475 510 1062 544">January 2016 Executive Officer at Monex, Inc.</p> <p data-bbox="475 555 1246 645">September 2016 Member of Operating Committee of Agricultural and Fishery Co-operative Savings Insurance Corporation</p> <p data-bbox="475 656 1246 723">April 2017 Member of Fiscal System Council of Ministry of Finance (to the present)</p> <p data-bbox="475 734 1214 801">June 2017 Outside Director of Credit Saison Co., Ltd. (to the present)</p> <p data-bbox="475 813 1238 880">June 2018 Outside Audit & Supervisory Board Member of Tokio Marine Holdings, Inc. (to the present)</p> <p data-bbox="475 891 1257 925">September 2019 Outside Director of Nishogakusha (to the present)</p> <p data-bbox="475 936 1166 992">October 2019 Member of Regulatory Reform Promotion Council (to the present)</p> <p data-bbox="475 1003 1214 1037">April 2021 Expert Director at Monex, Inc. (to the present)</p> <p data-bbox="475 1048 1206 1104">June 2021 Member of the Board of the Company (to the present)</p>	200
<p data-bbox="196 1126 1214 1160">[Reason for nomination as candidate for Outside Director and overview of expected roles]</p> <p data-bbox="196 1171 1449 1384">Ms. Nana Otsuki has many years of experience as an analyst at financial institutions and abundant expertise and experience as a university professor. In addition, she has successively assumed numerous roles within public office, reflecting her profound insight into corporate management in the Company's management. Accordingly, we propose her reappointment as Outside Director of the Company. We expect her to utilize her profound insight to oversee management of the Company by making appropriate statements and suggestions at Board meetings.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	Tomoaki Sonoda (July 1, 1961) [New appointment] [Outside] [Independent]	April 2004 Certified public accountant (to the present) April 2006 Professor at Keio University Faculty of Business and Commerce (to the present) October 2009 Member of Contract Surveillance Committee, Ministry of Internal Affairs and Communications (to the present) April 2018 Visiting Professor at Musashino University (to the present) January 2020 Member of Third Bidding Surveillance Commission, Ministry of Finance (to the present)	0
10	[Reason for nomination as candidate for Outside Director and overview of expected roles] Dr. Tomoaki Sonoda has abundant expertise and experience as a university professor specializing in accounting. Therefore, as we believe that he will be able to appropriately execute his duties as Outside Director, his appointment is proposed. We expect him to utilize his profound insight to oversee management of the Company by making appropriate statements and suggestions at the meetings of the Board of Directors, and, as a member of the Nomination and Compensation Advisory Committee which he will be appointed to, a non-mandatory advisory body to the Representative Directors, to provide advice on proposals of nomination/dismissal of senior members of the Company's management team nomination of candidates for Members of the Board and Audit & Supervisory Board Members, and remuneration for Members of the Board and senior members of the Company's management team, for the purpose of strengthening the objectivity and accountability of such proposals.		

- Notes:
1. No special conflict of interests exists between the Company and any of the above candidates for Members of the Board.
 2. Mr. Tomoo Kugisawa and Ms. Nana Otsuki are currently Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Tomoo Kugisawa and Ms. Nana Otsuki will have served for ten (10) years and one (1) year, respectively, as Outside Directors of the Company.
 3. Mr. Tomoo Kugisawa, Ms. Nana Otsuki and Dr. Tomoaki Sonoda are candidates for Outside Directors. The Company has designated Mr. Tomoo Kugisawa and Ms. Nana Otsuki as Independent Directors as prescribed in the regulations of Tokyo Stock Exchange, Inc. (TSE), and notified TSE accordingly. If their appointment (and reappointment) including Dr. Tomoaki Sonoda is approved as proposed and they are appointed to Outside Directors, the Company plans to appoint (or reappoint) them as such Independent Directors.
 4. Although Mr. Tomoo Kugisawa has no prior involvement in corporate management other than as Outside Director or as Outside Audit & Supervisory Board Member, and Dr. Tomoaki Sonoda has no prior involvement in corporate management, the Company believes that Mr. Tomoo Kugisawa and Dr. Tomoaki Sonoda will be able to execute their duties as Outside Directors appropriately due to the "Reason for nomination as candidate for Outside Director and overview of expected roles" as shown above,.
 5. The Company has, pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, concluded agreements with Outside Directors Mr. Tomoo Kugisawa and Ms. Nana Otsuki, respectively, which limit their liabilities as provided in Article 423, Paragraph (1) of the Companies Act. The maximum amount of liability under those agreements is the minimum liability amount stipulated by laws and regulations. The Company plans to continue the said agreement if his/her reappointment is approved. If this proposal is approved as proposed and Dr. Tomoaki Sonoda is appointed to Outside Director, the Company plans to enter into an agreement with the same contents mentioned above with him.

6. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph (1) of the Companies Act to cover legal damages (such as court-ordered payments or settlement money), litigation expenses, or other expenses incurred due to claim for damages made against any Members of the Board of the Company in the course of the execution of their respective duties.

For the purpose of avoiding the improper execution of duties by any Members of the Board of the Company, the expenses for litigation against any Members of the Board of the Company by the Company (excluding shareholders' representative lawsuits), and compensation for damages claimed due to his /her criminal acts is not covered by such insurance.

Insurance premiums for the special contract related to shareholders' representative lawsuits involving any Members of the Board of the Company (approx. 10% of the basic premium borne by the Company) are borne by any Members of the Board of the Company.

If this proposal is approved and each candidate assumes the positions of Member of the Board, each candidate will be included as the insured under this insurance policy.

The Company plans to renew this insurance policy with the same contents during the term of office for each Member of the Board.

Proposal 4: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Kazuhiro Miyaji as Audit & Supervisory Board Member will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed.

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

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
Masayoshi Takeda (April 16, 1961) [New appointment]	April 1985 June 2008 April 2015 June 2016	Joined Nippon Sheet Glass Co., Ltd. Joined the Company Head of Finance & Accounting Department (to the present) Executive Officer (to the present)	0
[Reason for nomination as candidate for Audit & Supervisory Board Member] Mr. Masayoshi Takeda has abundant experience and achievements working at a financial division of another company and the Company. In addition, based on his profound insight and ability, we believe that he will be able to appropriately execute his duties as Audit & Supervisory Board Member. Accordingly, we propose his appointment as Audit & Supervisory Board Member of the Company. He will be appointed as Full-Time Audit & Supervisory Board Member at the Audit & Supervisory Board meeting which will be held after the conclusion of this Ordinary General Meeting of Shareholders.			

- Notes:
1. No special conflict of interests exists between Mr. Masayoshi Takeda and the Company.
 2. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph (1) of the Companies Act to cover legal damages (such as court-ordered payments or settlement money), litigation expenses, or other expenses incurred due to claim for damages made against Audit & Supervisory Board Members of the Company in the course of the execution of his respective duties.
For the purpose of avoiding the improper execution of duties by Audit & Supervisory Board Member of the Company, each Audit & Supervisory Board Member of the Company shall bear the expenses for litigation against the Audit & Supervisory Board Member of the Company by the Company (excluding shareholders' representative lawsuits), and compensation for damages claimed by his / her criminal acts is not covered by such insurance.
Insurance premiums for the special contract related to shareholders' representative lawsuits involving Audit & Supervisory Board Member of the Company (approx. 10% of the basic premium borne by the Company) are borne by Audit & Supervisory Board Member of the Company.
If this proposal is approved and the candidate assumes the position of Audit & Supervisory Board Member, Mr. Masayoshi Takeda will be included as the insured under this insurance policy.
The Company plans to renew this insurance policy with the same contents during the term of office for the Audit & Supervisory Board Members of the Company.

[For Your Reference] Skill Matrix

The following shows the experience, knowledge, and capability, etc., of Members of the Board of the Company and Audit & Supervisory Board Members upon approval of the Proposals 3 and 4 above:

	Name	Corporate Management	Research and Development	Business Strategy, Marketing	International Experience	IT	Finance, Accounting	Legal Affairs, Compliance	Certification
Members of the Board	Naoyuki Mochida	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>		
	Chu Sakata	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Keiichi Sagisaka			<input type="radio"/>					Pharmacist
	Junichi Sakaki		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				Pharmacist
	Kiyoshi Mizuguchi		<input type="radio"/>						Pharmacist
	Yutaka Kawakami		<input type="radio"/>						Pharmacist
	Yoshiharu Hashimoto			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Tomoo Kugisawa				<input type="radio"/>			<input type="radio"/>	Attorney-at-law
	Nana Otsuki	<input type="radio"/>			<input type="radio"/>		<input type="radio"/>		
	Tomoaki Sonoda	<input type="radio"/>			<input type="radio"/>		<input type="radio"/>		Certified public accountant
Audit & Supervisory Board Members	Ichiro Takahashi			<input type="radio"/>				<input type="radio"/>	
	Masayoshi Takeda						<input type="radio"/>		
	Kyosuke Wagai					<input type="radio"/>	<input type="radio"/>		Certified public accountant
	Akiko Suzuki				<input type="radio"/>			<input type="radio"/>	Attorney-at-law
	Yoshifumi Miyata	<input type="radio"/>					<input type="radio"/>		

(Note) The list above does not cover all the experience, knowledge, and capability, etc., of each Member of the Board of the Company and each Audit & Supervisory Board Member / candidate.

Proposal 5: Approval of the Policy on Large-Scale Share Acquisition (Anti-takeover Measures)

At the 81st Ordinary General Meeting of Shareholders held on June 27, 2019, the Company obtained the approval of its shareholders for the “Policy on Large-Scale Share Acquisition (Anti-takeover Measures)” (the “Former Policy”), and determined that the Former Policy would remain in effect until the conclusion of this General Meeting of Shareholders. Upon the expiration of such effective period, the Company decided to maintain the basic contents of the Former Policy and, subject to the approval of shareholders at this General Meeting of Shareholders, the Company’s Board of Directors, at its meeting held on May 13, 2022, determined the following policy on large-scale acquisition of the Company’s shares (Anti-takeover Measures) (the “Policy”) and released the Policy on the same day.

In deciding the Policy, we have made necessary changes, such as changes to definitions, to clarify what actions fall under the Policy (Large-Scale Acquisition).

In this proposal, we request shareholders’ approval of the Policy.

1. Purpose of the Policy

Although the Company currently has good relationships with its major shareholders and its stable shareholder ratio and other indicators are relatively high, the Company recognizes that these situations and indicators may vary and that under the current laws and regulations, it cannot be denied that a large-scale acquisition would significantly damage the Company’s corporate value and the common interests of its shareholders. Based on this recognition, the Company decided on the Policy as a measure to prevent the Company’s financial and business policy-making from being controlled by persons deemed inappropriate in light of the Basic Policy on the requirements of persons who control the Company’s financial and business policy-making. The Board of Directors has resolved to introduce the following rules concerning Large-Scale Acquisition (the “Large-Scale Acquisition Rules”) in response to actions for the Large-Scale Acquisition prescribed in 3(1) below, so that we can provide shareholders with necessary and sufficient information for them to make appropriate decisions as to whether to accept a Large-Scale Acquisition, and can ensure our ability to negotiate with the Large-Scale Acquirer.

2. Use of a Special Committee to ensure rational and fair decisions by the Board of Directors

(1) Establishment of the Special Committee

Concerning whether the series of procedures the Large Scale Acquisition Rules set out had been complied with, and whether to trigger measures (the “Countermeasures”) permitted by the Companies Act, other laws and regulations and the Company’s Articles of Incorporation, such as issuance of shares or stock acquisition rights, allotment of shares or gratis stock acquisition rights, on account that a Large-Scale Acquisition would significantly damage the Company’s corporate value and the common interests of shareholders, even if they had complied with Large-Scale Acquisition Rules, the Company has established the Special Committee in accordance with the Special Committee Rules outlined in Appendix 1, in order to ensure rational and fair decisions by the Board of Directors. The Special Committee is comprised of Outside Directors and Outside Audit & Supervisory Board Members, who are independent of the management team that conducts business execution. The career summaries of the two Outside Directors and one Outside Audit & Supervisory Board Member designated as the initial members of the Special Committee are as stated in Appendix 2.

(2) Consultation with the Special Committee and esteem for the recommendations of the Special Committee

Prior to that the Board of Directors implements the Countermeasures in accordance with the Policy, in order to ensure that its judgement is reasonable and fair, the Board of Directors shall consult with the Special Committee regarding the appropriateness of the Countermeasures, and the Special Committee shall make a recommendation regarding the appropriateness of the Countermeasures after sufficiently examining whether the Large-Scale Acquisition Rules are being adhered to, and the necessity and reasonableness of the Countermeasures. In order to determine whether to implement the Countermeasures on the grounds that the Large-Scale Acquisition would materially damage the Company’s corporate value and the common interests of shareholders even the Large-Scale Acquirer is compliant with the Large-Scale Acquisition Rules, if the Special Committee deems it appropriate, the Special Committee may recommend that the Board of Directors submit a proposal for such Countermeasures at a General Meeting of Shareholders. A summary of the recommendations of the Special Committee shall be disclosed to shareholders in a timely and appropriate manner.

In deciding whether to implement the Countermeasures, the Board of Directors shall, to the maximum extent possible, adhere to the recommendation of the Special Committee.

3. Details of the Large-Scale Acquisition Rules

(1) Large-Scale Acquisitions that are subject to the Large-Scale Acquisition Rules

The Large-Scale Acquisition Rules apply if any of the following occurs or threatens to occur: the purchase of the share certificates, etc. of the Company, other acquisition actions, or any other equivalent actions which falls or may fall under the following (i) to (iii), (excluding the acquiring action to which the Board of Directors of the Company has agreed, and irrespective of any specific acquiring method, such as market trading and tender offers) (“Large-Scale Acquisition”). The party that conducts or intends to conduct a Large-Scale Acquisition (“Large-Scale Acquirer”) should understand in advance that they must follow the Large-Scale Acquisition Rules.

- (i) Acquisition of the share certificates, etc. of the Company (Note 3) and other acquisition actions (Note 4) intended to increase the voting rights ratio (Note 2) of a specific shareholder group (Note 1) to 20% or higher
- (ii) Purchase of the share certificates, etc. of the Company and other acquisition resulting in a 20% or higher voting rights ratio of a specific shareholder group
- (iii) Notwithstanding whether any of the actions prescribed (i) or (ii) above has been conducted, actions that a specific shareholder group conducts with another shareholder of the Company (including the case of more than two other shareholders; the same shall apply hereinafter in (iii)) which result in: agreements or other actions that, as a result of the abovementioned actions, lead another shareholder to become a joint holder of the specific shareholder group; or actions that lead to establishing a relationship (Note 5) in which either the specific shareholder group or another shareholder substantially controls the other or in which they act jointly or in cooperation with one another. (However, this shall apply only to the case where the voting rights ratio of the specific shareholder group and another shareholder totals 20% or higher concerning the share certificates, etc. of the Company.) (Note 6)

Note 1 A specific shareholder group means (i) a holder (meaning a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, and includes those included in a holder pursuant to the same Article, Paragraph 3) of the share certificates, etc. (meaning share certificates, etc. defined in Article 27-23, Paragraph 1 of the same Act) of the Company and its joint holder (meaning a joint holder as defined in Article 27-23, Paragraph 5 of the same Act, and includes those regarded as a joint holder pursuant to the same Article, Paragraph 6 of the same Act), as well as (ii) a person or entity that conducts an acquisition, etc. (meaning an acquisition, etc. as defined in Article 27-2, Paragraph 1 of the same Act, and includes those conducted in a financial instruments exchange market) of the share certificates, etc. (meaning share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) of the Company and its special related parties (special related parties as defined in Article 27-2, Paragraph 7 of the same Act).

Note 2 A voting rights ratio refers to (i) the holding ratio of share certificates, etc. (as defined in Article 27-23, Paragraph 4 of the same Act) of the relevant holder in the case the specific group of shareholders is (i) in Note 1 (in this case, the number of share certificates, etc. held by the joint holder(s) of such holder(s) (the number of share certificates, etc. held as set forth in the same Paragraph) shall also be added) or (ii) if the specific group of shareholders is (ii) in (Note 1), the total of the holding ratio of share certificates, etc. (meaning the holding ratio of share certificates, etc. defined in Article 27-2, Paragraph 8 of the same Act) of the relevant acquirer and the relevant special related parties. In calculating the holding ratio of each share certificate, etc., the total number of voting rights (as defined in Article 27-2, Paragraph 8 of the same Act) and the total number of shares issued (as defined in Article 27-23, Paragraph 4 of the same Act) can be referenced in the most recently filed securities reports, quarterly reports, and treasury stock purchase status reports.

Note 3 Share certificates, etc. refer to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act or Article 27-23, Paragraph 1 of the same Act.

Note 4 (i) If a specific shareholder group falls under (i) of (Note 1) above, purchases and other acquisition actions shall include having the right to request delivery of share certificates, etc. based on purchases or other sale agreements and conducting any of the transactions prescribed in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act. (ii) If the specific shareholder group falls under (ii) of (Note 1), purchases and other acquisition actions shall include purchases or other acceptance of transfer for value, and other actions equivalent to the acceptance of transfer for value as prescribed in Article 6, Paragraph 3 of the same Order.

Note 5 The judgement of whether “a relationship in which either the specific shareholder group or another

shareholder substantially controls the other or in which they act jointly or in cooperation with one another” is established shall be made based on: whether any new relationship has been formed, such as a relationship arising from investment, business alliances, transactions or agreements, officers concurrently holding positions of both parties, funding, credit granting, substantial interest in the share certificates, etc. of the Company through derivatives and loaned shares etc.; or on how much direct or indirect impact the specific shareholder group and another shareholder have on the Company.

Note 6 The judgement of whether any of the actions prescribed in (iii) has been conducted shall be reasonably made by the Board of Directors based on the recommendation of any of the Company’s independent committees. The Board of Directors may ask the shareholders of the Company to provide information to the extent necessary for it to judge whether the requirement stated in (iii) above is met.

(2) Submission of Letter of Intent

Prior to the execution of a Large-Scale Acquisition, the Large-Scale Acquirer shall first submit to the Company a “Letter of Intent” to the effect that the Large-Scale Purchaser will comply with the Large-Scale Acquisition Rules. The Letter of Intent must include the Large-Scale Acquirer’s (i) name and address, (ii) governing law of incorporation, (iii) name of representative, (iv) contact information in Japan, (v) overview of the proposed Large-Scale Acquisition, and (vi) pledge to comply with the Large-Scale Acquisition Rules.

(3) Submission of Large-Scale Acquisition Information

Within 10 business days after receipt of the Letter of Intent in (2) above, the Company will deliver to the Large-Scale Acquirer a list of the necessary and sufficient information (the “Large-Scale Acquisition Information”) that it must submit for the shareholders’ decision and the Board of Directors’ assessment and consideration. If the information submitted is considered insufficient as Large-Scale Acquisition Information, the Company may request the Large-Scale Acquirer to provide additional information. The specific contents of the Large-Scale Acquisition Information will vary depending on the attributes of the Large-Scale Acquirer and the details of the Large-Scale Acquisition, but some of the general items are as follows. The fact that a Large-Scale Acquisition has been proposed, as well as the Large-Scale Acquisition Information, will be promptly submitted to the Special Committee. If the Board of Directors deems it necessary to disclose such information to shareholders in order for them to decide or to comply with applicable laws, regulations, financial instruments exchange rules, etc., the Company will disclose all or part of such information.

- (i) Details (including names, business field, background or history, capital structure, financial situation, officers’ biographies, etc., as well as the history of past acquisitions and the results thereof, experience in the same type of business as that of the Company and the Group, the existence or non-existence of past violations of laws and regulations, and the details of such violations) of the Large-Scale Acquirer and its group (including joint holders, persons having a special relationship, and, if a fund, partners and other constituent members).
- (ii) Purpose, method, and details of the Large-Scale Acquisition (including type and amount of consideration for the acquisition, timeframe of the acquisition, the structure of related transactions, the legitimacy of the acquisition method, the feasibility of the Large-Scale Acquisition, and if there is a possibility that the Company’s share certificates, etc. will be delisted after completion of the acquisition, the reason for such delisting, etc.)
- (iii) Whether the Large-Scale Acquirer communicates with a third party for conducting the Large-Scale Acquisition, and the description of such communication, if any.
- (iv) Basis for calculation of the purchase price (including facts and assumptions underlying the calculation, calculation method, numerical information used in the calculation, and details of synergies expected to arise from a series of transactions related to the Large-Scale Acquisition and the basis for such calculation).
- (v) The source of funds for the acquisition (including the name of the provider of funds for the Large-Scale Acquirer, including any substantial provider, the method of financing, and details of related transactions, etc.).
- (vi) Candidates for management of the Company and the Group after completion of the Large-Scale Acquisition (including information regarding experience in the same type of business as that of the Company and the Group), management policies, business plans, capital policies, dividend policies and other plans.
- (vii) Measures intended to enhance the corporate value of the Company and the Group sustainably and stably after the completion of the Large-Scale Acquisition and the basis for such measures.
- (viii) Details of any planned changes to the relationship between the Company or the Group and their business

partners, customers, employees, local communities, and other stakeholders after the completion of the Large-Scale Acquisition, if any.

- (ix) Information on relationships with antisocial forces
- (x) Any other information that the Special Committee would reasonably determine to be necessary.

(4) Assessment and review by the Company's Board of Directors

After the Large-Scale Acquirer completes the provision of the Large-Scale Acquisition Information to the Board of Directors, depending on the degree of difficulty of assessment and review of the Large-Scale Acquisition, the Board of Directors deems it necessary, as a general rule, to secure up to 60 days in the case of an acquisition of all of the Company's shares, etc. by tender offer with cash-only (yen) consideration, and as a general rule, up to 90 days in the case of other Large-Scale Acquisition, as a period for the Board of Directors to assess, examine, negotiate, form an opinion, as well as to develop an alternative proposal (the "Board of Directors' Assessment Period"). However, the Board of Directors shall consult with the Special Committee and, upon respecting its recommendations to the maximum extent possible, may extend the Board of Directors' Assessment Period by up to 30 days to the extent reasonably necessary for such assessment, consideration, negotiation, opinion formation, and development of alternative proposals, etc. If the provision of Large-Scale Acquisition Information is completed, the Board of Directors shall promptly make a disclosure to that effect, as well as with regard to the date on which the Board of Directors' Assessment Period will expire. In addition, in the event the Board of Directors' Assessment Period is extended, the Board of Directors shall promptly disclose the period of extension and the reasons thereof.

During the Board of Directors' Assessment Period, the Board of Directors shall fully assess and examine the Large-Scale Acquisition Information while consulting with the Special Committee and, if and when necessary, obtaining advice from outside experts, etc., and respect the recommendations of the Special Committee to the maximum extent. Based upon this, the Board of Directors shall form an opinion, and disclose such opinion to shareholders. The Board of Directors may negotiate with the Large-Scale Acquirer, if and when necessary, to improve the terms of the Large-Scale Acquisition and present its own alternative proposal to shareholders.

Accordingly, the Large-Scale Acquisition should be commenced only after the Board of Directors' Assessment Period has elapsed (after the General Meeting of Shareholders has decided not to trigger the Countermeasures in the event where the Board of Directors has decided to submit a proposal for the Countermeasures at the General Meeting of Shareholders in accordance with the proviso in 4(2) below).

4. Policy on response in the event of a Large-Scale Acquisition

(1) In the event the Large-Scale Acquirer does not comply with the Large-Scale Acquisition Rules

If a Large-Scale Acquirer does not comply with the Large-Scale Acquisition Rules, with utmost respect to the recommendations of the Special Committee, the Board of Directors may oppose the Large-Scale Acquisition by triggering the Countermeasures to the extent necessary and reasonable for the purpose of protecting corporate value and the common interests of shareholders. Specific Countermeasures will be selected as deemed appropriate at the time.

An overview of cases in which the Board of Directors may conduct an allotment of stock acquisition rights without contribution as a specific countermeasure is shown in Appendix 3.

(2) In the event the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules

In the event a Large-Scale Acquirer has complied with the Large-Scale Acquisition Rules, the Board of Directors, even if opposed to the Large-Scale Acquisition, may only attempt to persuade shareholders by expressing a counter opinion to the acquisition proposal or indicating an alternative proposal, and as a general rule, the Board of Directors will not implement Countermeasures against the Large-Scale Acquisition. However, even in the event of compliance with the Large-Scale Acquisition Rules, if the Large-Scale Acquisition fall under any of the following items of (i) through (viii), and is determined to significantly damage the Company's corporate value and the common interests of shareholders, the Board of Directors may, while respecting the recommendations of the Special Committee to the maximum extent possible, implement the Countermeasures to the degree necessary and reasonable to protect the Company's corporate value and the common interests of shareholders.

- (i) In the event it is determined that the acquisition of the Company's shares is being made for the purpose of inducing the Company or its related parties to acquire the Company's shares at a high price, without any intention of truly participating in the management of the Company.
- (ii) In the event it is determined that the acquisition of the Company's shares is being conducted for the purpose of temporarily controlling the Company's management and causing the transfer of assets (including know-

- how, trade secrets, etc.), business relationships, etc. necessary for the Company's business to the Large-Scale Acquirer or its group companies, etc.
- (iii) If it is determined that the acquisition is being made with the intention of diverting the assets of the Company to make them serve as collateral or a source of the repayment of debt owed by a Large-Scale Acquirer or its group companies, etc.
 - (iv) If it is determined that the acquisition of the Company's shares is being made for the purpose of temporarily controlling the Company's management and causing the Company to pay temporarily high dividends, or for the purpose of selling the Company's shares at a high price when the share price rises sharply due to temporarily high dividends.
 - (v) If it is determined that there is a possibility that Company's shareholders will be coerced to sell their shares, such as with a coercive two-tier acquisition (a tender offer or other acquisition without soliciting the acquisition of all shares in the first acquisition, and setting unfavorable or unclear conditions for the second and subsequent acquisitions).
 - (vi) If the terms of the acquisition (including the type and amount of consideration for the acquisition, timing of the acquisition, structure of related transactions, acquisition method, feasibility of the Large-Scale Acquisition, management policies and business plans after the acquisition, and policy for dealing with business partners, customers, employees, local communities and other stakeholders after the acquisition) are judged to be significantly insufficient or inappropriate in light of the Company's intrinsic value.
 - (vii) If it is judged, on reasonable grounds, that the Large-Scale Acquirer's acquisition of control is expected to cause significant damage to the Company's corporate value or is likely to significantly impede the maintenance and improvement of the Company's corporate value by degrading relationships with the Company's shareholders, business partners, customers, employees, local communities and other stakeholders, or other sources of the Company's corporate value.
 - (viii) If the Large-Scale Acquirer is judged to be extremely inappropriate as the controlling shareholder of the Company from the viewpoint of public order and morals.

If the Special Committee recommends that a proposal to the General Meeting of Shareholders be made in accordance with 2(2) above, or if the Board of Directors deems it appropriate to submit a proposal to a General Meeting of Shareholders in light of the duty of care after taking into consideration of the necessary time and other factors, a proposal to a General Meeting of Shareholders shall be made.

(3) Reconsideration by the Board of Directors (suspension of triggering the Countermeasures, etc.)

Even after the Board of Directors has already decided whether to implement the Countermeasures, in the event the facts on which such decision was based change, such as if the Large-Scale Acquirer withdraws or amends the Large-Scale Acquisition, the Board of Directors may make a decision regarding implementation, suspension or amendment of the Countermeasures, based on further consultation with the Special Committee, and to the extent possible, respecting its recommendation. In such cases, the Board of Directors will make timely and appropriate disclosures, including those about matters deemed necessary by the Special Committee.

5. Effective period, amendment, and abolishment of the Policy

The Policy will become effective upon approval by shareholders at this General Meeting of Shareholders, and will remain in effect until the conclusion of the Company's Ordinary General Meeting of Shareholders scheduled to be held in June 2025. However, even before the expiration of the effective period, the Policy shall be abolished if a resolution to abolish the Policy is passed at the General Meeting of Shareholders or a meeting of the Board of Directors. In addition, even during the effective period of the Policy, the Board of Directors may amend the Policy within the scope of the purpose of the approval of the General Meeting of Shareholders upon having received approval of the Special Committee, in the event the Board of Directors deems it necessary from the perspective of securing and enhancing the Company's corporate value and the common interests of shareholders, based on revisions to relevant laws and regulations, trends in judicial decisions, and measures taken by financial instruments exchanges and other public institutions. The Company will promptly notify shareholders of amendment or abolishment of the Policy.

6. Revisions due to amendments to laws and regulations, etc.

The provisions of laws and regulations cited in the Policy are based on the provisions in effect as of May 13, 2022. Following this date, in the event it is necessary to add amendments to the terms and conditions set forth in each section or to alter the meanings of terms, etc., due to the establishment or abolishment of laws and regulations, the Company shall appropriately and rationally revise the reading of each section or the meaning of terms, taking into consideration the purpose of such new establishment, amendment or abolition.

Overview of Special Committee Rules

1. The Special Committee shall have at least three members, who shall be independent of the Company's management team that executes the business operations, and shall be appointed by the Board of Directors from among the Outside Directors and Outside Audit & Supervisory Board Members. (The members except the initial members listed in Appendix 2 shall be appointed by the Board of Directors).
2. The term of office of Special Committee members shall expire at the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in June 2025. In the event a member of the Special Committee who is an Outside Director or an Outside Audit & Supervisory Board Member ceases to be an Outside Director or an Outside Audit & Supervisory Board Member (except in the case of reappointment), the term as a Special Committee member shall also end at the same time.
3. The Special Committee shall make decisions on the matters set forth in (i) through (iii) below, and shall make recommendations to the Board of Directors regarding the details of such decisions, along with the reasoning for the decisions. The Special Committee shall also conduct matters that it is authorized to perform under the Policy. In making judgments, decisions, recommendations, etc. based on the Policy, each member of the Special Committee and each Director shall do so exclusively from the perspective of whether it contributes to the corporate value of the Company and the common interests of its shareholders, and shall not do so for the purpose of pursuing their own personal interests or those of the Company's management team.
 - (i) Whether or not an allotment of stock acquisition rights without contribution and other Countermeasures pursuant to the Policy should be activated
 - (ii) Cancellation of an allotment of stock acquisition rights without contribution or other Countermeasures pursuant to the Policy (including acquisition of such stock acquisition rights without consideration)
 - (iii) Other matters on which the Board of Directors should decide, for which the Board of Directors has consulted the Special Committee
4. If the Special Committee determines that the information submitted by the Large-Scale Acquirer is insufficient as Large-Scale Acquisition Information, it may request the Large-Scale Acquirer to provide additional information. In addition, if the Large-Scale Acquisition Information has been provided, the Special Committee may also request the Board of Directors to provide, within the prescribed period, its opinion on the details of the Large-Scale Acquisition as well as materials supporting such opinion, an alternative proposal, and any other information that the Special Committee deems appropriate and necessary.
5. In order to gather necessary information, the Special Committee may request the attendance, and briefings, of the Company's Directors, Audit & Supervisory Board Members, employees, and other persons the Special Committee deems necessary.
6. The Special Committee may, at the Company's expense, solicit the advice of independent third parties (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants and other experts).
7. Each member of the Special Committee and the Board of Directors may convene a meeting of the Special Committee as necessary in the event of a Large-Scale Acquisition or at any other time.
8. Resolutions of the Special Committee shall, in principle, be adopted by a majority of the votes of all the members of the Special Committee present. However, when a member is unable to attend a meeting or when unavoidable circumstances exist, a resolution may be adopted by a majority of the voting rights of a meeting where a majority of the members of the Special Committee are present.

Career Summaries of Special Committee Members

Tomoo Kugisawa

Career Summary

Born in 1955

- Apr. 1987 Registered as an attorney-at-law (to the present)
Joined Tokyo Fuji Law Office
- Apr. 1995 Partner at Tokyo Fuji Law Office (to the present)
- Apr. 2005 Professor at Omiya Law School
- Jun. 2006 Outside Corporate Auditor at OG Corporation (to the present)
- Jun. 2012 Outside Director of the Company (to the present)
- Apr. 2019 Visiting professor at Chuo University Law School (to the present)

Nana Otsuki

Career Summary

Born in 1964

- Dec. 2005 Managing Director at UBS Securities Japan Co., Ltd.
- Jun. 2011 Managing Director at Merrill Lynch Japan Securities Co., Ltd.
- Sep. 2015 Professor in Division of Management at Graduate School of Management, Nagoya University of Commerce & Business (to the present)
- Jan. 2016 Executive Officer at Monex, Inc.
- Sep. 2016 Member of Operating Committee of Agricultural and Fishery Co-operative Savings Insurance Corporation
- Apr. 2017 Member of Fiscal System Council of Ministry of Finance (to the present)
- Jun. 2017 Outside Director of Credit Saison Co., Ltd. (to the present)
- Jun. 2018 Outside Audit & Supervisory Board Member of Tokio Marine Holdings, Inc. (to the present)
- Sep. 2019 Outside Director of Nishogakusha (to the present)
- Oct. 2019 Member of Regulatory Reform Promotion Council (to the present)
- Apr. 2021 Expert Director at Monex, Inc. (to the present)
- Jun. 2021 Outside Director of the Company (to the present)

Yoshifumi Miyata

Career Summary

Born in 1952

- Apr. 2006 Executive Officer and General Manager of Financial Institution Relations Department at The Dai-ichi Mutual Life Insurance Company
- Apr. 2009 Managing Executive Officer of The Dai-ichi Mutual Life Insurance Company
- Jun. 2010 Outside Audit & Supervisory Board Member of Tsugami Corporation
- Jun. 2012 Representative Director and Vice-President of Trust & Custody Services Bank, Ltd.
- Oct. 2018 Outside Director at Wellnest Communications, Inc. (to the present)
- Jun. 2021 Outside Audit & Supervisory Board Member of the Company (to the present)

Overview of Allotment of Stock Acquisition Rights without Contribution

1. Shareholders entitled to receive stock acquisition rights and method of allotment
Stock acquisition rights shall be allotted to shareholders recorded in the final shareholders' register as of the allotment date determined by the Board of Directors, at a ratio of one stock acquisition right for every one share of common stock of the Company held by such shareholders (excluding, however, shares of the Company's common stock held by the Company) without requiring them to make any new payment.
2. Class and number of shares to be issued upon exercise of stock acquisition rights
The class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued upon exercise of each stock acquisition right shall be one share. However, if the Company conducts a stock split or a reverse stock split, the necessary adjustments shall be made, and any fraction of less than one share resulting from the adjustment shall be rounded down and no adjustment in cash shall be made.
3. Total number of stock acquisition rights to be allocated
The maximum number of shares to be issued shall be the number of shares obtained by subtracting the total number of outstanding shares of common stock of the Company (excluding shares of common stock of the Company held by the Company) from the final total number of shares of common stock of the Company authorized to be issued as of the date of allocation as determined by the Board of Directors. The Board of Directors may implement an allotment of stock acquisition rights without contribution more than once.
4. Assets to be contributed upon exercise of the stock acquisition rights and their amount
The assets to be contributed upon exercise of the stock acquisition rights shall be cash, the amount of which shall be determined by the Board of Directors at a minimum of one yen per share of common stock of the Company.
5. Restrictions on transfer of stock acquisition rights
Acquisition of stock acquisition rights by transfer shall require the approval of the Board of Directors.
6. Conditions on the exercise of stock acquisition rights
The conditions for exercising the stock acquisition rights shall be that the person is not in a specific group of shareholders including the Large-Scale Acquirer or a person who has received or succeeded to the stock acquisition rights from such specific group of shareholders without the approval of the Board of Directors of the Company, etc. (Details shall be separately determined by the Board of Directors.)
7. Acquisition of stock acquisition rights by the Company
 - (1) At a date determined by the Board of Directors, the Company may acquire unexercised stock acquisition rights held by persons other than those who are not permitted to exercise their stock acquisition rights by the preceding business day and may, in exchange, deliver the granted number of shares of common stock of the Company per one stock acquisition right.
 - (2) The Company may, at any time up to the day before the commencement date of the exercise period of stock acquisition rights, acquire all stock acquisition rights without consideration upon reaching a date determined by the Board of Directors, if the Board of Directors deems it appropriate to acquire the stock acquisition rights
 - (3) Details other than the above shall be separately determined by the Board of Directors.
8. Exercise period, etc. of stock acquisition rights
The effective date of the allotment of stock acquisition rights without contribution, exercise period and other necessary matters shall be separately determined by the Board of Directors.

1. Basic Policy regarding the conduct of the persons controlling the Company's financial and business policy decisions

The Company believes that the persons who control the Company's financial and business policy-making have a sufficient understanding of the following: (i) the technical expertise, experience, and know-how in research and development, manufacturing, sales, and other fields that the Company and its Group have accumulated since its founding in 1913, as well as the employees who are responsible for these fields, the relationships of trust the Company and its Group have built with business partners, customers, employees, local communities, and other stakeholders, the ability to supply high-quality pharmaceutical products, etc., a sound financial position, and the Company's various other sources of corporate value; and (ii), based on a long-term vision, the critical nature of ongoing and stable research and development of pharmaceutical products, etc., the manufacture and sale of high-quality pharmaceutical products, etc., carrying out and promoting the provision and management of information on their proper use, and other unique business characteristics of the Company and the Group. The Company believes that it is desirable to have a person who will ensure and enhance the Company's corporate value and the common interests of shareholders over the medium- to long-term through the formulation and implementation of appropriate management policies and business plans, etc., based on (i) and (ii) above.

However, the Company believes that the nature of those who control the Company, including whether to accept an acquisition involving a transfer of control of the Company, should ultimately be determined by the Company's shareholders. In addition, for the shareholders to make an appropriate decision as to whether to accept such acquisition, the Company believes it essential that sufficient information be provided, including not only information provided unilaterally by such acquirer but also information provided by the Board of Directors, which is currently responsible for the Company's management, and their assessment and opinion, etc. regarding such acquisition.

On the other hand, among such acquisitions, there are those that may significantly damage the Company's corporate value and the common interests of shareholders, such as the possibility that shareholders would be coerced to sell their shares, or that do not provide sufficient time and information for shareholders to consider whether to accept the acquisition, and for the Board of Directors to assess and consider the acquisition, and if necessary, to negotiate with the acquirer to improve conditions and present alternative proposals.

The Company believes that any person who conducts such an acquisition or any similar action is inappropriate as a person who controls the Company's financial and business policy-making.

2. Impact on Shareholders and Investors, etc.

(1) Impact of the Policy on shareholders and investors, etc.

The Policy is intended to provide shareholders with necessary and sufficient information and time to make an appropriate decision as to whether to accept the Large-Scale Acquisition, and to ensure our ability to negotiate with the Large-Scale Acquirer. We believe that it will contribute to ensuring and enhancing the Company's corporate value and the common interests of shareholders.

The Company's response to a Large-Scale Acquisition will differ depending on whether the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, and shareholders and investors are therefore requested to be cautious with regard to the behavior of the Large-Scale Acquirer.

(2) Impact on shareholders and investors when the Countermeasures are triggered

In the event the Board of Directors decides to implement a specific countermeasure, the Company will make timely and appropriate disclosures in accordance with applicable laws and regulations, and the rules of financial instruments exchanges.

The Company does not anticipate any situation in which shareholders other than the Large-Scale Acquirer, etc. will suffer exceptional legal or economic losses when the Countermeasures are activated.

In the case of an allotment of stock acquisition rights without contribution as the Countermeasure, shareholders other than the Large-Scale Acquirer, etc. will be allotted stock acquisition rights in proportion to the number of shares of the Company they hold, without being required to subscribe for such rights. In addition, as the Company undertakes procedures for the acquisition of such stock acquisition rights, shareholders will receive shares of the Company's stock as consideration for the acquisition of such stock acquisition rights by the Company without payment of money equivalent to the exercise price of such stock acquisition rights, and therefore, no application, payment or other procedures will be required. Details of these procedures will be disclosed in a timely and appropriate manner when these procedures are actually required. If the Board of Directors cancels the stock acquisition rights without contribution or acquires such stock acquisition rights for

no consideration after the allotment of stock acquisition rights without contribution (the shareholders will lose such stock acquisition rights as a result of the Company acquiring such stock acquisition rights for no consideration) based on the recommendation of the Special Committee, the dilution of the Company shares' value will not occur, and therefore investors who have conducted sale, etc. of the Company's shares presuming the value per Company share would be diluted, could suffer an unforeseen loss due to the fluctuation of the share price.

3. The Board of Directors' judgment, and reasoning concerning the Policy being in line with the Basic Policy described in 1. above and consistent with the common interests of shareholders, while not intended to maintain the status of the Company's officers

For the reasons stated below, the Company believes that the Policy is in line with the Basic Policy and consistent with the common interests of the Company's shareholders, and is not intended to maintain the status of the Company's corporate officers.

(1) Decisions made with the objective of securing and enhancing the common interests of shareholders

The Company believes that the Policy will provide its shareholders with necessary and sufficient information and time to make an appropriate decision as to whether to accept the Large-Scale Acquisition, will ensure the ability to negotiate with the Large-Scale Acquirer, and will contribute to the common interests of our shareholders.

(2) Establishment of reasonable objective requirements

The Countermeasures in the Policy are designed to prevent arbitrary triggering by the Board of Directors, as they will not be activated unless reasonable objective requirements are satisfied.

(3) Respecting and reflecting shareholders' opinions

If the Company does not obtain the approval of shareholders by submitting the Policy as an agenda item at this General Meeting of Shareholders, the Policy will not come into effect. In addition, even before the expiration of the Policy's effective period, if a resolution to the effect of abolishing or amending the Policy is passed at a General Meeting of Shareholders or at a meeting of the Board of Directors, the Policy will be abolished or amended at that time, and the will of the shareholders regarding the Policy will be reflected.

(4) Emphasis on judgment of highly independent external parties and information disclosure

The Special Committee, which consists solely of highly independent external parties, will make substantive decisions regarding the appropriateness of triggering the Countermeasures under the Policy. In addition, an overview of the decision will be disclosed to shareholders, thus ensuring the transparent operation of the Policy so as to contribute to the Company's corporate value and the common interests of shareholders.

(5) The Anti-takeover Measures are not a "dead hand" or a "slow hand" provision

The Policy is not a so-called dead-hand provision (an anti-takeover measure that cannot be stopped even if a majority of the members of the Board of Directors are replaced) because it can be abolished by a resolution of a General Meeting of Shareholders or a meeting of the Board of Directors. In addition, since the term of office of Directors is one year and the Company has not adopted a staggered board system, the Policy is also not a slow-hand provision (an anti-takeover measure that requires time to prevent its triggering because the members of the Board of Directors cannot be replaced all at once).