

[Translation]

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Securities code: 4539

May 30, 2023

Kazushiro Yamaguchi

President & CEO

Nippon Chemiphar Co., Ltd.

2-2-3, Iwamoto-cho, Chiyoda-ku, Tokyo

Dear Shareholders,

Notice of the 91st Ordinary General Meeting of Shareholders

We would like to inform you that the 91st Ordinary General Meeting of Shareholders (this “General Meeting of Shareholders”) of Nippon Chemiphar Co., Ltd. (the “Company”) will be held as set forth below.

Upon the convocation of this General Meeting of Shareholders, the Company adopted measures for electronic provision of materials that is contained in documents such as reference materials for general meetings of shareholders (matters subject to electronic provisioning measures) and published such information online on the Company’s website. Please view the documents by accessing the Company’s website specified below (only available in Japanese).

Company’s website: https://www.chemiphar.co.jp/ir/stocks_information/shareholder.html

In addition to the above website, the matters subject to electronic provisioning measures are published on the website of the Tokyo Stock Exchange (TSE). Please access the website of the TSE specified below and enter “Nippon Chemiphar” in the “Issue name (company name)” field or “4539,” the Company’s securities code, in the “Code” field, click “Search,” then “Basic information,” and then “Documents for public inspection / PR information” to find the documents in the “Notice of general meeting of shareholders / Materials for general meeting of shareholders” section on the “Documents for public inspection” page.

TSE’s website (JPX listed company search) (in Japanese):

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

If you are unable to attend this General Meeting of Shareholders in person, you may exercise voting rights in writing (by post) or via the Internet, etc., so you are kindly requested to review the Reference Materials for the General Meeting of Shareholders below and exercise your voting rights by 5:30 p.m., Tuesday, June 20, 2023.

Meeting Details

1. **Date and Time:** June 21, 2023 (Wednesday) at 10:00 a.m.

2. **Place:** “Myoujin Kaikan”, Kanda Myoujin
2-16-2, Sotokanda, Chiyoda-ku, Tokyo

3. **Purpose of the Meeting:**

Matters to be Reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 91st Fiscal Year (from April 1, 2022 to March 31, 2023)
2. Report on the Non-Consolidated Financial Statements for the 91st Fiscal Year (from April 1, 2022 to March 31, 2023)

Matters to be Resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Eight (8) Directors

End

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- If any modification is made to the matters subject to electronic provisioning measures, the Company will publish the modified information online on the Company’s website and the TSE’s website specified on page 1.
 - For this General Meeting of Shareholders, the Company will send a document that contains the matters subject to electronic provisioning measures to all shareholders, regardless of whether each of the shareholders has made a request for delivery of a written document. Please note that, among the matters subject to electronic provisioning measures, the following are not contained in this Notice because these matters are omitted from documents to be sent to shareholders who make a request for delivery of a written document in accordance with laws and ordinances and the provisions of Article 17 of the Company’s Articles of Incorporation:
 - (i) “Matters regarding Share Options, Etc. of the Company”, “Matters regarding the Accounting Auditor”, “Systems to Ensure the Appropriateness of Operations and Operating Status of the Systems” and “Basic Policy regarding the Company’s Control” in the Business Report;
 - (ii) “Consolidated Statements of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements; and
 - (iii) “Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements.

Please note that the business report, consolidated financial statements, and non-consolidated financial statements audited by the Audit & Supervisory Board Members when preparing an audit report and the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor when preparing an accounting audit report contain information on (i) through (iii) above in addition to the information contained in this Notice.

- After the conclusion of this General Meeting of Shareholders, resolutions passed at this General Meeting of Shareholders will be published online on the Company's website specified on page 1 in lieu of sending a written notice of resolutions. Thank you for your understanding.

Reference Materials for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal No. 1 Appropriation of Surplus

The Company positions the return of profits to shareholders as one of the highest priorities in its management, and its basic policy is to distribute stable dividends while maintaining a balance between investment that contributes to its future growth and strengthening of its financial position by capital accumulation.

As a result of examination based on the above policy, the year-end dividends for the 91st fiscal year will be paid in the following manner in light of factors such as business performance in the 91st fiscal year, the severe business environment, and future business development.

Matters regarding year-end dividends

- (1) Type of dividend assets:
Cash
- (2) Matters regarding allocation of dividend assets and total amount of dividends:
Dividend per share of common stock of the Company 50 yen
Total amount of dividends 182,622,450 yen
- (3) Effective date of distribution of surplus:
June 22, 2023

Proposal No. 2 Election of Eight (8) Directors

The term of office of all six (6) Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes that the number of Directors be increased by two (2) (with the addition of one (1) Inside Director and one (1) Outside Director) and eight (8) Directors be elected with the aim of further reinforcing the Company's management structure and corporate governance.

If this proposal is approved as proposed, at least one-third of the Directors will satisfy the requirements for independent officers established by the TSE and the Criteria for Independence as Outside Officers established by the Company.

The candidates for Director are as follows.

Candidate No.	Candidate type	Name	Gender	Current position and areas of responsibility in the Company	Attendance at Board of Directors meetings (number of times and percentage)
1	Reelection	Kazushiro Yamaguchi	Male	Representative Director, President & CEO	12/12 (100%)
2	Reelection	Masanori Kutsuwada	Male	Director and Senior Managing Corporate Officer In charge of Risk Management, Compliance, Regulatory Affairs Department, General Affairs Department, Human Resources Department, Overseas Business Department, Nippon Chemiphar Group Quality Assurance Management Department, and Reliability Assurance Group	12/12 (100%)
3	Reelection	Tomio Yamakawa	Male	Director and Senior Managing Corporate Officer In charge of Discovery Research Laboratories, Development Planning Department, and Pharmaceutical Technology Development Department	12/12 (100%)
4	Reelection	Masahide Yasumoto	Male	Director and Managing Corporate Officer In charge of IT Department, Public Relations Department, and Diagnostics Department and General Manager of Corporate Strategic Planning Department and Healthcare Department	12/12 (100%)
5	New election	Koki Hayamizu	Male	Corporate Officer In charge of Medical Affairs Department and General Manager of Development Planning Department	-
6	Reelection / Outside	Yuji Harada	Male	Outside Director	12/12 (100%)
7	Reelection / Outside	Masaki Yoshino	Male	Outside Director	12/12 (100%)
8	New election / Outside	Naoko Omukai	Female	-	-

Notes:

1. Mr. Yuji Harada and Mr. Masaki Yoshino, candidates for Outside Director, satisfy the requirements for independent officers established by the TSE and the Criteria for Independence of Outside Officers established by the Company, and the Company has notified the TSE of the fact that they are independent officers.
2. Although Ms. Naoko Omukai, a candidate for Outside Director to be newly elected, satisfies the requirements for independent officers established by the TSE and the Criteria for Independence of Outside Officers established by the Company, the Company will not notify the TSE of the fact that she is an independent officer in accordance with the policy of the law firm to which the candidate belongs.

1	Kazushiro Yamaguchi	Date of birth: July 23, 1958 Gender: Male	Reelection Corporate Management New Business Sales Legal Financial Affairs
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Career summary, positions, and areas of responsibility	
April 1981	Joined The Dai-Ichi Kangyo Bank, Ltd.
April 1985	Joined the Company
June 1987	Director
June 1989	Managing Director
June 1990	Representative Director and Senior Managing Director
June 1993	Representative Director and Vice President
June 1994	Representative Director and President
June 2001	Representative Director, President & CEO (current position)
Important concurrent positions	
Representative Director, Japan Sopharchim Co., Ltd.	

Number of the Company's shares owned: 108,238 shares
Number of years since assumption of office: 36 years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): 100% (12 of 12 meetings)

Reasons for nomination as a candidate for Director:

Mr. Kazushiro Yamaguchi has been responsible for the management of the Company for a long time as the Representative Director and has a high level of insight into, and a wealth of experience and personal connections in the field of management. Since 2000, he set a unique growth strategy, namely three goals consisting of “generic drugs”, “alkalizers” and “new drug development”, and has successfully conducted corporate restructuring by responding to the expanding generic drug market at that time. Furthermore, he has steadily addressed various managerial issues by making strategic steps in business for continuous growth, such as moving ahead with the expansion of use of DropScreen, which is a kind of allergy screening equipment and testing drug and is a major product of the Diagnostics Department, in order to make the Company a “company that is able to create and continue to create innovation”. The Company nominated him as a candidate for Director because it has determined that he will be able to contribute to the enhancement of the corporate value of the Company group by continuously exercising his strong leadership to achieve a unified management going forward.

2	Masanori Kutsuwada	Date of birth: June 3, 1955 Gender: Male	Reelection Corporate Management Overseas Business Legal Financial Affairs
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Career summary, positions, and areas of responsibility	
April 1978	Joined The Mitsui Bank, Ltd.
April 2006	Joined the Company; General Manager of General Affairs Department
May 2007	Corporate Officer in charge of Regulatory Affairs Department and General Manager of General Affairs Department
June 2009	Director and Corporate Officer in charge of Compliance, Regulatory Affairs Department, and Sales Administration Center and General Manager of General Affairs Department
April 2013	Director and Managing Corporate Officer in charge of Risk

	Management, Compliance, Regulatory Affairs Department, General Affairs Department, and Overseas Business Department
April 2015	Director and Senior Managing Corporate Officer / in charge of Risk Management, Compliance, Regulatory Affairs Department, General Affairs Department, and Overseas Business Department
July 2022	Director and Senior Managing Corporate Officer / in charge of Risk Management, Compliance, Regulatory Affairs Department, General Affairs Department, Human Resources Department, Overseas Business Department, Nippon Chemiphar Group Quality Assurance Management Department, and Reliability Assurance Group (current position)
Important concurrent positions	
Chairman of Nippon Chemiphar Vietnam Co., Ltd.	

Number of the Company's shares owned: 11,113 shares
Number of years since assumption of office: 14 years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): 100% (12 of 12 meetings)

Reasons for nomination as a candidate for Director:

After joining the Company with his experience working at a financial institution, Mr. Masanori Kutsuwada has held important positions at the Company's departments including those related to risk management, compliance, general affairs, human resources, regulatory affairs, overseas business, and quality assurance, and has a wealth of experience and insight related to business and corporate management. Since his assumption of office as Director in June 2009, he has utilized such experience and knowledge and thereby has played a thorough role in the Company group's decision making regarding important matters as well as in the monitoring of its business execution, and also has promoted business expansion overseas, including not only the launch and production expansion of the Vietnam plant but also business development in ASEAN countries and China and market cultivation in the Middle East and Africa. For these reasons, the Company nominated him as a candidate for Director because it has determined that he will be able to continue to contribute to the enhancement of the corporate value of the Company group.

3	Tomio Yamakawa	Date of birth: June 7, 1954 Gender: Male	Reelection Corporate Management New Business Overseas Business Intellectual Property
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Career summary, positions, and areas of responsibility	
April 1979	Joined the Company
October 2006	General Manager of Research Laboratories
May 2007	Corporate Officer and General Manager of Discovery Research Laboratories
June 2012	Director, Corporate Officer and General Manager of Discovery Research Laboratories
April 2017	Director and Managing Corporate Officer in charge of Development Planning Department and General Manager of Discovery Research Laboratories
April 2023	Director and Senior Managing Corporate Officer in charge of Discovery Research Laboratories, Development Planning Department, and Pharmaceutical Technology Development Department (current position)

Number of the Company's shares owned: 8,796 shares
Number of years since assumption of office: 11 years

Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): 100% (12 of 12 meetings)

Reasons for nomination as a candidate for Director:

Mr. Tomio Yamakawa has held important positions at discovery research and pharmaceuticals development departments and has a wealth of operational experience and insight from his time at the Company. Since his assumption of office as Director in June 2012, he has utilized such experience and knowledge and thereby has played a thorough role in the Company group's decision making regarding important matters as well as in the monitoring of its business execution, and also has steadily made progress in the research and development of new drugs and generic drugs, while at the same time working to create drug discovery themes and to increase the speed and efficiency of development by utilizing AI and other new technology. For these reasons, the Company nominated him as a candidate for Director because it has determined that he will be able to continue to contribute to the enhancement of the corporate value of the Company group.

4	Masahide Yasumoto	Date of birth: October 20, 1967 Gender: Male	Reelection Corporate Management New Business Sales Financial Affairs
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Career summary, positions, and areas of responsibility	
April 1991	Joined The Long-Term Credit Bank of Japan, Limited
November 2002	Joined KPMG Healthcare Japan Co., Ltd.
April 2005	Joined the Company
October 2007	General Manager of Comprehensive Planning Department
July 2008	Corporate Officer in charge of Public Relations Department and General Manager of Corporate Strategic Planning Department
June 2012	Director and Corporate Officer in charge of Accounts & Finance Department, IT Department, and Public Relations Department, and General Manager of Corporate Strategic Planning Department
April 2023	Director and Managing Corporate Officer in charge of IT Department, Public Relations Department, and Diagnostics Department and General Manager of Corporate Strategic Planning Department and Healthcare Department (current position)

Number of the Company's shares owned: 5,168 shares
Number of years since assumption of office: 11 years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): 100% (12 of 12 meetings)

Reasons for nomination as a candidate for Director:

After joining the Company with his experience working at a financial institution and a consulting firm related to healthcare business, Mr. Masahide Yasumoto has held important positions at the Company's departments including those related to corporate strategic planning, finance and accounting, public relations, IT system, and diagnostics and has a wealth of experience and insight related to business and corporate management. Since his assumption of office as Director in June 2012, he has utilized such experience and knowledge and thereby has played a thorough role in the Company group's decision making regarding important matters as well as in the monitoring of its business execution, and also has worked to formulate and promote the Company group's management strategy as well as to expand the diagnostics business and improve its performance. For these reasons, the Company nominated him as a candidate for Director because it has determined that he will be able to continue to contribute to the enhancement of the corporate value of the Company group.

5	Koki Hayamizu	Date of birth: October 28, 1962 Gender: Male	New election New Business Overseas Business Intellectual Property
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Career summary, positions, and areas of responsibility	
April 1988	Joined Yamanouchi Pharmaceutical Co., Ltd.
October 2007	Joined Otsuka Pharmaceutical Co., Ltd.
November 2013	Joined Mallinckrodt Japan Co., Ltd.
November 2015	Joined Oncolys BioPharma Inc.
July 2017	Joined the Company
April 2018	General Manager of Development Planning Department
April 2019	Corporate Officer and General Manager of Development Planning Department
April 2021	Corporate Officer in charge of Medical Affairs Department and General Manager of Development Planning Department (current position)

Number of the Company's shares owned: 1,580 shares
Number of years since assumption of office: - years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): -% (- of - meetings)

Reasons for nomination as a candidate for Director:

After joining the Company with his experience working at multiple pharmaceutical companies and mainly being involved in the clinical development and business development of new drugs, Mr. Koki Hayamizu has held important positions at the Company's departments responsible for clinical trials, clinical research, and licensing activities of new drugs and has a wealth of experience and insight related to pharmaceutical development and the licensing business. The Company nominated him as a candidate for Director because it has determined that he will be able to contribute to the enhancement of the corporate value of the Company group by utilizing such experience and knowledge to promote projects for new drugs, including clinical development, in and out licensing, and joint development and alliances with other companies, while at the same time working to advance multifaceted development of alkalizers.

6	Yuji Harada	Date of birth: September 20, 1951 Gender: Male	Reelection Outside Corporate Management Overseas Business Financial Affairs
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Career summary, positions, and areas of responsibility	
April 1974	Joined The Sumitomo Bank, Limited
June 2002	Executive Officer, General Manager, Planning Dept., International Banking Unit of Sumitomo Mitsui Banking Corporation
April 2004	Managing Director, The Japan Research Institute, Limited
June 2007	Director, Senior Managing Executive Officer, The Japan Research Institute, Limited
April 2008	Managing Executive Officer, Mazda Motor Corporation
November 2008	Senior Managing Executive Officer, Mazda Motor Corporation
June 2009	Director, Senior Managing Executive Officer of Mazda Motor Corporation
June 2017	Outside Director, the Company (current position)
June 2018	Full-time Audit and Supervisory Board Member, ARUHI Corporation

Number of the Company's shares owned: 1,311 shares
Number of years since assumption of office: 6 years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): 100% (12 of 12 meetings)

Reasons for nomination as a candidate for Outside Director and outline of expected roles:

Mr. Yuji Harada has long been involved in the management of financial institutions and manufacturing companies, etc. with a wealth of operational experience in overseas business, and based on such experience and knowledge, he has provided advice on management, raised issues and proposed measures for improvement in relation to risks, and otherwise assisted the Company from a practical perspective. The Company has again nominated him as a candidate for Outside Director because it is expected that, he will be able to perform an appropriate role in the monitoring of the Company's management, such as increasing the objectivity of decisions on Directors' compensation as a member of the Compensation Advisory Committee.

7	Masaki Yoshino	Date of birth: April 23, 1960 Gender: Male	Reelection Outside Overseas Business Intellectual Property Legal
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Career summary, positions, and areas of responsibility	
April 1985	Joined the Ministry of Foreign Affairs of Japan
April 1995	Registered as an attorney-at-law (Dai-ichi Tokyo Bar Association) Joined Kajitani Law Offices
April 1996	Joined TMI Associates
January 2002	Registered as an attorney-at-law New York State Bar Association
January 2003	Partner, TMI Associates
October 2004	Joined Takekawa, Oka & Yoshino Law Offices Partner of Takekawa, Oka & Yoshino Law Offices
June 2007	Outside Company Auditor, SHINKAWA LTD.
July 2014	Established Yoshino Law Offices (to date)
June 2019	Outside Director, the Company (current position)
June 2019	Outside Director (Audit and Supervisory Committee Member), SHINKAWA LTD.
September 2019	Outside Director (Audit and Supervisory Committee Member), Pan Pacific International Holdings Corporation
Important concurrent positions	
Attorney-at-law	

Number of the Company's shares owned: 1,012 shares
Number of years since assumption of office: 4 years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): 100% (12 of 12 meetings)

Reasons for nomination as a candidate for Outside Director and outline of expected roles:

Mr. Masaki Yoshino has sophisticated knowledge of corporate legal affairs and other legal practices as an attorney-at-law and also has experience serving as an outside officer at other companies, based on which he raised issues and proposed measures for improvement in relation to risks and otherwise assisted the Company from an objective and expert perspective. The Company has again nominated him as a candidate for Outside Director because it is expected that he will be able to perform an appropriate role in the monitoring of the Company's management, such as increasing the objectivity of decisions on Directors' compensation as a

member of the Compensation Advisory Committee. Although he has never been involved in the management of a company other than serving as an outside officer, the Company has determined that he will be able to perform the duties of an Outside Director appropriately based on the above reasons.

8	Naoko Omukai	Date of birth: December 30, 1974 Gender: Female	New election Outside Overseas Business Intellectual Property Legal
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Career summary, positions, and areas of responsibility	
October 2002	Registered as an attorney-at-law (Tokyo Bar Association) Joined Asahi Koma Law Offices (currently Nishimura & Asahi)
April 2005	Member of the International Committee, Tokyo Bar Association
September 2008	Registered as an attorney-at-law New York State Bar Association
June 2014	Outside Director, Prestige International Inc.
June 2015	Advisory Board Member, Ministry of Economy, Trade and Industry of Japan (Unfair Competition Prevention Law) (current position)
July 2016	Committee Member, Industrial Structure Council, Ministry of Economy, Trade and Industry of Japan (Trademark System Subcommittee of the Intellectual Property Committee) (current position)
July 2016	Vice-Chair, Design/Trademark/Unfair Competition PT of the JFBA Committee on Intellectual Property Rights
July 2018	Director, Japan Trademark Association (part time) (current position)
January 2021	Partner, Nishimura & Asahi (current position)
Important concurrent positions	
Attorney-at-law	
Outside Director, Daido Life Insurance Company (scheduled to assume office on June 23, 2023)	

Number of the Company's shares owned: - shares
Number of years since assumption of office: - years
Attendance at Board of Directors meetings (FY 2022) (percentage and number of times): -% (- of - meetings)

Reasons for nomination as a candidate for Outside Director and outline of expected roles:

Ms. Naoko Omukai has sophisticated knowledge of corporate legal affairs as an attorney-at-law and also has experience serving as an outside officer at other companies. In addition, she has a long track record and experience as an intellectual property expert, having served as a member of councils under the Ministry of Economy, Trade and Industry and has held important positions at expert organizations related to intellectual property. The Company nominated her as a candidate for Outside Director because it is expected that she will utilize this expertise and experience to perform an appropriate role in the monitoring of the Company's management from an objective and expert perspective.

Notes:

- Each of the candidates has no special interest in the Company.
- Mr. Yuji Harada and Mr. Masaki Yoshino, candidates for Outside Director, satisfy the requirements for independent officers established by the TSE and the Criteria for Independence of Outside Officers established by the Company, and the Company has notified the TSE of the fact that they are independent officers. The Company will notify the TSE of the fact that they continue to serve as independent officers if the reelection of Mr. Yuji Harada and Mr. Masaki Yoshino is approved. In addition, the Criteria for

Independence of Outside Officers established by the Company are described in page 14 to page 15.

3. Mr. Yuji Harada, a candidate for Outside Director, resigned as Executive Officer and General Manager of Planning Dept. of International Banking Unit of Sumitomo Mitsui Banking Corporation in April 2004 and as Director and Senior Managing Executive Officer of The Japan Research Institute, Limited in March 2008.
4. Although Ms. Naoko Omukai, a candidate for Outside Director to be newly elected, satisfies the requirements for independent officers established by the TSE and the Criteria for Independence of Outside Officers established by the Company, the Company will not notify the TSE of the fact that she is an independent officer in accordance with the policy of the law firm to which the candidate belongs.
5. In order to invite talented individuals as Outside Directors, it is stipulated in the Company's Articles of Incorporation that the Company may execute an agreement with each Outside Director to limit that person's liability for damages to the Company to a certain extent. Each of Mr. Yuji Harada and Mr. Masaki Yoshino has executed a liability limitation agreement with the Company to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, and if this proposal is approved as proposed, the liability limitation agreements will be continued. In addition, if this proposal is approved as proposed, the Company will execute a liability limitation agreement that is the same as the above with Ms. Naoko Omukai.
An outline of the terms of the agreement is as follows.
 - (i) If an Outside Director assumes any liability for damages to the Company due to failing to perform his/her duties, he/she will be liable for such damages up to the sum of the amounts set out in the items of Article 425, Paragraph 1 of the Companies Act.
 - (ii) The above limitation of liability is only permitted if the Outside Director has acted in good faith without gross negligence when performing the duties that caused the liability.
6. The Company has executed with an insurance company a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act, which is outlined below and under which each Director is an insured. Each of the candidates for Director will become an insured under the insurance agreement if that person is elected as Director. The insurance agreement will be renewed in October 2023.
 - (i) Scope of insured persons
Directors, audit & supervisory board members, and executive officers of the Company and its subsidiaries.
 - (ii) Insurance premiums substantially borne by each insured
The insurance premiums are borne by the Company and each insured will not bear insurance premiums.
 - (iii) Outline of events covered by the insurance
Any damage (legal damages and dispute costs) suffered by a claim for damages resulting from an insured's execution of business or performance of duties will be covered.
 - (iv) Measures taken to prevent appropriateness of the duties of directors and officers, etc., from being impaired.
There is an exemption clause to the effect that liability arising from any willful act of violation of laws and ordinances, offering of illegal personal profits, or any criminal act, etc., by the insured will not be covered.
7. Each of the above numbers of shares indicates the number of shares held as of March 31, 2023 plus the relevant person's share in the officer stock ownership association as of April 30, 2023.

Reference: Directors' Skills Matrix

The Company will elect Directors with extensive experience and a high level of expertise and knowledge in order to actualize the creation of the business value of the Company group and

strive to enhance its corporate governance. Each Director's experience and expertise are indicated below.

Name	Corporate Management	R&D / New Business	Sales / Marketing	Overseas Business / International Experience	Intellectual Property	Legal / Risk Management	Financial Affairs / Accounting / Financing
Kazushiro Yamaguchi	✓	✓	✓			✓	✓
Masanori Kutsuwada	✓			✓		✓	✓
Tomio Yamakawa	✓	✓		✓	✓		
Masahide Yasumoto	✓	✓	✓				✓
Koki Hayamizu		✓		✓	✓		
Yuji Harada	✓			✓			✓
Masaki Yoshino				✓	✓	✓	
Naoko Omukai				✓	✓	✓	

Note: For each Inside Director, that person's knowledge, experience, and abilities cultivated through his/her business background, etc. in the past are indicated with check marks, and for each Outside Director, knowledge, experience, and abilities expected of that person based on his/her expertise and business background, etc. are indicated with check marks. Not all of each Director's knowledge, experience, or abilities are covered by the check marks.

Criteria for Independence as Outside Officers

The Company has established the criteria for independence as outside officers (Outside Directors and Outside Audit & Supervisory Board Members) as described below, and it will be determined that an outside officer is independent from the Company and that conflicts of interest are not likely to arise between the outside officer and general shareholders if the outside officer does not fall under any of the items below as a result of an investigation by the Company to a reasonable extent possible:

- (i) an executive¹ of the Company or any of its subsidiaries (collectively, the “Group”) or the person who has been an executive of the Group in the past ten years (or, if the person was a non-executive director, audit & supervisory board member, or accounting auditor of the Group at any time in the past ten years, then in the period of ten years prior to that person’s assumption of office);
- (ii) a person whose major business partner is the Group² or its executive;
- (iii) a major business partner of the Group³ or its executive;
- (iv) a consultant, accounting expert, or legal expert who receives a large amount of money or other assets⁴ other than officers’ compensation from the Group (if the person who receives such assets is a corporation, partnership, or similar organization, then a person who belongs to the organization);
- (v) a person who belongs to an audit corporation that conducts statutory audits of the Group
- (vi) a person who receives donations or contributions exceeding a certain amount⁵ from the Group (if the person who receives such donations or contributions is a corporation, partnership, or similar organization, then its director or other executive);
- (vii) an executive of a major financial institution⁶ from which the Group borrows money or its parent company or subsidiary;
- (viii) a major shareholder⁷ of the Group, or if the major shareholder is a corporation, then its executive;
- (ix) an executive of a company whose major shareholder is the Group;
- (x) an executive of a company to which a director is seconded from the Group (whether full-time or part-time) or its parent company or subsidiary;
- (xi) a person who has fallen under any of items (ii) through (x) above in the past three years; or
- (xii) an immediate family member⁸ of a person who falls under any of items (i) through (xi) above (limited to those in an important position⁹).

*1 An “executive” means an “executive” provided for in Article 2, Paragraph 3, Item 6 of the Regulations for Enforcement of the Companies Act and includes not only executive directors but also employees.

*2 A “person whose major business partner is the Group” means a business partner group (meaning a corporate group composed of a direct trading partner, its parent company and subsidiaries, and subsidiaries of the parent company; the same applies below) that supplies products or services to the Group with the amount of transactions for the immediately preceding fiscal year exceeding 2% of the annual consolidated sales of that business partner group.

*3 A “major business partner of the Group” means a business partner group to which the Company supplies products or services with the amount of transactions for the immediately preceding fiscal year exceeding 2% of the annual consolidated sales of the Group.

*4 A “large amount of money or other assets” means an amount of money or other financial benefits received by that person for the immediately preceding fiscal year exceeding a total of 10 million yen on an annual basis (or, if the person who receives such assets is a corporation, partnership, or similar organization, an amount of money or other financial benefits that exceeds the greater of either a total of 10 million yen on an annual basis or 2% of the gross income of that organization for the immediately preceding fiscal year).

- *5 “Donations or contributions exceeding a certain amount” means donations or contributions received in the immediately preceding fiscal year that exceed the greater of either a total of 10 million yen on an annual basis or 2% of the gross income of that person for the immediately preceding fiscal year).
- *6 A “major financial institution” means a financial institution the total amount of borrowings from which as of the end of the immediately preceding fiscal year exceeds 2% of the consolidated total assets of the Company.
- *7 A “major shareholder” means a shareholder whose ratio of voting rights held (both directly and indirectly) is 10% or more of all voting rights.
- *8 An “immediate family member” means a spouse and a relative within the second degree.
- *9 A “person in an important position” means a director (excluding outside directors), statutory executive officer (*shikko-yaku*), executive officer, or employee who is in a senior-management position at least equivalent to a division general manager, person who belongs to an audit corporation or accounting firm as a certified accountant, person who belongs to a law firm as an attorney, and person who belongs to an incorporated foundation, incorporated association, incorporated educational institution, or other incorporation as an officer such as a trustee, director, or auditor, or other person who is objectively and reasonably deemed to be in a similarly important position.

End