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(Securities Code 4521)
June 7, 2023

To Our Shareholders:

Hiroyuki Horiuchi
President and Representative Director
KAKEN PHARMACEUTICAL CO., LTD.
28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo, Japan

NOTICE OF CONVOCATION
THE 103rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are hereby informed that the 103rd Ordinary General Meeting of Shareholders of KAKEN PHARMACEUTICAL CO., LTD. (the “Company”) (the “Meeting”) will be held for the purposes as described below.

In convening the Meeting, the Company has taken measures for electronic provision and has posted the matters subject to measures for electronic provision on the following website on the Internet as the Notice of Convocation of the 103rd Ordinary General Meeting of Shareholders (the “Notice”).

<<The Company’s website>>
https://www.kaken.co.jp/english/invest/stock/shareholders_meeting.html

<<Sumitomo Mitsui Trust Bank: The Portal of Shareholders’ Meeting>>
<https://soukai-portal.net> (in Japanese only)
*Please refer to “Information on The Portal of Shareholders’ Meeting” on page 4 of the Japanese original version (in Japanese only).

If you are unable to attend the Meeting, you may exercise your voting rights by either of the following methods. Please review the Reference Documents for the Meeting and exercise your voting rights by 5:30 p.m. on June 28, 2023 (Japan Standard Time).

In addition, the proceedings of the Meeting will be streamed live on the Internet (viewing only) for shareholders. For details, please refer to the enclosed “Information on Live Streaming of the General Meeting of Shareholders” (in Japanese only).

[Exercising voting rights in writing]

Please indicate your approval or disapproval for the proposals on the enclosed Voting Rights Exercise Form and return it to the Company to be received by the deadline above. If there is no indication of approval or disapproval of a proposal, it will be treated as an indication of approval.

[Exercising voting rights via the Internet]

Please refer to “Exercising Voting Rights via the Internet” on pages 3 and 4 of the Japanese original version (in Japanese only) and follow the on-screen instructions to exercise your approval or disapproval for the proposals by the deadline above.

If voting rights are exercised both in writing and via the Internet, the vote submitted via the Internet shall be treated as the valid exercise of voting rights.

If voting rights are exercised via the Internet more than once, the final vote submitted shall be treated as the valid exercise of voting rights.

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. (Japan Standard Time) (reception desk opens at 9:00 a.m.)
- 2. Place:** Bellesalle Jimbocho, 3F meeting room (Sumitomo Realty & Development CHIYODA FIRST BUILDING SOUTH)
2-1, Nishikanda 3-chome, Chiyoda-ku, Tokyo, Japan
*Please be reminded that the Meeting will be held at a different place from last year. We kindly request that you refer to the final page of the Notice, the “Guide Map for the General Meeting of Shareholders” for the location and directions (in Japanese only).
- 3. Meeting Agenda:**
- Matters for Reporting:**
1. Report on Business Operations, Consolidated Financial Statements, and the audit reports by the Independent Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements for the Company’s 103rd Fiscal Year (April 1, 2022 - March 31, 2023)
 2. Non-Consolidated Financial Statements for the Company’s 103rd Fiscal Year (April 1, 2022 - March 31, 2023)
- Matters for Resolution:**
- Proposal No. 1:** Approval for the Appropriation of Surplus
Proposal No. 2: Election of Eight Directors
Proposal No. 3: Election of Two Corporate Auditors
Proposal No. 4: Election of One Substitute Corporate Auditor
Proposal No. 5: Grant of Bonuses to Directors

4. Other Matters with regard to Convocation of the Meeting:

- (1) The materials for the Meeting of that were sent to shareholders exclude the following items from the matters subject to measures for electronic provision, pursuant to the provisions of the relevant laws and regulations and Article 20 of the Company’s Articles of Incorporation. Accordingly, the materials are a part of the documents audited by the Corporate Auditors and the Independent Auditor in preparing the audit reports. Please note that these materials will be sent uniformly regardless of whether or not a request for delivery of the documents has been made.
 [Report on Business Operations] “Principal business,” “Major offices and plants,” “Status of employees,” “Principal lenders and amount of borrowings,” “Other important matters regarding the current status of the group (the corporate group)” from Matters regarding the current status of the group (the corporate group); Matters regarding the Company’s share acquisition rights, etc.; “Outline of the contents of liability limitation agreements,” “Outline of the contents of directors and officers liability insurance contract,” “Matters regarding outside officers” from Matters regarding company officers; Status of Independent Auditors; Systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, other systems to ensure the properness of operations, and the status of operation of the systems; Basic policy regarding persons who control the decisions on the Company’s financial and business policies; and Policy on determination of the dividends of surplus
 [Consolidated Financial Statements] Consolidated Statements of Changes in Net Assets, Notes to Consolidated Financial Statements
 [Non-Consolidated Financial Statements] Non-Consolidated Balance Sheets, Non-Consolidated Statements of Income, Non-Consolidated Statements of Changes in Net Assets, Notes to Non-Consolidated Financial Statements
 [Audit Reports] Independent Auditor’s Audit Report on the Consolidated Financial Statements, Independent Auditor’s Audit Report on the Non-Consolidated Financial Statements, Audit Report of the Board of Corporate Auditors
- (2) As to exercising your voting right by proxy, it can only be entrusted to one shareholder of the Company who also holds a voting right. In this case, a written proof of proxy must be submitted to the Company.

Notes: 1. If you attend the Meeting, please present the enclosed Voting Right Exercise Form at the reception desk at the Meeting.

2. Should the matters subject to measures for electronic provision require revisions, the contents of amendments to such matters will be posted on the respective websites where such matters are provided.

Reference Documents for the Meeting

Proposals and References

Proposal No. 1: Approval for the Appropriation of Surplus

Considering the financial results, future business development, and other factors, the Company proposes to pay the following as the year-end dividend for the fiscal year 2022:

(1) Form of dividends

Cash

(2) Allocation of dividends to shareholders and total amount of allocation

¥75 per common share

Total amount of ¥2,812,976,250

Since the Company has paid the interim dividend of ¥75 per share, the annual dividend for the fiscal year under review will be ¥150 per share.

(3) Effective date of distribution of surplus for dividends

June 30, 2023

Proposal No. 2: Election of Eight Directors

Since the Articles of Incorporation of the Company stipulates that the term of office of Director should be one year, the term of all eight Directors of the Company will expire at the closing of the Meeting.

Accordingly, the Company proposes the election of eight Directors (including three Outside Directors). The candidates for Director were determined by the Board of Directors upon deliberation by the Nomination and Compensation Committee, the majority of whose members are Outside Directors.

The candidates for Director are as follows:

No.	Name			Positions and Responsibilities at the Company	Attendance at the Board of Directors' Meetings
1	Male	Hiroyuki Horiuchi	Reappointment	President and Representative Director	100% (16/16 meetings)
2	Male	Masahiro Matsuura	Reappointment	Director, in charge of Marketing & Sales Division, and Business Development Department	100% (16/16 meetings)
3	Male	Minoru Ohta	Reappointment	Director, in charge of Accounting & Finance Department, Agrochemicals & Animal Health Products Division, Information System Department, and Purchasing Department	100% (16/16 meetings)
4	Male	Masashi Suzudo	Reappointment	Director, in charge of Production Division, Corporate Planning & Coordination Department, and Secretary Department	100% (16/16 meetings)
5	Male	Mitsuru Watanuki	New Candidate	Corporate Officer Chief Officer, R&D Division	-
6	Female	Kiyoko Kamibeppu	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)
7	Male	Shoichiro Takagi	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)
8	Male	Yasutomo Inoue	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions	Number of Shares of the Company Held	
1	Hiroyuki Horiuchi (March 21, 1962) Male Reappointment	April 1984 October 2010 April 2014 July 2015 April 2016 June 2016 April 2017 June 2018 June 2020 June 2021	Joined the Company General Manager, Hiroshima Branch General Manager, Osaka Branch Corporate Officer, General Manager, Osaka Branch Corporate Officer, General Manager, Marketing & Sales Department Director, General Manager, Marketing & Sales Department Director, Chief Officer, Marketing & Sales Division Managing Director, Chief Officer, Marketing & Sales Division President and Representative Director Chief Officer, Marketing & Sales Division President and Representative Director (to present)	6,700 shares
		<p>[Reasons for selection as candidate for Director] Mr. Hiroyuki Horiuchi has extensive experience in marketing sections, and has demonstrated achievements as an executive after appointment as President and Representative Director of the Company in 2020. Thus, the Company has determined Mr. Horiuchi to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</p>		
2	Masahiro Matsuura (August 19, 1969) Male Reappointment	April 1994 April 2016 July 2018 April 2020 June 2020 June 2021 June 2022	Joined the Company General Manager, Corporate Planning & Coordination Department Corporate Officer, General Manager, Corporate Planning & Coordination Department Corporate Officer (in charge of Business Development Department) Director (in charge of Business Development Department and Special Assignments) Director (in charge of Marketing & Sales Division, Business Development Department and Special Assignments) Director (in charge of Marketing & Sales Division and Business Development Department) (to present)	4,500 shares
		<p>[Reasons for selection as candidate for Director] Mr. Masahiro Matsuura has extensive experience in marketing sections, and has demonstrated achievements in corporate governance and management strategy after appointment as General Manager of Corporate Planning & Coordination Department in 2016. In addition, he has engaged in the in- and out-licensing of pharmaceutical products after assuming the post of Director in 2020. Thus, the Company has determined Mr. Matsuura to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</p>		

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions	Number of Shares of the Company Held
3	Minoru Ohta (December 19, 1958) Male Reappointment	April 1982 Joined The Norinchukin Bank June 2007 General Manager, Nagoya Branch, The Norinchukin Bank July 2009 General Manager, JA Bank System Management Division, The Norinchukin Bank June 2010 Representative Director and President, Kyodo Housing Loan Co., Ltd. June 2012 Managing Director, The Norinchukin Bank June 2014 Advisor, Norinchukin Research Institute Co., Ltd. August 2014 Managing Director, Central Union of Agricultural Cooperatives August 2017 Representative Director and President, Nochu Business Support Co., Ltd. June 2020 Resigned from Representative Director and President, Nochu Business Support Co., Ltd. June 2020 Director of the Company (in charge of Accounting & Finance Department and Agrochemicals & Animal Health Products Division) June 2021 Director (in charge of Accounting & Finance Department, Agrochemicals & Animal Health Products Division and Information System Department) April 2023 Director (in charge of Accounting & Finance Department, Agrochemicals & Animal Health Products Division, Information System Department and Purchasing Department) (to present)	1,500 shares
		[Reasons for selection as candidate for Director] Mr. Minoru Ohta has extensive corporate experience serving at financial institutions. The Company believes that Mr. Ohta will contribute to the Company by providing his insight fostered in his previous career to business execution of the Company, and thus the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.	
4	Masashi Suzudo (August 12, 1962) Male Reappointment	April 1985 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) September 2009 President, ZAO Mizuho Corporate Bank (Moscow) April 2014 General Manager, Global Career Management Division, Mizuho Financial Group, Inc. April 2016 Joined the Company April 2018 General Manager, General Affairs Department July 2019 Corporate Officer, General Manager, General Affairs Department April 2020 Corporate Officer, General Manager, Corporate Planning & Coordination Department June 2021 Director (in charge of Production Division and Corporate Planning & Coordination Department) General Manager, Corporate Planning & Coordination Department April 2023 Director (in charge of Production Division, Corporate Planning & Coordination Department and Secretary Department) (to present)	2,500 shares
		[Reasons for selection as candidate for Director] With extensive experience and knowledge acquired through international operations at financial institutions, Mr. Masashi Suzudo has served as General Manager of General Affairs Department and then as General Manager of Corporate Planning & Coordination Department after joining the Company. He also has abundant insight and achievements in IR, management strategy, and corporate governance. Thus, the Company has determined Mr. Suzudo to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.	

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
5	Mitsuru Watanuki (September 4, 1964) Male New Candidate	April 1989 April 2015 April 2017 April 2020 July 2021 July 2022	Joined the Company General Manager, Clinical Development Department General Manager, R&D Planning & Project Management Department Deputy Chief Officer, R&D Division Chief Officer, R&D Division Corporate Officer, Chief Officer, R&D Division (to present)	1,800 shares
	[Reasons for selection as candidate for Director] Mr. Mitsuru Watanuki has extensive experience in R&D sections, and has served as General Manager of the Clinical Development Department, General Manager of the R&D Planning & Project Management Department, and Chief Officer of the R&D Division. He also has broad knowledge and insight into the group's R&D-related businesses based on his achievements in product development. Thus, the Company has determined Mr. Watanuki to be suitable to serve as Director of the Company and selected him as a candidate for Director.			
6	Kiyoko Kamibeppu (April 12, 1955) Female Reappointment Outside Director Independent Director	April 2001 April 2002 December 2012 June 2019 May 2020 March 2021 April 2022	Assistant Professor, Nihonbashi Gakkan University (currently Kaichi International University) Assistant Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo Director of the Company (to present) President, QOL Research Center for Children and Family (to present) Resigned from Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo Professor, Division of Health Sciences, Graduate School of Health and Welfare Sciences, International University of Health and Welfare (to present)	400 shares
	[Significant concurrent positions] President, QOL Research Center for Children and Family Professor, Division of Health Sciences, Graduate School of Health and Welfare Sciences, International University of Health and Welfare			
[Reasons for selection as candidate for Outside Director and an overview of expected roles] Ms. Kiyoko Kamibeppu has extensive professional expertise and an insight based on experience as a Doctor of Health Science and a Professor of Graduate School. The Company believes that Ms. Kamibeppu will contribute to the Company by providing advice for the medium- to long-term growth of Company based on her specialized knowledge as a Professor of Graduate School and serving as a supervisor of business execution as an independent director, and thus, the Company has selected her again as a candidate for Outside Director.				

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions	Number of Shares of the Company Held
7	Shoichiro Takagi (January 13, 1961) Male Reappointment Outside Director Independent Director	April 1983 Joined the Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.) November 2002 Representative Director and President, Ipingshang Foods Corporation March 2007 Representative Director and President, Saint-Germain Co., Ltd. June 2011 Member of the Board, Director, Deputy Leader of Pharmaceutical Marketing & Promotion Group, TORII PHARMACEUTICAL CO., LTD. June 2013 Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD. March 2019 Resigned from Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD. March 2019 Part-time Advisor, Pharmaceutical Business, Japan Tobacco Inc. December 2019 Retired from Japan Tobacco Inc. June 2020 Director of the Company (to present)	300 shares
[Reasons for selection as candidate for Outside Director and an overview of expected roles] Mr. Shoichiro Takagi has experience, achievements, and insight from corporate management at several companies including the pharmaceutical industry. The Company believes that Mr. Takagi will contribute to the Company by providing advice for the medium- to long-term growth of Company based on his knowledge fostered as a corporate management and serving as a supervisor of business execution as an independent director, and thus, the Company has selected him again as a candidate for Outside Director.			
8	Yasutomo Inoue (July 14, 1960) Male Reappointment Outside Director Independent Director	April 1999 Registered as attorney at law April 1999 Joined Takahashi Sogo Law Office October 2011 Established Nagahama, Mizuno & Inoue Partner, Nagahama, Mizuno & Inoue (to present) June 2012 Dispute Resolution Committee Member, the General Insurance Association of Japan (to present) September 2015 Outside Auditor, Synchro Food Co., Ltd. (to present) June 2021 Director of the Company (to present) [Significant concurrent positions] Partner, Nagahama, Mizuno & Inoue Outside Auditor, Synchro Food Co., Ltd. Dispute Resolution Committee Member, the General Insurance Association of Japan	0 shares
[Reasons for selection as candidate for Outside Director and an overview of expected roles] As an attorney at law, Mr. Yasutomo Inoue has experience and professional expertise acquired through corporate legal work. The Company believes that Mr. Inoue will contribute to the Company by providing advice for the medium- to long-term growth of Company based on his knowledge as an attorney and serving as a supervisor of business execution as an independent director, and thus, the Company has selected him again as a candidate for Outside Director.			

- (Notes) 1. There is no special interest between the Company and any of the above candidates for Director.
2. Ms. Kiyoko Kamibeppu, Mr. Shoichiro Takagi and Mr. Yasutomo Inoue are candidates for Outside Directors.
 3. Ms. Kiyoko Kamibeppu, Mr. Shoichiro Takagi and Mr. Yasutomo Inoue have been designated as Independent Directors/Corporate Auditors by the Company under the provisions of Tokyo Stock Exchange, and the notification was submitted to Tokyo Stock Exchange. If their reappointment is approved, the Company will continue to have them serve as Independent Directors/Corporate Auditors.
 4. Although Ms. Kiyoko Kamibeppu does not have any experience in getting directly involved in corporate management before assuming the office of Director of the Company, the Company considers that she can properly carry out her duties as Outside Director due to her extensive professional expertise and an insight based on her experience as a Doctor of Health Science and a Professor of Graduate School. Ms. Kiyoko Kamibeppu's term as Outside Director of the Company will be four years at the closing of the Meeting. Ms. Kiyoko Kamibeppu serves as a Professor of Health Sciences, Graduate School of Health and Welfare Sciences at International University of Health and Welfare, to which the Company group makes donations. This donation is not provided to individual professors or her affiliated division, Health Sciences, Graduate School of Health and Welfare Sciences at International University of Health and Welfare. In addition, the donation amount is less than 0.1% of the annual total income of the university in the latest fiscal year, and is less than ¥10 million throughout the year, and in light of its amount and nature, the Company considers there is no risk of conflicts of interest with the general shareholders.
There is no business transaction between QOL Research Center for Children and Family and the Company, no donation has been made to QOL Research Center for Children and Family by the Company.
 5. Mr. Shoichiro Takagi's term as Outside Director of the Company will be three years at the closing of the Meeting.
 6. Although Mr. Yasutomo Inoue does not have any experience in corporate management other than as an outside officer, the Company considers that he can properly carry out his duties as Outside Director due to his experience and professional expertise through corporate legal work as an attorney at law. Mr. Yasutomo Inoue's term as Outside Director of the Company will be two years at the closing of the Meeting.
There are no advisory agreements between Nagahama, Mizuno & Inoue and the Company. There are no business transactions between Synchro Food Co., Ltd., or the General Insurance Association of Japan and the Company.
 7. TORII PHARMACEUTICAL CO., LTD., where Mr. Shoichiro Takagi served as Representative Director, President and Chief Executive Officer until March 2019, was subject to a cease and desist order and a surcharge payment order under the Antimonopoly Act from the Japan Fair Trade Commission in March 2020 for the sale of the "Calvan Tablets" conducted during his tenure.
 8. The Company has agreements with Ms. Kiyoko Kamibeppu, Mr. Shoichiro Takagi and Mr. Yasutomo Inoue to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations. If Ms. Kiyoko Kamibeppu, Mr. Shoichiro Takagi and Mr. Yasutomo Inoue are reappointed at the Meeting, the Company will continue the said agreements with them.
 9. Mr. Yasutomo Inoue, a candidate for Director, holds equity interest equivalent to 51 shares of the Company in the Officer Shareholding Association.
 10. The Company has entered into a directors and officers liability insurance contract with an insurance company that insures Directors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Directors as a result of execution of their duties and assuming liability for such execution duties. Each candidate, if elected, will be included as the insured under the insurance contract. The Company plans to renew the contract with the same terms and condition at the time of the next renewal.

Proposal No. 3: Election of Two Corporate Auditors

At the closing of the Meeting, Corporate Auditor Hirotochi Endo's term will expire, and Corporate Auditor Naomi Doi will resign.

The Company proposes the election of two Corporate Auditors.

The Board of Corporate Auditors has already given its approval to this proposal.

The candidates for Corporate Auditor are as follows:

No.	Name (Date of Birth)	Career Summary, Present Position, and Significant Concurrent Positions		Number of Shares of the Company Held
1	Naoyuki Ishida (October 18, 1964) Male New Candidate	April 1993 April 2013 April 2016 July 2018 April 2023	Joined the Company Manager, Marketing Planning & Coordination Department General Manager, Human Resources Department Corporate Officer, General Manager, Human Resources Department Corporate Officer (to present)	3,600 shares
[Reasons for selection as candidate for Corporate Auditor] Mr. Naoyuki Ishida has broad knowledge and insight regarding the group's business based on his extensive experience and achievements in marketing sections and Human Resources Department. Thus, the Company has determined Mr. Ishida to be suitable to serve as Corporate Auditor of the Company and selected him as a candidate for Corporate Auditor.				
2	Masahiro Koyama (August 18, 1961) Male New Candidate Outside Corporate Auditor Independent Corporate Auditor	April 1984 April 2009 April 2013 April 2015 April 2016 April 2017 April 2019 April 2022	Joined The Yasuda Mutual Life Insurance Company (currently Meiji Yasuda Life Insurance Company) General Manager, Morioka Regional Office, Meiji Yasuda Life Insurance Company General Manager, Utsunomiya Regional Office, Meiji Yasuda Life Insurance Company Associate Officer, General Manager, Utsunomiya Regional Office, Meiji Yasuda Life Insurance Company Associate Officer, General Manager, Agency Department, Meiji Yasuda Life Insurance Company Operating Officer, General Manager, Agency Department, Meiji Yasuda Life Insurance Company Managing Operating Officer, Deputy Chief Executive, Corporate Marketing Division, Meiji Yasuda Life Insurance Company Chairman of the Board, Meiji Yasuda Business Plus Co., Ltd. (to present)	0 shares
[Significant concurrent positions] Chairman of the Board, Meiji Yasuda Business Plus Co., Ltd.				
[Reasons for selection as candidate for Outside Corporate Auditor] Mr. Masahiro Koyama has extensive experience in the financial industry, achievements as an executive, and the insight he has cultivated through his experience. Thus, the Company has determined that Mr. Koyama would be able to reflect these factors in the Company's audits and selected him as a candidate for Outside Corporate Auditor.				

- (Notes)
- There is no special interest between the Company and any of the above candidates for Corporate Auditor.
 - Mr. Masahiro Koyama is a candidate for Outside Corporate Auditor.
 - Mr. Masahiro Koyama will be designated as Independent Directors/Corporate Auditors by the Company under the provisions of Tokyo Stock Exchange, and the notification will be submitted to Tokyo Stock Exchange.
 - If the election of Mr. Masahiro Koyama is approved, the Company will enter into an agreement with him 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 said Act, to the minimum amount provided by laws and regulations.
 - The Company has entered into a directors and officers liability insurance contract with an insurance company that insures Corporate Auditors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Corporate Auditors as a result of execution of their duties and assuming liability for such execution duties. Each candidate, if elected, will be included as the insured under the insurance contract. The Company plans to renew the contract with the same terms and condition at the time of the next renewal.

[Reference] Expertise, etc., of Directors and Corporate Auditors at the closing of the Meeting (Skill Matrix)

Name	Position	Corporate management	Life science (R&D)	Accounting / Finance	Legal affairs/ Compliance/ Risk management	Sales / Marketing	Global experience	Human resources / Human resources development
Hiroyuki Horiuchi	President and Representative Director	●			●	●		
Masahiro Matsuura	Director				●	●		
Minoru Ohta	Director	●		●				
Masashi Suzudo	Director			●	●		●	●
Mitsuru Watanuki	Director		●					
Kiyoko Kamibeppu	Outside Director		● (Healthcare)					
Shoichiro Takagi	Outside Director	●		●	●	●		
Yasutomo Inoue	Outside Director				● (Attorney at law)			
Kazumori Ishiguro	Standing Corporate Auditor				●	●		
Naoyuki Ishida	Standing Corporate Auditor				●	●		●
Hiroaki Matsumoto	Outside Corporate Auditor			● (Certified tax accountant)				
Masahiro Koyama	Outside Corporate Auditor	●			●			●

(Note) The table above represents the areas in which each candidate demonstrates their primary expertise based on their experience, etc., and does not show all of the knowledge possessed by them.

Proposal No. 4: Election of One Substitute Corporate Auditor

The effect of election of the current Substitute Corporate Auditor shall expire at the beginning of the Meeting. The Company proposes the election of one Substitute Corporate Auditor in case of a shortfall in the number of Corporate Auditors prescribed by laws and regulations.

The Company will, only before the election, be able to cancel the election by the approval of the Board of Corporate Auditors and the resolution of the Board of Directors.

The Board of Corporate Auditors has already given its approval to this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of Birth)	Career Summary and Significant Concurrent Positions	Number of Shares of the Company Held
<p>Makiko Kumagai (November 24, 1971)</p> <p>Female</p> <p>Outside Corporate Auditor</p> <p>Independent Corporate Auditor</p>	<p>October 1996 Joined Asahi Audit Corp. (currently KPMG AZSA LLC)</p> <p>April 2000 Registered as certified public accountant</p> <p>August 2000 Registered as certified tax accountant</p> <p> Established Makiko Kumagai Certified Tax Accountant Office (to present)</p> <p>January 2002 Established Kumagai Certified Public Accountant Office (to present)</p> <p>[Significant concurrent positions]</p> <p>Certified tax accountant, Makiko Kumagai Certified Tax Accountant Office</p> <p>Certified public accountant, Kumagai Certified Public Accountant Office</p>	<p>0 shares</p>
<p>[Reasons for selection as candidate for Substitute Outside Corporate Auditor]</p> <p>In addition to her experience at a major audit firm, Ms. Makiko Kumagai has expertise and insight in corporate management as a certified public accountant and tax accountant. The Company believes that Ms. Kumagai will contribute to the Company by bringing her expertise to the audit system, and thus, the Company has selected her as a candidate for Substitute Outside Corporate Auditor.</p>		

- (Notes)
1. There is no special interest between the Company and the above candidate for Substitute Corporate Auditor.
 2. Ms. Makiko Kumagai is a candidate for Substitute Outside Corporate Auditor.
 3. With regards to Ms. Makiko Kumagai, the Company uses her professional name in this Notice of Convocation, while her name on the family register is Ms. Makiko Kunugi.
 4. If Ms. Makiko Kumagai, the candidate for Substitute Outside Corporate Auditor, assumes the office of Corporate Auditor, the Company will designate her as an Independent Director/Corporate Auditor under the provisions of Tokyo Stock Exchange and submit the notification to Tokyo Stock Exchange.
 5. In addition to her experience at a major audit firm, Ms. Makiko Kumagai has expertise and insight in corporate management as a certified public accountant and tax accountant. The Company believes that Ms. Kumagai will contribute to the Company by bringing her expertise to the audit system, and thus, the Company has selected her as a candidate for Substitute Outside Corporate Auditor. Although Ms. Makiko Kumagai does not have any experience in getting directly involved in corporate management, the Company considers that she can properly carry out her duties as Outside Corporate Auditor due to the above reasons. There are no advisory agreements between Makiko Kumagai Certified Tax Accountant Office and Kumagai Certified Public Accountant Office and the Company.
 6. Upon Ms. Makiko Kumagai's assumption of office as Outside Corporate Auditor, the Company will enter into an agreement with her to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations.
 7. The Company has entered into a directors and officers liability insurance contract with an insurance company that insures Corporate Auditors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers damages which may be incurred by Corporate Auditors as a result of execution of their duties and assuming liability for such execution duties. If Ms. Makiko Kumagai assumes office, she will be included as the insured under the insurance contract.

Proposal No. 5: Grant of Bonuses to Directors

The Company proposes that, based on bonuses given in previous years and the Company's performance during this fiscal year, bonuses amounting to the total of ¥23,800,000 be paid to the five Directors (excluding Outside Directors) who were in office as Directors as of the end of the fiscal year under review. The bonuses to Directors (excluding Outside Directors) will be based on key performance indicators (KPIs), and such compensation will be made in cash. This is in an attempt to enhance Directors desires for better business performance in each fiscal year. The Company plans to calculate the amount of bonus by comparing consolidated operating profit and the consolidated profit of the fiscal year with those of the previous fiscal year. The Company believes this calculation method to be appropriate.

This Proposal was approved by the Board of Directors after the review by the Nomination and Compensation Committee. The majority of the members of the Nomination and Compensation Committee are Outside Directors.

The Company also proposes that the bonus amount to each Director be decided at the Board of Directors meeting.